Partners in success
Chartered Accountants

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Independent auditor's report to the members of Loddon Mallee Housing Services Limited t/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 Limited t/as Haven; Home, Safe 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 2020 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
Loddon Mallee Housing Services Limited t/as Haven; Home, Safe's (the company) financial report comprises the:

- ✓ Statement of financial position as at 30 June 2020
- ✓ Statement of profit or loss and other comprehensive income for the year then ended
- ✓ Statement of changes in equity for the year then ended
- ✓ Statement of cash flows for the year then ended
- ✓ 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.

Material estimation uncertainty
Without modifying our opinion, we draw attention to Note 9(a) and Note 25 in the financial report, which indicates there is material estimation uncertainty due to the COVID-19 pandemic that was declared in March 2020. Actual economic events and conditions in the future may be materially different from those estimated by Loddon Mallee Housing Services Limited t/as Haven; Home, Safe at the reporting date.

Other information
The company may prepare an annual report that may include the financial statements, director's report and declaration and our audit report (the financial report). The annual report may also include "other information" on the entity's operations and financial results and financial position as set out in the financial report, typically in a Chairperson's report and reports covering governance and other matters.

The directors are responsible for the other information. An annual report has not been made available to us as of the date of this auditor's report.

Our opinion on the financial report does not cover the other information and accordingly we will not express any form of assurance conclusion thereon.
Our responsibility is to read the other information identified above when it becomes available 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 we identify that a material inconsistency appears to exist when we read the annual report (or become aware that the other information appears to be materially misstated), we will discuss the matter with the directors and where we believe that a material misstatement of the other information exists, we will request management to correct the other information.

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.

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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 1st day of October 2020

Brad Ead
Lead Auditor

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 2020

	Note	2020 $	2019 $
REVENUES FROM OPERATING ACTIVITIES			
Operating grants		15,811,897	13,244,666
Capital grants		3,637,333	3,928,980
Rent		17,554,810	14,576,495
Fair value gain/(loss) on investment properties		(1,404,686)	2,610,529
Other income		5,739,992	8,335,435
TOTAL REVENUES FROM OPERATING ACTIVITIES	2	41,339,346	42,696,105
EXPENSES FROM OPERATING ACTIVITIES			
Employee salaries, benefits and on-costs		14,907,236	11,887,665
Travel and training		442,471	368,821
Office costs		454,679	548,588
Vehicle costs		280,991	239,572
Communication costs		236,214	117,810
Administration		2,166,113	1,736,032
Insurance		683,957	536,135
Client costs		4,836,774	4,072,419
Property costs		7,278,523	5,028,892
Rent to owners		4,495,952	3,685,720
Depreciation and amortisation		1,405,920	1,000,706
Interest		1,580,234	1,948,216
TOTAL EXPENSES FROM OPERATING ACTIVITIES		38,769,064	31,170,576
NET RESULT FOR THE YEAR	3	**2,570,282**	**11,525,529**
Other comprehensive income			
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS			
Net gain/(loss) on effective part of cash flow hedge		112,594	(458,565)
Merger equity contribution		8,481,771	-
Other comprehensive income for the year		8,594,365	(458,565)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**11,164,647**	**11,066,964**

The accompanying notes form part of these financial statements.

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 2020

	Note	2020 $	2019 $
CURRENT ASSETS			
Cash and cash equivalents	5	12,353,738	9,256,566
Tax assets	12	399,212	-
Receivables	6	4,518,795	5,169,855
TOTAL CURRENT ASSETS		17,271,745	14,426,421
NON-CURRENT ASSETS			
Property, plant and equipment	8	9,525,675	10,352,905
Investment property	9	323,759,462	301,263,878
Right of use assets	10	4,063,686	-
Other assets	10	668,597	831,851
TOTAL NON-CURRENT ASSETS		338,017,420	312,448,634
TOTAL ASSETS		355,289,165	326,875,055
CURRENT LIABILITIES			
Accounts payable	11	1,994,159	1,050,658
Tax liability	12	-	1,674,113
Employee benefits	13	1,717,715	1,566,785
Interest bearing liabilities	15	-	24,882
Interest rate swap - cashflow hedge	7	-	531,231
Lease liabilities	14	274,840	-
Other	14	4,698,962	5,490,323
TOTAL CURRENT LIABILITIES		8,685,676	10,337,992
NON-CURRENT LIABILITIES			
Employee benefits	13	569,540	201,067
Interest bearing liabilities	15	65,000,000	48,384,376
Interest rate swap - cashflow hedge	7	-	212,738
Lease liabilities	14	3,864,231	-
TOTAL NON-CURRENT LIABILITIES		69,433,771	48,798,181
TOTAL LIABILITIES		78,119,447	59,136,173
NET ASSETS		**277,169,718**	**267,738,882**
EQUITY			
Accumulated surplus		277,169,718	267,738,882
TOTAL EQUITY		**277,169,718**	**267,738,882**

The accompanying notes form part of these financial statements.

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 2020

2020	Accumulated Surplus $	Total $
Balance at beginning of the financial year	267,738,882	267,738,882
Cumulative impact of adoption of AASB 15 / AASB 1058	(1,733,811)	(1,733,811)
Balance at beginning of the financial year (restated)	266,005,071	266,005,071
Total comprehensive income for the year	11,164,647	11,164,647
Balance at end of the financial year	**277,169,718**	**277,169,718**

2019	Accumulated Surplus $	Total $
Balance at beginning of the financial year	256,671,918	256,671,918
Total comprehensive income for the year	11,066,964	11,066,964
Balance at end of the financial year	**267,738,882**	**267,738,882**

The accompanying notes form part of these financial statements.

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 2020

	Note	2020	2019
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Grants received		18,517,359	20,597,928
Other income		23,615,949	29,408,960
Payments to suppliers and employees		(38,036,717)	(29,870,366)
Amounts received from Australian Tax Office - GST		1,348,838	126,479
Interest received		121,762	177,363
Interest paid		(1,519,866)	(1,951,667)
Interest payments on lease liabilities		(85,250)	-
Net cash provided by operating activities	16	3,962,075	18,488,697
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		62,621	167,689
Purchase of property, plant and equipment		(1,002,037)	(2,553,463)
Proceeds from sale of investment properties		2,433,552	2,446,285
Purchase of investment properties		(18,605,040)	(4,947,396)
Merger acquisition, net cash acquired		493,019	-
Net cash used in investing activities		(16,617,885)	(4,886,885)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds received from/(payments for) borrowings		16,615,624	(10,231,858)
Payment of cashflow hedge		(631,375)	-
Lease liability repayments		(231,267)	-
Net cash provided/used in financing activities		15,752,982	(10,231,858)
Net increase in cash held		3,097,172	3,369,954
Cash and cash equivalents at beginning of financial year		9,256,566	5,886,612
Cash and cash equivalents at end of year	5	**12,353,738**	**9,256,566**

The accompanying notes form part of these financial statements.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

Loddon Mallee Housing Services Ltd 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, except for the cash flow information, 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.

Loddon Mallee Housing Services Ltd entered into a merger deed with Active Community Housing Limited effective 1 July 2019. On this date, all of the assets and liabilities, equity and income and expenditure of Active Community Housing Limited transferred to Loddon Mallee Housing Services Ltd.

At 30 June 2020 Active Community Housing Limited was not wound up, however the Loddon Mallee Housing Services Ltd financial report was not prepared on a consolidated basis, as Active Community Housing Limited was dormant from the date of transfer, being 1 July 2019, to the reporting date, being 30 June 2020 and therefore there is no impact on the financial report.

The financial statements were authorised for issue on 8 October 2020 by the directors of the entity.

(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.

Freehold Property

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) based on periodic valuations, less subsequent depreciation for buildings. Municipal rate assessments are reviewed annually to assess the fair value of these assets and this information is supplemented by external independent valuations obtained periodically. In periods where the freehold property is not subject to an independent valuation, the directors conduct directors' valuations to ensure that the carrying amount for the land and buildings is not materially different to the fair value.

Where the property has been 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 recognised in other comprehensive income and accumulated in equity. Revaluation decreases that offset previous increases of the same asset shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

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.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than 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.

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 :

Class of Fixed Asset	*Depreciation Rate*
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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(c) Employee benefits

Short-term employee benefits
Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, annual leave and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligation for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the Statement of Financial Position.

Other long-term employee benefits
The company classifies employee's long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wages and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality government bonds that have maturity dates the approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligation for long-term employee benefits are presented as non-current liabilities in the Statement of Financial Position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

(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 180 days to maturity.

(e) Comparative figures

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

(f) Revenue recognition

Rent
Rental income derived from properties managed or owned by, Loddon Mallee Housing Services Ltd 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.

Grants and donations
The Company has applied AASB 15: *Revenue from Contracts with Customers* (AASB 15) and AASB 1058: *Income of Not-for-Profit Entities* (AASB 1058) using the modified retrospective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019.

Therefore, the comparative information has not been restated and continues to be presented under AASB 118: *Revenue* and AASB 1004: *Contributions*.
The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058, and the impact of those changes is disclosed in Note 1(k).

In the current reporting period

When the Company receives grant revenue or donations, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Company:

- identifies each performance obligation relating to the grant
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the time of which services are rendered.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Company:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Company recognises income in profit or loss when or as it satisfies its obligations under the contract.

Payment of grants and donations are typically due either at the inception of the contract, or as and when applicable payment milestones are satisfied, which may occur over the term of the contract. Such contracts do not typically contain a significant financing component. Where such contracts contain variable consideration, the recognition of such consideration is constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur.

The Company's grant funding agreements typically contain sufficiently specific performance obligations. This means that under AASB 15 such funds are recognised as revenue when or as it satisfies its obligations under the contract. Where necessary, The Company will seek to work closely with funding bodies to ensure future funding agreements contain obligations that have sufficient specificity to enable deferral and recognition of revenue to depict the transfer of goods/services to customers under AASB 15.

In the comparative reporting period

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 a contract liability for the subsequent period and disclosed at Note 14 as a current liability.

Interest income
Interest income is recognised using the effective interest method.

(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) Provisions
Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(i) Fair value of Assets and Liabilities
The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.
"Fair value" is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie: unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.
As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. To the extent possible, market information is extracted from the principal market for the asset or liability (i.e: the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its higher and best use or to sell it to another market participant that would use the asset in its highest or best use.

The fair value of liabilities and the entity's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(j) 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 the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) 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. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Classification And Subsequent Measurement
Financial liabilities

Financial liabilities are subsequently measured at:
- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:
- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combination* applies;
- held for trading; or
- initially designated as fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:
- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:
- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:
- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:
- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The entity initially designates a financial instrument as measured at fair value through profit or loss if:
- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the Statement of Financial Position.

Derecognition of financial instruments

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:
- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (i.e. has no practical ability to make the unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

The entity recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income.

Loss allowance is not recognised for financial assets measured at fair value through profit or loss.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity uses the simplified approach, as applicable under AASB 9. The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. The approach is applicable to trade receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience etc).

Recognition of expected credit losses in financial statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the Statement of Profit or Loss and Other Comprehensive Income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to changes in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the Statement of Financial Position to recognise the loss allowance.

(k) New and amended Accounting Standards
Current period

Initial application of AASB 16 *Leases*

Initial application
The company has applied AASB 16: Leases retrospectively without restatement of comparative figures. The company has elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepared or accrued lease payments that existed at the date of transition as allowed under the transition provision. As a result, there was no impact on retained earnings. In accordance with 'AASB 16, the comparatives for the 2019 reporting period have not been restated.

Prior to 1 July 2019, leases of property, plant and equipment were classified as either finance leases or operating leases. From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The Company has recognised a lease liability and right-of-use asset for the lease recognised as operating leases under AASB 117: *Leases.*
The Company held no finance lease arrangements which were impacted following adoption.

The lease liability is measured at the present value of the lease payments. The Company's average incremental borrowing rate as at 30 June 2020 (1.53%) was used to discount the lease payments.

The right-of-use asset for the lease was measured and recognised in the Statement of Financial Position as at 1 July 2019 by taking into consideration the lease liability and prepaid and accrued lease payments previously recognised at 1 July 2019 (that are related to the lease).

Practical expedients applied

The following practical expedients have been used by the Company in applying AASB 16 for the first time:

- the use of hindsight to determine lease terms on contracts that have options to extend or terminate.
- applying AASB 16 to leases previously identified as leases under AASB 117 and Interpretation 4: *Determining whether an arrangement contains a lease* without reassessing whether they are, or contain, a lease at the date of initial application.
- not applying AASB 16 to leases previously not identified as containing a lease under AASB 117 and Interpretation 4.

Measurement of lease liabilities at 1 July 2019

The Company measured lease liabilities at 1 July 2019 as follows:

Description	**$**
Operating lease commitments disclosed as at 30 June 2019	2,280,969
Discounted using the lessee's incremental borrowing rate at the date of initial application	(533,922)
Add:	
- adjustments as a result of the different treatment of extension and termination options	2,676,034
Less:	
- remeasurement of lease liabilities	(67,975)
Lease liability recognised as at 30 June 2019	4,355,106

Of which are:

- current lease liabilities	344,070
- non-current lease liabilities	4,011,036
	4,355,106

The difference between the lease liability ($4,355,106) at 1 July 2019 and the discounted operating lease commitments as at 30 June 2019 ($2,280,969) was $2,608,059, which comprised the inclusion of extention options ($2,676,034) less a remeasurement of lease liabilities ($67,975).

The Company's average incremental borrowing rate on 1 July 2019 applied to the lease liabilities was 1.53%. 'The difference between the undiscounted amount of operating lease commitments at 30 June 2019 of $2,280,969 and the discounted operating lease commitments as at 1 July 2019 of $1,747,047 was $533,922. This is due to discounting the operating lease commitments at the Company's incremental borrowing rate as at 1 July 2019.

Measurement of right-of-use assets at 1 July 2019

The right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Statement of Financial Position as at 30 June 2019.

Description	**$**
Right-of-use assets	4,355,106
Lease liabilities	(4,355,106)
Net adjustment recorded to retained earnings on 1 July 2019	-

Impact on the Statement of Financial Position for the year ended 30 June 2020

Right-of-use assets:	
Initial recognition on adoption	4,355,106
Add:	
- additional right-of-use assets recognised	15,232
	4,370,338
Less:	
- depreciation expense	(306,652)
Right-of-use assets as at 30 June 2020	4,063,686
Lease liabilities:	
Initial recognition on adoption	4,355,106
Add:	
- additional lease liabilities recognised	15,232
- finance costs	85,250
Less:	
- lease repayments	(316,518)
Lease liabilities as at 30 June 2020	4,139,071

Impact on the statement of profit or loss and other comprehensive income for the year ended 30 June 2020

Revenue and expenditure:	
Decrease in operating lease expense	(316,518)
Increase in borrowing costs on lease liabilities	85,250
Increase in right-of-use asset depreciation expense	306,652
Surplus:	
Decrease in net result for the year	75,385

Initial application of AASB 15 and AASB 1058

Initial application

The Company has applied AASB 15: *Revenue from Contracts with Customers* and AASB 1058: *Income of Not-for-Profit Entities* using the modified retrospective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions.

The company has elected to adopt AASB 1058 only to contracts that are not completed contracts at the date of initial application. The adjustment to opening retained surplus on 1 July 2019 was a decrease of $1,733,811 with a corresponding increase in revenue. This adjustment was required as the amount related to amounts previously recognised as revenue on receipt, which relates to contracts with sufficiently specific performance obligations, that should have been deferred and recognised as revenue in the current year.

Practical expedients applied

The Company has elected to apply AASB 15 only to contracts that are not complete contracts at the date of initial application, being 1 July 2019. Not complete contracts are those:

- where all goods/services have not been transferred; or
- where revenue has not previously all been recognised.

Impact of adoption at 1 July 2019

The table below provides details of the significant changes and quantitative impact of these changes on the initial date of application, being 1 July 2019:

Statement of financial position	Presented on 30 June 2019 $	Application Impact $	Recorded as at 1 July 2019 $
Liabilities			
CURRENT			
Other liabilities	5,287,044	1,733,811	7,020,855
Equity			
Retained surplus	267,738,882	(1,733,811)	266,005,071

Impact of adoption for the year ended 30 June 2020

The table below provides details of the significant changes and quantitative impact of the changes as discussed above for the year ended 30 June 2020:

	Presented under previous Accounting Standards	Application impact	Presented under current Accounting Standards
Statement of profit or loss and other comprehensive income	$	$	$
Revenue	39,605,535	1,733,811	41,339,346
Surplus/(Deficit) after income tax expense	836,471	1,733,811	2,570,282
Statement of financial position			
Other liabilities	5,972,752	(1,733,811)	4,238,941
Net assets	275,435,907	1,733,811	277,169,718

(l) Leases

Lease recognition

The company has applied AASB 16: Leases (AASB 16) retrospectively without restatement of comparatives. The company has elected to measure the right-of-use asset at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition as allowed under the transition provisions. As a result there was no impact on retained earnings.

Therefore the comparative information has not been restated and continues to be presented under AASB 117: Leases. The details of accounting policies under AASB 117 are disclosed separately since they are different from those under AASB 16. Refer to Note 1(k) for further information regarding the impact of the change in accounting policy.

In the current reporting period

The Company as lessee

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However, all contracts that are classified as short-term leases (i.e: a lease with remaining lease term of 12 months or less) and leases of low-value assets (ie fair value less than $10,000) are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at lease commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability include fixed lease payments less any lease incentives and lease payments under extension options where the company is reasonably certain to exercise the options.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Company's lease arrangement is used for administrative purposes.

In the comparative reporting period

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

Finance leases are capitalised 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.

(m) Impairment of assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

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

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(n) 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.

(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 judgements 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) Fair value of investment properties
The Company measures the fair value of its investment properties on a recurring basis. Independent valuations sourced within the current period are utilised where available, with capital improved values assessed on council rates notices used as a secondary valuation source. Where neither of these valuations are available, alternative methodologies are used to provide the closest equivalent observable market pricing.

Key judgements

(i) Employee benefits
For the purpose of measurement, AASB 119: Employee Benefits defines our obligations for short-term employment benefits as obligations to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. As the company expects that most employees will use all of their annual leave entitlements in the same year in which they are earned, the Directors believe that obligations for annual leave entitlements satisfy the definition of short-term employee benefits.

(ii) Identifying performance obligations under AASB 15
To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/-type, cost/-value, quantity and the period of transfer related to the goods or services promised.

When reviewing funding agreements under AASB 15, the Company has identified that the performance obligations as per funding agreements entered into with the State and Commonwealth governments were sufficiently specific. Accordingly, such funding is recognised as revenue as the performance obligations are satisfied.

(iii) Determination and timing of revenue recognition under AASB 15

For each revenue stream, the Company applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation.

The output method is used to recognise revenue once performance obligations are satisfied and goods/services to are transferred to a customer. Such goods/services are typically transferred over time.

(iv) Lease term and option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the Company will make.

The Company determines the likelihood to exercise the options on a lease-by-lease basis, looking at various factors such as which assets are strategic and which are key to future strategy of the Company, in addition to the following:

- If there are significant penalties to terminate (or not to extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

(v) Borrowing rate under AASB 16

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Company's leases, the Company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.
- makes adjustments specific to the lease, eg term, country, currency and security.

NOTE 2: REVENUE AND OTHER INCOME

	Note	2020 $	2019 $
Revenue from contracts with customers	2(a)	15,811,897	-
Revenue based on AASB 118 and AASB 111	2(b)	-	13,244,666
Other sources of revenue	2(c)	25,527,449	29,451,439
Total Revenue and Other Income		41,339,346	42,696,105

(a) Disaggregated revenue

The Company has disaggregated revenue by the nature of revenue and timing of revenue recognition.

	2020	2019
Categories of disaggregation		
Recurrent funding from government	15,811,897	-
Other income	-	-
Total disaggregated revenue from contracts with customers under AASB 15	15,811,897	-
Timing of revenue recognition		
Services transferred to customers:		
- at a point in time	-	-
- over time	15,811,897	-
	15,811,897	-

(b) Revenue recognised under AASB 118 and AASB 1004

	2020	2019
Recurrent funding from government	-	13,244,666
Other income	-	-
Total revenue recognised under AASB 118 and AASB 1004	-	13,244,666

(c) Other sources of revenue

	2020	2019
Rental income	17,554,810	14,576,495
Other income	5,710,352	7,649,520
Interest received	121,762	177,363
Donations	24,558	11,492
Capital Funding	3,637,333	3,928,980
Gain/(Loss) from sale of property, plant and equipment	(116,680)	497,060
Fair value gain/(loss) on investment properties	(1,404,686)	2,610,529
Total other sources of revenue	25,527,449	29,451,439

NOTE 3: COMPREHENSIVE INCOME

	2020 $	2019 $
Comprehensive Income has been determined after:		
(a) Charging as expenses:		
Depreciation of property, plant and equipment	936,014	737,078
Depreciation of right of use assets	306,652	-
Amortisation of property, plant and equipment	163,254	263,628
	1,405,920	1,000,706
Movements in provisions		
Annual leave expense	386,118	171,647
Long service leave expense	133,285	119,455

(b) Crediting as income:

Interest received	121,762	177,363
Profit /(loss) on disposal of property, plant and equipment	(116,680)	497,060

NOTE 4: REMUNERATION AND RETIREMENT BENEFITS

	2020	2019
	$	$
Total remuneration paid to directors, included in employee salaries, benefits and on-costs	277,803	197,288
	277,803	197,288

NOTE 5: CASH AND CASH EQUIVALENTS

	2020	2019
	$	$
Cash at bank	6,770,587	6,673,415
Term deposits	5,583,151	2,583,151
	12,353,738	9,256,566

NOTE 6: RECEIVABLES

The Company's normal credit term is 30 days. Tenants are expected to pay rental in advance.
The Company writes off a trade receivable when there is available information that the debtor is in severe financial difficulty and there is no realistic likelihood of recovery, E.g. when the debtor has been placed under liquidation or has entered bankruptcy proceedings, or when the trade receivables are over two years past due date, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

	2020	2019
	$	$
Accrued income	4,140,302	3,750,515
Debtors and prepayments	620,404	1,604,491
Less provision for impairment of receivables	(241,911)	(185,151)
	4,518,795	5,169,855

NOTE 7: DERIVATIVES

The Company was 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 Loddon Mallee Housing Services Ltd's financial risk management policies. Loddon Mallee Housing Services Ltd had entered into an interest rate swap contract, which required 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:

	2020	2019
	$	$
Interest rate swap - cash flow hedge - Current Liability	-	531,231
Interest rate swap - cash flow hedge - Non Current Liability	-	212,738
	-	743,969

Interest rate swaps were used to hedge cash flow risk associated with future transactions. Gains and losses arising from changes in the fair value of derivatives were 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	2020	2019
		$	$
Land at Directors' valuation		1,399,074	1,396,810
	8(a)	1,399,074	1,396,810
Buildings at Directors' valuation		5,645,026	5,645,026
Less accumulated depreciation		(1,013,731)	(893,463)
	8(a)	4,631,295	4,751,563
Land held for sale	8(b)	-	358,986
		-	358,986
Leasehold improvements at cost		1,682,150	1,462,009
Less accumulated depreciation		(343,135)	(238,024)
	8(b)	1,339,015	1,223,985
Plant & Equipment at cost		4,998,622	4,253,729
Less accumulated depreciation		(2,842,331)	(2,247,106)
	8(b)	2,156,291	2,006,623
Work In Progress at cost		-	614,938
	8(b)	-	614,938
Total Property, Plant and Equipment		**9,525,675**	**10,352,905**

(a) Land and buildings (other than Affordable Housing Assets classified as Investment Property) are carried at valuation, less accumulated depreciation on buildings to reporting date since the date of last revaluation (where applicable). Land and buildings have not been re-valued as a class of assets at reporting date, however 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:

2020	LAND HELD FOR SALE	LEASEHOLD IMPROVEMENTS	PLANT & EQUIPMENT	LAND	BUILDINGS	WIP	TOTAL
Carrying value at beginning of year	358,986	1,223,985	2,006,623	1,396,810	4,751,563	614,938	10,352,905
Plus additions at cost	-	220,142	886,230	2,264	-	19,499,266	20,607,902
Less disposals	(358,986)	-	(29,094)	-	-	(7,642,258)	(8,030,338)
Plus / (Less) Transfers	-	1,888	-	-	-	(12,471,946)	(12,470,058)
Less depreciation/amortisation	-	(107,000)	(707,467)	-	(120,268)	-	(934,736)
Asset revaluation	-	-	-	-	-	-	-
Carrying value at end of year	-	1,339,015	2,156,291	1,399,074	4,631,295	-	9,525,675

2019	LAND HELD FOR SALE	LEASEHOLD IMPROVEMENTS	PLANT & EQUIPMENT	LAND	BUILDINGS	WIP	TOTAL
Carrying value at beginning of year	3,200,927	803,102	2,084,023	1,394,658	4,871,830	5,866,612	18,221,152
Plus additions at cost	688,530	521,257	659,938	2,152	-	15,667,208	17,539,085
Less disposals	(3,530,471)	-	(89,417)	-	-	(22,646,372)	(26,266,260)
Plus / (Less) Transfers	-	(2,214)	-	-	-	1,727,490	1,725,276
Less depreciation/amortisation	-	(98,160)	(647,921)	-	(120,267)	-	(866,348)
Asset revaluation	-	-	-	-	-	-	-
Carrying value at end of year	358,986	1,223,985	2,006,623	1,396,810	4,751,563	614,938	10,352,905

NOTE 9: INVESTMENT PROPERTY

Reconciliation of the carrying amounts of Investment Property:

INVESTMENT PROPERTY	2020 $	2019 $
Investment properties	310,885,612	299,865,646
Investment properties in progress	12,873,850	1,398,232
	323,759,462	301,263,878
Balance at the beginning of the year	301,263,878	294,332,224
Acquisition of investment property	26,484,029	8,073,118
Disposal of investment property	(2,583,759)	(3,751,993)
Change in fair value of investment property	(1,404,686)	2,610,529
Balance at the end of the year	323,759,462	301,263,878

(a) Affordable Housing Assets (classified as Investment Property) are carried at their fair value at reporting date. Fair value has been determined based on independent valuations undertaken in June 2020 by JLL valuers where available, council rates notices valuations undertaken in 2020, or alternative valuation sources where 2020 valuations are not available. As at reporting date, 61% of investment property (by value) has been included at independent valuation, 27% at council valuation, 6% (new property and land still under development) is included at cost, and the remaining 6% is based on other valuations undertaken within the last 2 years. 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 the properties.

There is material uncertainty that exists however, due to the COVID-19 pandemic, which may result in a material adjustment to the investment properties in the future.

(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 National Housing Finance & Investment Corporation.

NOTE 10: OTHER NON CURRENT ASSETS

	2020 $	2019 $
Right of use assets		
Initial recognition on adoption of AASB16	4,370,338	-
Less: Accumulated depreciation	(306,652)	-
	4,063,686	-
Housing subsidy management rights		
NRAS subsidies - at cost	1,632,538	831,851
Less: Accumulated amortisation	(963,941)	-
	668,597	831,851

Right of use assets

The Company's lease portfolio includes office premises. The lease term of lease arrangement is:

Class of lease	Lease term
Building	1.5 - 20 years

	2020	2019
(a) AASB 16 related amounts recognised in the balance sheet	$	$

Right-of-use assets

Movements in carrying amounts

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Leased building $	Total $
Balance at the beginning of year	-	-
Recognised on initial adoption of AASB 16	4,370,338	4,370,338
Opening balance transferred from property, plant and equipment on initial application of AASB 16		-
Addition to right-of-use asset		-
Depreciation expense	(306,652)	(306,652)
Carrying amount at the end of the year	4,063,686	4,063,686

	2020	2019
(b) AASB 16 related amounts recognised in the statement of profit or loss	$	$
Depreciation charge related to right-of-use assets	306,652	-
Interest expense on lease liabilities	85,250	-
	391,902	

NOTE 11: ACCOUNTS PAYABLE

	2020 $	2019 $
Unsecured liabilities		
Creditors and other payables	860,853	513,240
Accrued expenses	1,133,306	537,418
	1,994,159	1,050,658

Refer to Note 22 for detailed information on financial instruments.

NOTE 12: TAX ASSET / LIABILITY

	2020 $	2019 $
GST receivable / payable	399,212	(1,674,113)
	399,212	(1,674,113)

NOTE 13: EMPLOYEE BENEFITS

	2020 $	2019 $
CURRENT		
Provision for annual leave	1,168,617	782,499
Provision for long service leave	549,098	784,286
	1,717,715	1,566,785
NON-CURRENT		
Provision for long service leave	569,540	201,067
	569,540	201,067
Total Employee Benefits	2,287,255	1,767,852

Movements in the provision for employee benefits are as follows :		
Opening balance	1,767,852	1,476,750
Additional provisions recognised	1,279,155	1,050,854
Amounts used	(759,752)	(759,752)
	2,287,255	1,767,852

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).

NOTE 14: OTHER LIABILITIES

	2020 $	2019 $
Other Current Liabilities		
Rents owing to owners	460,021	203,279
Contract liability	4,238,941	5,287,044
	4,698,962	5,490,323

Contract liabilities

	2020 $	2019 $
Balance at the beginning of the year	5,287,044	5,527,833
Reclassified from Deferred income on initial application of AASB 15.	1,733,811	-
	(7,020,855)	(5,527,833)
Additions:		
Grants for which performance obligations will only be satisfied in subsequent years.	4,238,941	5,287,044
Closing balance at the end of the year	4,238,941	5,287,044

If grants are enforceable and have sufficiently specific performance obligations in accordance with AASB 15 the amount received at that point in time, is recognised as a contract liability until the performance obligations have been satisfied.

	2020 $	2019 $
Right of use asset - lease liability		
CURRENT		
Lease liability	355,052	-
Unexpired interest	(80,212)	-
	274,840	-
NON-CURRENT		
Lease liability	4,476,180	-
Unexpired interest	(611,949)	-
	3,864,231	-
TOTAL		
Total lease liability	4,831,232	-
Total unexpired interest	(692,161)	-
Total present value of lease liability	4,139,071	-

Payments are required monthly in advance. The leases include optional terms which have been recognised where there is a reasonable probability they will be exercised. They do not include purchase options.

NOTE 15: INTEREST BEARING LIABILITIES

	2020 $	2019 $
Current	-	24,882
Non Current	65,000,000	48,384,376
	65,000,000	48,409,258
Loans to be paid as follows :		
Within one year	-	24,882
One to five years	-	48,384,376
Five years plus	65,000,000	-
	65,000,000	48,409,258

The interest-bearing debt is secured by a first registered mortgage over nominated freehold properties owned by Loddon Mallee Housing Services Ltd.

NOTE 16: CASH FLOW INFORMATION

Reconciliation of net cash provided by operating activities with net result for the year	2020 $	2019 $
Net result for the year	2,570,282	11,525,529
Non - cash flows in net result for the year		
Amortisation	469,906	263,628
Depreciation	936,014	737,078
(Profit) / loss on disposal of Assets	116,680	(497,060)
Fair value losses / (gains) on Investment Properties	1,404,686	(2,610,529)
Net gain on sale of developed land	973,922	8,093,616
Cumulative impact of adoption of AASB 15 / AASB 1058	(1,733,811)	-
Changes in assets & liabilities		
Decrease (increase) in receivables	651,060	(597,406)
Increase (decrease) in accounts payable	943,501	(265,117)
Increase (decrease) in tax liabilities / asset	(2,073,325)	1,851,735
Increase (decrease) in employee benefits provisions	519,403	291,102
Increase (decrease) in other liabilities	(816,243)	(303,879)
Net cash provided by operating activities	3,962,075	18,488,697

NOTE 17: MEMBERS GUARANTEE

The Company is limited by guarantee. If the Company is wound up, the Constitution states that every member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the Company. As at the reporting date there were 11 full members (30/6/2019: 10 full members) to which the above provision applies. The maximum amount that the members of the Company are required to contribute is $110 (2019: $100).

NOTE 18: RELATED PARTY DISCLOSURES

(a) Transactions between related parties are on normal commercial terms and conditions no more favorable 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 Loddon Mallee Housing Services Ltd.

(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	Jan Snell
Damien Tangey	Gerard Jose
Jan Boynton	Warwick Cavanagh
David Brant	Candy Broad
Melanie Rogers	Andrew Cairns
Ken Belfrage	

NOTE 19: AUDITOR'S REMUNERATION

	2020	2019
	$	$
Remuneration of the Loddon Mallee Housing Services Ltd auditor, Andrew Frewin Stewart & Associates:		
(i) for audit of the accounts	25,750	25,000
(ii) for other services provided	10,290	16,671
	36,040	41,671

NOTE 20: LEASES

At the reporting date, Loddon Mallee Housing Services Ltd had the following obligations under non-cancellable operating leases for the commercial leasing of office premises by the company that were not recognised as liabilities. Refer to note 1(l) for further information.

Lease commitments not recognised as liabilities:	2020	2019
	$	$
Within one year	-	362,261
One to five years	-	1,049,968
Five years plus	-	868,740
	-	2,280,969

NOTE 21: COMMITMENTS

At the reporting date, Loddon Mallee Housing Services Ltd 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):

	2020	2019
	$	$
Within one year	8,522,615	2,362,034
One to five years	52,446,629	-
Five years plus	-	-
	60,969,244	2,362,034

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:

	Note	2020	2019
		$	$
Financial Assets			
Cash and cash equivalents	5	12,353,738	9,256,566
Trade and other receivables	6	4,518,795	5,169,855
		16,872,533	14,426,421
Financial Liabilities			
Trade and other payables	11	1,994,159	1,050,658
Interest bearing liabilities	15	65,000,000	48,409,258
		66,994,159	49,459,916

Net Fair Values

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. The registered office and the principal place of business (head office) is located at 10-16 Forest Street Bendigo.

NOTE 24: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Loddon Mallee Housing Services Ltd is party to a "Funding Deed" with the Director of Housing. The Funding Deed provides the mechanism with which the Company obtains funding from the State Government for the purpose of funding capital projects to achieve the Victorian State Government's and Loddon Mallee Housing Services Ltd's objectives of providing affordable rental housing to tenants on low incomes.
Loddon Mallee Housing Services Ltd 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, Loddon Mallee Housing Services Ltd 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.

NOTE 25: EVENTS AFTER THE REPORTING PERIOD

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the Company at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on the Company, its operations, its future results and financial position. The state of emergency in Victoria was extended on 16 August 2020 until 13 September 2020 and was then further extended for six months on 2 September 2020. The state of disaster is still in place.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Company, the results of the operations or the state of affairs of the Company in future financial years.

NOTE 26: FAIR VALUE MEASUREMENT

The entity measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:
- financial assets at fair value through profit or loss;
- financial assets at fair value through other comprehensive income; and
- freehold land and buildings.

The entity does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

Valuation techniques
The entity selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the entity are consistent with one or more of the following valuation approaches:

- the market approach, which uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities;
- the income approach, which converts estimated future cash flows or income and expenses into a single discounted present value; and
- the cost approach, which reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the entity gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Recurring fair value measurements	**2020**	**2019**
	$	$
Non-financial assets		
Investment Property (i)	323,759,462	301,263,878
	323,759,462	301,263,878

(i) For investment property, the fair values are based on a directors' valuation taking into account external independent valuations performed in the previous two years, which used comparable market data for similar properties.

LODDON MALLEE HOUSING SERVICES LTD
TRADING AS HAVEN; HOME, SAFE
28 081 883 623
DIRECTOR'S REPORT

The Directors submit the financial accounts of the company for the year ended 30 June 2020.

DIRECTORS

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

Damien Tangey	David Brant	Sue Clarke (resigned 30/6/20)
Ken Belfrage	Warwick Cavanagh	
Melanie Rogers	Candy Broad	
Andrew Cairns	Gerard Jose	
Janet Boynton	Jan Snell	

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

PRINCIPAL ACTIVITIES & OBJECTIVES

Loddon Mallee Housing Services Ltd is focused on delivering *More Homes* and *More Supports* to vulnerable Victorians through developing *More Partnerships* and *More Capacity*. This is reflected in Our Purpose: "*In a world where homelessness and housing crisis exist, we connect people with housing options and integrated supports so that they can find and keep a place to call home*", and in our 2017-2022 Strategic Plan.

To meet this commitment we provide a range of services including:
Housing options:
We have more than 1800 properties that we either own or manage on behalf of the DHHS or via head lease arrangment with partners including short term (transitional) housing and affordable long term housing.

Direct client support options:
* intake, assessment and referral services.
* support services for particular cohorts including Housing support for the aged, Families at Risk, Community connections and other wrap around services.
* client brokerage services including emergency relief assistance.

While there have not been specific changes to the range of services offered this year, as funding has become available through the State Government's '*Homes for Victorians*' policy initiatives, Loddon Mallee Housing Services Ltd has been able to offer more homes and more supports to specific groups of vulnerable people in our community through programs such as Moving On assisting those fleeing Domestic abuse, Housing Direct assisting those that are homeless into Housing First options with wrap around and tailored support and Rough Sleepers through the Victorian Rough Sleeper Action Plan.

REVIEW OF OPERATIONS

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

At the start of the year Haven Home Safe sucessfully merged with Active Community Housing Limited. The strategic benefit of this merger is that Haven Home Safe is now better able to house and support people with a disability. On merger, all staff of Active Community Housing Limited became employees of Loddon Mallee Housing Services Ltd. This, along with growth in funded programs, increased Employee salaries, benefits and on-costs compared to the previous year.

The impact of Covid-19 on property values has been considered as part of the annual fair value assessment of fair value of investment properties which is this year supported by external valuation data. The company has not experienced any reduction in revenues or material increase in costs that create any concerns for our solvency or ability to trade as a Going Concern.

The operating surplus for the company for the year ended 30 June 2020 was $2,570,282. This result has been determined after application of Australian Accounting Standard AASB 15: Revenue from Contracts with Customers.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The company has implemented three new Accounting Standards that are applicable for the current reporting period and have come into effect, which are included in the results. AASB 15: Revenue from Contracts with Customers and AASB 1058: Income of Not-for-profit Entities has been applied using the modified retrospective method; that is, by recognising the cumulative effect of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. AASB 16: Leases has been applied without restatement of comparatives. The company has elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition as allowed under the transition provisions.

Therefore, comparative information has not been restated and continues to be reported under AASB 118: Revenue, AASB 117: Leases and AASB 1004: Contributions.

A state of emergency was declared in Victoria on 16 March 2020 due to the global coronavirus pandemic, known as COVID-19.
A state of disaster was subsequently declared on 2 August 2020. The state of emergency and state of disaster are both still in place.

To contain the spread of the virus and to prioritise the health and safety of our communities, various restrictions have been announced and implemented by state government, which in turn has impacted the manner in which businesses operate, including Loddon Mallee Housing Services Ltd.

Loddon Mallee Housing Services Ltd has acted quickly to protect the health and safety of our clients, staff and contractors by implementing a range of measures. The company invested considerable resources in providing most staff with the digital capacity to work from home, as well as making significant changes within the office environment, including new visitor engagement protocols and office hygiene practices. Resources were redeployed where possible to manage the increase in client engagement via telephone and video link rather than face-to-face contact. The company continues to invest in new technology, policies and procedures to provide operational flexibility and to embed more agile ways of working across the organisation.

There have been no further significant changes in the company's state of affairs during the year.

AFTER BALANCE DATE EVENTS

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by Loddon Mallee Housing Services Ltd at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Loddon Mallee Housing Services Ltd, it's operating, it's future results and financial position. The state of emergency in Victoria was extended on 16 August 2020 until 13 September 2020 and the state of disaster is still in place.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of Loddon Mallee Housing Services Ltd, the results of those operations or the state of affairs of Loddon Mallee Housing Services Ltd in the future financial 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 Constitution 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 2020 there were 11 full members to which the above provision applies. The total amount the members of the company are required to contribute is $110.

DIRECTOR'S PARTICULARS

(a) Qualifications, experience, and other information.

Sue Clarke — Chairperson - RESIGNED 30/06/2020
Qualifications: Grad Dip. Business, Grad Dip. S.Science, FAICD, Executive Fellow ANZSOG, Graduate AMC CMC.
Experience: Sue has held senior positions in Health and Community Services over the past four decades including 12 years as CEO of Bendigo Community Health Services. Sue also holds board positions as a Director of Ambulance Victoria, Bendigo Health Care Group, Murray PHN, Zonta Club of Bendigo, and is a member of the Central Victorian AICD Advisory Committee.

Damien Tangey — Director - APPOINTED CHAIRPERSON 30/6/20
Qualifications: B Bus (Prop) AAPI, GAICD, CEA
Experience: Damien has significant experience in property development and a strong understanding of national, State and Local Government policy impacting the housing affordability framework. Damien has a Bachelor of Business (Property) and has experience in business management of a multi-faceted health industry business before progressing through to the establishment of his property development company in 2000. Damien is the Immediate Past President and a Board member of the Urban Development Institute of Australia (Vic). He also serves as a Board member of Remembrance Parks Central Victoria and the Bendigo Business Council – Be.Bendigo. Other community commitments include roles as a Committee member of the Loddon Mallee Regional Development Australia Committee and as President of the Bendigo Senior Secondary College Council.

Ken Belfrage — Director
Qualifications: Dip.Bus. Studies, FCA, GAICD
Experience: Ken is an experienced Director and Company Secretary with extensive corporate governance and corporate regulatory skills. In addition to his Board roles, Ken holds appointments as chairman of audit and finance committees and also for local government and a regional hospital where his strong audit, risk and finance skills are applied.

Melanie Rogers — Director
Qualifications: B.Sc Dip.Bus. Grad Cert. H.I. Grad Cert Prof. Acc., GAICD
Experience: Director at Loddon Mallee Housing Services Ltd since 2012. Melanie is an experienced governance and HR/IT executive with many years of experience in local government and the community sector. Melanie is also a committee member of the Bellarine Bayside Foreshore Committee of Management and Trust Member of the Geelong Cemeteries Trust.

Andrew Cairns — Director
Qualifications: Bachelor of Engineering (Mechanical), GAICD
Experience: Andrew Cairns is the CEO of Community Sector Banking and has 18 years experience in senior management roles. He is also the Chair of the regional urban water authority, Western Water.

Janet Boynton	Director
Qualifications:	BTRP (Melb),Grad.Dip Aust. Institute Company Directors , FAICD, FPIA
Experience:	Jan is an independent executive consultant with over 25 years' experience at Executive and CEO level in local and state government and the not-for-profit sector across regional Victoria. Jan is currently a member of the Bendigo Advisory Committee, AICD, Board Member of the Bendigo Jockey Club, Director of CVGT Australia, Director of the Bendigo Art Gallery, Director Goulburn Broken Catchment Management Authority and Member Councillor Code of Conduct Panel (State Government).
David Brant	Director
Qualifications:	Bachelor of Engineering (Mechanical), Post Graduate Diploma Business Administration, FAICD.
Experience:	David is a former North-East Housing Service Director and London Business School graduate with extensive skills in strategy development and implementation. With over 20 years' experience in Corporate Governance in Australia and a number of countries in Asia, David provides management consultancy to businesses looking to improve their top and bottom lines. David is a Non-Executive Director at Redflow Limited, Nillumbik Health and Director of Birdwood International Pty Ltd.
Warwick Cavanagh	Director
Qualifications:	Bachelor of Arts (Melb)
Experience:	Warwick Cavanagh is Chief Executive Officer of Bayley House 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 Loddon Mallee Housing Services Ltd Board in 2017.
Candy Broad	Director
Qualifications:	Bachelor of Commerce, GAICD, GAIST
Experience:	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. Candy is Chair and Board Director of Women's Health Victoria, a Director of the Australian Council of Superannuation Investors and Director, First Super Pty Ltd.
Gerard Jose	Director
Qualifications:	Dip. Bus Management of MBA (Local Government), Post Graduate, Human Services Research, Monitoring and Evaluation, Assoc. Dip. Welfare Studies.
Experience:	Gerard has significant experience in community engagement, change management, organisation development, policy facilitation and program evaluation. He has had an extensive career in Local Government and is currently the CEO of Bendigo Community Health Services. Gerard is a people oriented leader committed to ethical stewardship and social justice with outstanding contemporary team based leadership communication, analytical and creative problem solving skills.
Jan Snell	Director
Qualifications:	FAICD, Master of Health Sciences (Nursing), Post Grad Cardio-Thoracic Surgery
Experience:	Jan has had a long and distinguished career in the Victorian Public Service and has held a number of senior executive positions, more recently Deputy Secretary, North Division Department Health and Human Services (DHHS). She is a Fellow of the Australian Institute of Company Directors. Jan has many years of experience in delivering services to Victorian communities and in 2015 received the Public Service Medal in recognition of this work.

DIRECTOR MEMBERSHIP OF BOARD SUB-COMMITTEES

	Sue Clarke	Ken Belfrage	Melanie Rogers	Andrew Cairns	Janet Boynton	David Brant	Warwick Cavanagh	Candy Broad	Gerard Jose	Jan Snell	Damien Tangey
Remuneration & Assessment Committee	x			x	x	x					
Risk Committee			x				x	x		x	
Corporate Strategy & Governance Committee	x			x	x				x		
Development Committee	x	x		x							x
Quality & Services Committee			x		x				x	x	
Finance & Audit Committee		x	x			x	x				x

DIRECTORS MEETINGS

During the financial year, 13 formal meetings were held: 9 ordinary meetings, 1 Annual General Meeting and 3 Extraordinary Meetings.

Director's Name	Number attended	Number eligible to attend
Sue Clarke	13	13
Damien Tangey	12	13
Jan Boynton	11	13
David Brant	13	13
Melanie Rogers	11	13
Ken Belfrage	13	13
Jan Snell	13	13
Gerard Jose	8	13
Warwick Cavanagh	12	13
Candy Broad	10	13
Andrew Cairns	10	13

CORPORATE GOVERNANCE

The Governance Framework of Loddon Mallee Housing Services Ltd is shaped by its constitution, organisational policies and external factors such as regulations, community expectations and law. The pillars of the governance framework are its Constitution, Board Charter and Code of Conduct and various Board policies that are designed to assist Directors execute their roles and responsibilities transparently and appropriately. The Board reviews its Strategic Plan annually.

Loddon Mallee Housing Services Ltd operates within, and must remain compliant with:
- Relevant legislation, including, but not limited to, the *Corporations Act 2001 (Cth)*
- Regulators, including, but not limited to, the Victorian Housing Registrar, ASIC, ACNC and ATO
- Contractual commitments with agencies including, but not limited to, DHHS (Vic) and DHS (Cth)

The Board of Directors influences the Loddon Mallee Housing Services Ltd governance environment to best meet its purpose, values and overall strategies as defined in the organisation's Strategic Plan and in alignment with its Constitution.

The composition of the Board is in accordance with the Constitution of the Company. The Chair is elected by Board Directors at the AGM.

Remuneration:

Total remuneration	$10,000 to $19,999	$20,000 to $29,999	$30,000 - $39,9999	$40,000 - $49,9999
Number of directors	5	4	0	1

In the previous financial year remuneration was as follows:

Total remuneration	$10,000 to $19,999	$20,000 to $29,999	$30,000 - $39,9999	$40,000 - $49,9999
Number of directors	5	4	1	0

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 DIRECTORS

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

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

....

Damien Tangey - Chair, Board of Directors

Dated this day 1st october 2020

LODDON MALLEE HOUSING SERVICES LTD
TRADING AS HAVEN; HOME, SAFE
28 081 883 623
DIRECTOR'S 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 Australian Accounting Standards - Reduced Disclosure Requirements; and
   (b) give a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
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 signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

....

Damien Tangey - Chair, Board of Directors
Dated this day 1st October 2020