

HAVELOCK HOUSING LIMITED
ABN 47 119 833 407
FINANCIAL REPORT FOR THE YEAR ENDED
30 JUNE 2023

HAVELOCK HOUSING LIMITED
FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

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HAVELOCK HOUSING LIMITED
BOARD'S REPORT
FOR THE YEAR ENDED 30 JUNE 2023

Statement by Directors

In the opinion of the Board, the accompanying annual financial report is drawn up so as to give a true and fair view of the performance of Havelock Housing Limited (HHL) for the year ended 30 June 2023 and the financial position of the HHL as at that date. The accompanying annual financial report of HHL is made out in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the associated Rules. HHL is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. In the opinion of the Board, HHL will be able to pay its debts as and when they fall due.

Board Members

The names of Board members throughout the year and at the date of this report are:

Dan Carton	Nicole Sheikh
Adrian King	Craig Shannon
Carol Croce	Daniel Landon
John Morrissey	Tharanie Vithanage

During the year the Board farewelled Ms Louise Gray and Ms Christine Murray and thanked them for their service to Havelock over the years.

Principal Activities

The principal activities of Havelock during the financial year were to provide suitable, secure housing:

- For people on low to moderate incomes
- For people with special needs and
- For people with a disability.

Significant Changes

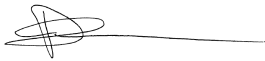
On 31 October 2022, Havelock Housing Association converted to Havelock Housing Limited as a Company Limited by Guarantee (CLG). This is a common company structure to govern contemporary not-for-profit organisations. There is no change to how the organisation operates, however the new structure supports and enables the strategic direction of the organisation.

Related to the conversion to CLG, HHL's new Constitution was adopted by its members at an extraordinary general meeting held on 9 June 2022.

Operating Result

The result from ordinary activities amounted to a net surplus of \$124,108. Cash assets have increased to \$2,705,515. The operating result reflects the relatively stable tenancy occupancy levels across all residential portfolios and prudent expenditure and corporate overhead management.

Signed in accordance with a resolution of the Board.



Mr Dan Carton, Chair



Mr Timothy Sunwoo, Chief Executive Officer

Dated this 23rd day of October 2023

HAVELOCK HOUSING LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Revenue			
Operating activities	2	4,367,502	4,114,118
Total revenue		4,367,502	4,114,118
Operating expenses			
Rent expense		(1,500,452)	(1,389,554)
Employee benefits expense		(1,709,779)	(1,782,148)
Utilities and rates expense		(475,845)	(539,238)
Maintenance expense		(225,964)	(255,054)
Depreciation and amortisation expense		(105,804)	(187,767)
Insurance expense		(28,140)	(36,311)
Professional and audit fees	3	(32,000)	(22,330)
Telephone & internet expense		(15,494)	(14,404)
Provision for impairment of receivables		(7,173)	(79,684)
Motor vehicle expense		(12,519)	(12,750)
Finance expense		(908)	(1,310)
Other expenses		(129,316)	(231,543)
Total operating expenses		(4,243,394)	(4,552,093)
Surplus from operations		124,108	(437,975)
Other comprehensive income			
Movement in asset revaluation reserve		-	(2,938,296)
Total comprehensive income		124,108	(3,376,271)

The accompanying notes form part of these financial statements.

HAVELOCK HOUSING LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	4	2,705,515	2,576,462
Trade and other receivables	5	132,977	33,718
Other assets		151,556	99,823
TOTAL CURRENT ASSETS		2,990,048	2,710,003
NON-CURRENT ASSETS			
Property, plant and equipment	6	5,643,611	5,690,906
Loan receivable	7	98,709	98,709
TOTAL NON-CURRENT ASSETS		5,742,320	5,789,615
TOTAL ASSETS		8,732,368	8,499,618
CURRENT LIABILITIES			
Trade and other payables	8	653,324	523,650
Financial liabilities	9	21,066	13,630
Employee benefits	10	40,445	48,913
TOTAL CURRENT LIABILITIES		714,835	586,193
NON-CURRENT LIABILITIES			
Financial liabilities	9	-	20,000
TOTAL NON-CURRENT LIABILITIES		-	20,000
TOTAL LIABILITIES		714,835	606,193
NET ASSETS		8,017,533	7,893,425
EQUITY			
Asset revaluation reserve		2,312,066	2,312,066
Retained earnings		5,705,467	5,581,359
TOTAL EQUITY		8,017,533	7,893,425

The accompanying notes form part of these financial statements.

HAVELOCK HOUSING LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Asset revaluation reserve	Retained Earnings	Total
	\$	\$	\$
Balance as at 30 June 2022	2,312,066	5,581,359	7,893,425
Surplus/(Deficit) for the year	-	124,108	124,108
Balance as at 30 June 2023	2,312,066	5,705,467	8,017,533

The accompanying notes form part of these financial statements.

HAVELOCK HOUSING LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from clients		4,025,864	3,788,462
Payments to suppliers and employees		(4,115,102)	(4,630,602)
Government grants received		280,803	364,620
Interest received		9,469	2,523
Interest paid		(908)	(1,310)
Net cash (used in)/from operating activities	11	<u>200,126</u>	<u>(476,307)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchases of fixed assets	6	(58,509)	(1,837,961)
Proceeds from sales of fixed assets		-	742,500
Net cash (used in)/from investing activities		<u>(58,509)</u>	<u>(1,095,461)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loan		-	56,600
Repayment of loan		(12,564)	(68,763)
Net cash (used in)/from in financing activities		<u>(12,564)</u>	<u>(12,163)</u>
Net increase/(decrease) in cash held		129,053	(1,583,931)
Cash and cash equivalents at beginning of financial year		<u>2,576,462</u>	<u>4,160,393</u>
Cash and cash equivalents at end of financial year	4	<u><u>2,705,515</u></u>	<u><u>2,576,462</u></u>

The accompanying notes form part of these financial statements.

HAVELOCK HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

New or amended Accounting Standards and Interpretations adopted

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

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures, and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012, as appropriate for not-for-profit oriented entities.

Historical cost convention

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

Critical accounting estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

Income tax

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

Current and non-current classification

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

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

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

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

HAVELOCK HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contract assets

Contract assets are recognised when the company has transferred goods or services to the customer but where the company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Impairment of non-financial assets

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

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

Contract liabilities

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement

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

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

HAVELOCK HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2023. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

	2023	2022
	\$	\$
NOTE 2. REVENUE AND OTHER INCOME		
Rental income	2,335,521	1,936,535
Commonwealth rent assistance income	1,027,923	1,178,488
Government grant income	255,275	331,473
Gas/electricity levy	556,364	496,554
Community rental	81,747	101,066
Management fees	50,681	33,787
Interest income	9,469	2,523
Other income	50,522	33,692
	<u>4,367,502</u>	<u>4,114,118</u>

Accounting policy

Revenue recognition

Havelock Housing Limited recognises revenue as follows:

Rental income

Rental income is recognised when it is due.

Grants

Grant revenue is recognised in Statement of Comprehensive Income when Havelock Housing satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before Havelock Housing is eligible to retain the contribution, the grant will be recognised in the Statement of Financial Position as a liability until those conditions are satisfied.

HAVELOCK HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 2. REVENUE AND OTHER INCOME (CONTINUED)

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

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

2023	2022
\$	\$

NOTE 3. AUDITOR'S REMUNERATION

Remuneration of the auditor of Havelock Housing Limited for:

Auditing or reviewing the financial report

22,000	22,330
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2023	2022
\$	\$

NOTE 4. CASH AND CASH EQUIVALENTS

Cash at bank

455,515	315,705
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Term deposits

2,250,000	2,260,757
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2,705,515	2,576,462
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Accounting policy

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of six months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2023	2022
\$	\$

NOTE 5. TRADE AND OTHER RECEIVABLES

Trade and other receivables

140,014	38,974
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Less: Provision for credit losses

(7,037)	(5,256)
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132,977	33,718
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Accounting policy

Trade and other receivables including rental income are recognised at amortised cost, less any allowance for expected credit losses.

HAVELOCK HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023 \$	2022 \$
NOTE 6. PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSET		
Leasehold Land and Buildings		
Leasehold land and buildings at fair value	5,491,486	5,454,520
Accumulated depreciation	(83,355)	(33,300)
	<u>5,408,131</u>	<u>5,421,220</u>
Leasehold Improvements		
Leasehold Improvements at cost	488,228	470,891
Accumulated depreciation	(316,107)	(285,874)
	<u>172,121</u>	<u>185,017</u>
Plant and Equipment		
Equipment at cost	250,378	246,172
Accumulated depreciation	(220,049)	(209,228)
	<u>30,329</u>	<u>36,944</u>
Motor vehicles		
Motor vehicles at cost	87,066	87,066
Accumulated depreciation	(54,036)	(39,341)
	<u>33,030</u>	<u>47,725</u>
Total property, plant and equipment	<u><u>5,643,611</u></u>	<u><u>5,690,906</u></u>
Intangible Asset		
Website development at cost	16,469	16,469
Accumulated depreciation	(16,469)	(16,469)
	<u>-</u>	<u>-</u>

Movements in carrying amounts

Movement in the carrying amounts for each class of non-current asset between the beginning and the end of the current financial year:

	Leasehold Land and Buildings	Leasehold Improvements	Plant and equipment	Motor vehicles	Total
	\$	\$	\$	\$	\$
Carrying amount at 1 July 2022	5,421,220	185,017	36,944	47,725	5,690,906
Additions	36,966	17,337	4,206	-	58,509
Revaluation	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation	(50,055)	(30,233)	(10,821)	(14,695)	(105,804)
Carrying amount at 30 June 2023	<u>5,408,131</u>	<u>172,121</u>	<u>30,329</u>	<u>33,030</u>	<u>5,643,611</u>

HAVELOCK HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Accounting policy

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.

Leasehold land and buildings

Leasehold land and buildings are measured at fair value less accumulated amortisation and impairment losses.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity.

The fair value of the leasehold land and buildings is obtained on a periodic basis by an independent valuer.

Revaluation

During 2021-22 financial year, Housing ACT has provided the valuation letter for the properties. Valuations have been performed by JLL and Opteon. Revaluation adjustments were made on a class basis.

Any revaluation increments are credited to an asset revaluation reserve. Revaluation decrements for a class of asset are recognised directly in the surplus/deficit except to the extent that they reverse previous revaluation increments for that class.

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

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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

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

Depreciation

The depreciable amount is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use.

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

Class of fixed assets	Depreciation rate
Buildings	2.50%
Motor vehicles	12.50%
Plant and equipment	10% - 33%
Leasehold improvements	10%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revaluated assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

HAVELOCK HOUSING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
NOTE 7. LOAN RECEIVABLE		
DEC Housing Loan	168,709	168,709
Provision for credit losses	<u>(70,000)</u>	<u>(70,000)</u>
	<u>98,709</u>	<u>98,709</u>

	2023	2022
	\$	\$
NOTE 8. TRADE AND OTHER PAYABLES		
Trade payables	176,770	123,988
Accrued expenses	85,142	54,024
Rent received in advance	273,147	238,887
Grant received in advance	14,530	68,337
PAYG	30,212	-
Other payables	<u>73,523</u>	<u>38,414</u>
	<u>653,324</u>	<u>523,650</u>

Accounting policy

These amounts represent liabilities for outstanding goods, services and rent (landlord) payments under Service Funding Agreement as at the end of the financial year. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are paid within agreed terms of trade.

	2023	2022
	\$	\$
NOTE 9. FINANCIAL LIABILITIES		
CURRENT		
Motor vehicle loan	<u>21,066</u>	<u>13,630</u>
	<u>21,066</u>	<u>13,630</u>
NON-CURRENT		
Motor vehicle loan	<u>-</u>	<u>20,000</u>
	<u>-</u>	<u>20,000</u>
	<u>21,066</u>	<u>33,630</u>

A loan agreement was signed on 17 August 2020 by the Company to purchase a motor vehicle. The loan is for 3 years.

HAVELOCK HOUSING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
NOTE 10. EMPLOYEE BENEFITS		
CURRENT		
Annual leave provision	40,445	47,839
Time-in-lieu provision	-	1,074
	40,445	48,913
	40,445	48,913

Accounting policy

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

	2023	2022
	\$	\$
NOTE 11. CASH FLOW INFORMATION		
Reconciliation of Cash Flow from operations with profit after income tax		
Surplus/(deficit) after income tax	124,108	(437,975)
Cash flows excluded from surplus attributable to operating activities		
Non-cash flows in surplus/(deficit):		
- Depreciation expense	105,804	187,767
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- Decreases / (increases) in trade and other receivables	(95,189)	(107,224)
- Decreases / (increases) in prepayments	(55,803)	(81,519)
- Increases / (decreases) in accounts payable and other payables	129,674	(26,148)
- Increases / (decreases) in employee benefits	(8,468)	(11,208)
	200,126	(476,307)
	200,126	(476,307)

NOTE 12. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

NOTE 13. KEY MANAGEMENT PERSONNEL

Any person(s) having authority and responsibility for planning, directing and controlling the activities of Havelock Housing, directly or indirectly, including its Board members, is considered key management personnel.

	2023	2022
	\$	\$
Key management personnel compensation:		
Aggregate compensation	689,958	580,698
	689,958	580,698

The Key management personnel are the CEO, Head of Corporate Services, Head of Tenancy and Community, and Head of Property Assets. Board members are not remunerated.

HAVELOCK HOUSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 14. CONTINGENT LIABILITIES

There are no contingent liabilities as 30 June 2023.

NOTE 15. COMMITMENTS

Havelock Housing has a rental arrangement for 2 office photocopiers that operates on month-to-month basis.

NOTE 16. EVENTS AFTER THE REPORTING PERIOD

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect Havelock Housing's operations, the results of those operations, or the Company's state of affairs in future financial years.

NOTE 17. ECONOMIC DEPENDENCY

A significant portion of the company's revenue is from contracts with the ACT government and from other government funding sources.

The contract with Housing ACT will continue until 30th June 2024 and currently the Board is of the view that the contract will be renewed. However, if this does not occur, the entity's operations will need to be significantly scaled back.

NOTE 18. CHANGE IN LEGAL ENTITY STATUS

Havelock Housing Limited has successfully transitioned Havelock Housing's legal entity from and Incorporated Association to a Company Limited by Guarantee on 31 October 2022. The organisation maintained its Australian Business Number.

NOTE 19. COMPANY DETAILS

The registered office of Havelock Housing is:

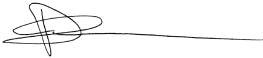
Havelock Housing Limited
85 Northbourne Avenue
TURNER ACT 2612

HAVELOCK HOUSING LIMITED
BOARD OF DIRECTORS DECLARATION
FOR THE YEAR ENDED 30 JUNE 2023

In the opinion of the Board

1. The financial report, including notes, as set out on pages 4 to 16 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, and
 - (a) Comply with the Accounting Standards – Simplified Disclosures; and
 - (b) Give a true and fair view of the Company’s financial position as at 30 June 2023 and of its performance for the year ended on that date.
2. In the Board’s opinion there are reasonable grounds to believe that Havelock Housing will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:



.....
Mr Dan Carton, Chair



.....
Mr Timothy Sunwoo, Chief Executive Officer

Dated this 23rd day of October 2023

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Havelock Housing Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.



RSM Australia Partners



Ged Stenhouse
Partner

Canberra, Australian Capital Territory
Dated: 24 October 2023

RSM Australia Partners

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
HAVELOCK HOUSING LIMITED**

Opinion

We have audited the financial report of Havelock Housing Limited, which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Board of Directors' declaration.

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

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2023 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards – Simplified Disclosures. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of Havelock Housing Limited in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in Havelock Housing Limited's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

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

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

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Report

The Board of Directors of the registered entity is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Board of Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing Havelock Housing Limited'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 management either intends to liquidate Havelock Housing Limited or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards – Simplified Disclosures will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



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Canberra, Australian Capital Territory
Dated: 24 October 2023