

**WAYSS LIMITED**  
**A.B.N. 38 080 191 108**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2018**

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**WAYSS LIMITED**  
**A.B.N. 38 080 191 108**

**DIRECTORS' REPORT**

Your directors present their report on the company for the financial year ended 30 June 2018.

**Directors**

The names of the directors in office at any time during, or since the end of the year are:

Mr Steve Peterson  
Mrs Margaret R Kasbach  
Mrs Raelene Stockton  
Mr Peter Le Souef  
Mr Nigel Neal  
Mrs Julie Bible  
Ms Julia Canty appointed 28 February 2018  
Mr James Follino retired 25 October 2017  
Dr Simon Kennedy retired 25 October 2017  
Ms Susan Fallaw retired 25 October 2017

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

**Review of Operations**

The profit of the company for the financial year after providing for income tax amounted to \$151,036.

**Significant Changes in the State of Affairs**

No significant changes in the company's state of affairs occurred during the financial year.

**Principal Activities**

The principal activities of the company during the financial year were to provide support and assistance to people who are homeless, at risk of homelessness or are escaping family violence in the South East region of Victoria.

The assistance was provided in the form of:

- a. Homelessness assistance and support via WAYSS homelessness assistance and support programs
- b. Family Violence support via WAYSS Family Violence programs
- c. Transitional and long term accommodation via Transitional Housing Management program and WAYSS managed Rooming Houses
- d. Emergency accommodation via WAYSS Southern Women's Integrated Support Service and Emergency Youth Accommodation residential facilities
- e. Direct financial assistance via Housing Establishing Fund and Brokerage funds

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

**Events Subsequent to the End of the Reporting Period**

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

**WAYSS LIMITED**  
**A.B.N. 38 080 191 108**

**DIRECTORS' REPORT**

**Information on Directors**

|                           |  |
|---------------------------|--|
| <b>Steve Peterson</b>     | Chairperson  |
| Experience/Qualifications | MD Sports Management Co<br>Director since 2015                 |
| Special Responsibilities  | Risk Management Committee member                               |
| <b>Margaret Kasbach</b>   | Director   |
| Experience/Qualifications | Home Economist<br>Director since 1997                          |
| Special Responsibilities  | Finance Committee member                                       |
| <b>Raelene Stockton</b>   | Director   |
| Experience/Qualifications | Program Manager<br>Director since 1997                         |
| <b>Peter Le Souef</b>     | Director   |
| Experience/Qualifications | Solicitor<br>Director since 2008                               |
| Special Responsibilities  | Risk Management Committee member                               |
| <b>Nigel Neal</b>         | Director   |
| Experience/Qualifications | Finance & Quantitative Analysis<br>Director since 2016         |
| Special Responsibilities  | Finance Committee Member                                       |
| <b>Julie Bible</b>        | Director   |
| Experience/Qualifications | Community Welfare/Self Employed<br>Director since 2016         |
| <b>Julia Canty</b>        | Director   |
| Experience/Qualifications | Consultant<br>Director since 2018                              |
| <b>James Folino</b>       | Director   |
| Experience/Qualifications | Court Registrar retired<br>Director since 2005                 |
| Special Responsibilities  | Finance Committee member                                       |
| <b>Simon Kennedy</b>      | Director   |
| Experience/Qualifications | Doctor of Psychology<br>Director since 2008                    |
| <b>Susan Fallaw</b>       | Director   |
| Experience/Qualifications | Commerce, Education & Community Service<br>Director since 2013 |
| Special Responsibilities  | Policy Committee Member  |

**WAYSS LIMITED**  
**A.B.N. 38 080 191 108**

**DIRECTORS' REPORT**

**Directors Meetings and Attendance**

|                        | <b>Directors Meetings</b>       |                    |
|------------------------|---------------------------------|--------------------|
|                        | Number<br>eligible to<br>attend | Number<br>attended |
| Mr Steve Peterson      | 11                              | 11                 |
| Mrs Margaret R Kasbach | 11                              | 10                 |
| Mrs Raelene Stockton   | 11                              | 9                  |
| Mr Peter Le Souef      | 11                              | 7                  |
| Mr Nigel Neal          | 11                              | 9                  |
| Mrs Julie Bible        | 10                              | 7                  |
| Ms Julia Canty         | 5                               | 4                  |
| Mr James Folino        | 4                               | 4                  |
| Dr Simon Kennedy       | 4                               | 1                  |
| Ms Susan Fallaw        | 4                               | 4                  |

**Environmental Regulation**

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

**Indemnification of Officers**

The Department of Health & Human Services (DHHS) arranged and funded an insurance program for funded non-government organisations.

This coverage includes public/products liability, professional indemnity and directors and officers liability.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

**Proceedings on Behalf of the Company**

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

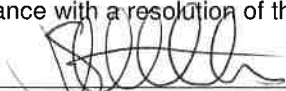
The company was not a party to any such proceedings during the year.

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

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

Director:

  
\_\_\_\_\_  
**Mr Steve Peterson**

Director:

  
\_\_\_\_\_  
**Mrs Margaret R Kasbach**

Dated this 31<sup>ST</sup> day of OCTOBER 2018

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF  
WAYSS LIMITED**

We hereby declare, that to the best of our knowledge and belief, during the financial year ended 30 June 2018 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**Name of Firm:** *Morton Watson & Young*  
MORTON WATSON & YOUNG AUDIT PTY LTD  
Chartered Accountants

**Name of Director:**   
Kerpal S Harnam - Registered Company Auditor

**Address:** 51 Robinson Street, Dandenong Vic 3175

Dated this *31<sup>st</sup>* day of *October 2018*

**WAYSS LIMITED**  
**A.B.N. 38 080 191 108**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2018**

|  | Note     | 2018<br>\$              | 2017<br>\$              |
|--|----------|-------------------------|-------------------------|
| Revenue from ordinary activities                         | 3        | 17,439,727              | 15,623,726              |
| Other income   | 3        | <u>357,148</u>          | <u>63,164</u>           |
|  |          | 17,796,875              | 15,686,890              |
| Administration expenses                                  |          | (508,585)               | (452,370)               |
| Auditor's remuneration                                   | 4        | (13,000)                | (11,500)                |
| Depreciation and amortisation expenses                   |          | (535,538)               | (466,312)               |
| Employee benefits expenses                               |          | (11,708,500)            | (9,860,383)             |
| Housing establishment fund expenses                      |          | (803,322)               | (903,897)               |
| Occupancy expenses                                       |          | (1,253,632)             | (1,104,797)             |
| Property management expenses                             |          | (1,263,675)             | (1,428,587)             |
| Other expenses   |          | <u>(1,559,587)</u>      | <u>(1,213,535)</u>      |
| <b>Profit before income tax</b>                          | <b>5</b> | <b>151,036</b>          | <b>245,509</b>          |
| Retained earnings at the beginning of the financial year |          | 3,078,056               | 2,832,547               |
| Other comprehensive income (expense)                     |          | <u>-</u>                | <u>-</u>                |
| <b>Profit attributable to members of the company</b>     |          | <b><u>3,229,092</u></b> | <b><u>3,078,056</u></b> |

The accompanying notes form part of these financial statements.

**WAYSS LIMITED**  
**A.B.N. 38 080 191 108**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2018**

|                                      | Note | 2018<br>\$        | 2017<br>\$        |
|--------------------------------------|------|-------------------|-------------------|
| <b>ASSETS</b>                        |      |                   |                   |
| <b>CURRENT ASSETS</b>                |      |                   |                   |
| Cash and cash equivalents            | 6    | 827,114           | 1,190,124         |
| Trade and other receivables          | 7    | 88,729            | 123,803           |
| Financial assets                     | 8    | 5,863,245         | 4,000,000         |
| Other current assets                 | 9    | 127,451           | 116,531           |
| <b>TOTAL CURRENT ASSETS</b>          |      | <u>6,906,539</u>  | <u>5,430,458</u>  |
| <b>NON-CURRENT ASSETS</b>            |      |                   |                   |
| Property, plant and equipment        | 10   | 5,339,844         | 5,450,187         |
| <b>TOTAL NON-CURRENT ASSETS</b>      |      | <u>5,339,844</u>  | <u>5,450,187</u>  |
| <b>TOTAL ASSETS</b>                  |      | <u>12,246,383</u> | <u>10,880,645</u> |
| <b>LIABILITIES</b>                   |      |                   |                   |
| <b>CURRENT LIABILITIES</b>           |      |                   |                   |
| Trade and other payables             | 11   | 619,066           | 439,493           |
| Borrowings                           | 12   | 118               | 13,241            |
| Provisions                           | 13   | 3,773,638         | 3,093,782         |
| Other current liabilities            | 14   | 716,628           | 328,832           |
| <b>TOTAL CURRENT LIABILITIES</b>     |      | <u>5,109,450</u>  | <u>3,875,348</u>  |
| <b>NON-CURRENT LIABILITIES</b>       |      |                   |                   |
| Provisions                           | 13   | 394,841           | 414,241           |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |      | <u>394,841</u>    | <u>414,241</u>    |
| <b>TOTAL LIABILITIES</b>             |      | <u>5,504,291</u>  | <u>4,289,589</u>  |
| <b>NET ASSETS</b>                    |      | <u>6,742,092</u>  | <u>6,591,056</u>  |
| <b>EQUITY</b>                        |      |                   |                   |
| Reserves                             | 15   | 3,513,000         | 3,513,000         |
| Retained earnings                    | 16   | 3,229,092         | 3,078,056         |
| <b>TOTAL EQUITY</b>                  |      | <u>6,742,092</u>  | <u>6,591,056</u>  |

The accompanying notes form part of these financial statements.

**WAYSS LIMITED**  
**A.B.N. 38 080 191 108**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2018**

|  | Note | Retained<br>earnings<br>\$ | Income<br>Protection<br>Reserve<br>\$ | Bequested<br>Property<br>Reserve<br>\$ | Total<br>\$      |
|--|------|----------------------------|---------------------------------------|--|------------------|
| <b>Balance at 1 July 2016</b>                |      | 2,832,547                  |                                       |  | 2,832,547        |
| Opening balance for the year                 |      |                            | -                                     | 3,513,000                              | 3,513,000        |
| Profit attributable to members of the entity |      | 245,509                    |                                       |  | 245,509          |
| <b>Balance at 30 June 2017</b>               |      | 3,078,056                  | -                                     | 3,513,000                              | 6,591,056        |
| Profit attributable to members of the entity |      | 151,036                    |                                       |  | 151,036          |
| <b>Balance at 30 June 2018</b>               |      | <u>3,229,092</u>           | -                                     | <u>3,513,000</u>                       | <u>6,742,092</u> |

The accompanying notes form part of these financial statements.



**WAYSS LIMITED**  
**A.B.N. 38 080 191 108**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

|   | 2018            | 2017             |
|---|-----------------|------------------|
|   | \$              | \$               |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>         |                 |                  |
| Receipts from operations                            | 18,881,216      | 16,925,224       |
| Payments to suppliers and employees                 | (17,428,047)    | (16,775,769)     |
| Interest received                                   | 128,950         | 117,400          |
| <b>Net cash provided by operating activities</b>    | <b>18</b>       | <b>266,855</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>         |                 |                  |
| Proceeds from sale of property, plant and equipment | 1,117,297       | 428,919          |
| Payments for capital improvements                   | (1,180)         | -                |
| Payments for motor vehicles                         | (818,941)       | (805,020)        |
| Payments for computers                              | (59,346)        | (51,352)         |
| Payments for furniture and equipment                | (127,431)       | (30,128)         |
| Payments for leasehold improvements                 | (179,160)       | (8,725)          |
| <b>Net cash used in investing activities</b>        | <b>(68,761)</b> | <b>(466,306)</b> |
| Net increase (decrease) in cash held                | 1,513,358       | (199,451)        |
| Cash at beginning of financial year                 | 5,176,883       | 5,376,334        |
| <b>Cash at end of financial year</b>                | <b>6</b>        | <b>5,176,883</b> |

The accompanying notes form part of these financial statements.

**WAYSS LIMITED**  
**A.B.N. 38 080 191 108**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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The financial report covers WAYSS Limited as an individual entity. WAYSS Limited is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of WAYSS Limited is Australian dollars.

The financial report was authorised for issue by the Directors.

Comparatives are consistent with prior years, unless otherwise stated.

**1 Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the Corporations Act 2001 and the Australian Charities and Not-for-profits Commission Act 2012.

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

The significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated .

**2 Summary of Significant Accounting Policies**

**Cash and Cash Equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

**Trade and Other Receivables**

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

**WAYSS LIMITED**  
**A.B.N. 38 080 191 108**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment .

**Land and buildings**

Land and buildings are measured using the cost model.

**Plant and equipment**

Plant and equipment are measured using the cost model.

**Depreciation**

Property, plant and equipment, is depreciated on a straight line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

| <b>Fixed Asset Class</b> | <b>Depreciation Rate</b> |
|--------------------------|--------------------------|
| Motor vehicles           | 25%                      |
| Computer equipment       | 33.33%                   |
| Furniture and equipment  | 20%                      |
| Leasehold improvements   | 33.33%                   |
| Capital improvements     | 20%                      |

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

**Leases**

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

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. The lease is not recognised in the statement of financial position.

**Financial Instruments**

Financial instruments are recognised initially using trade date accounting, i.e. on the date that company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

**WAYSS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**Impairment of Non-Financial Assets**

At the end of each reporting period the company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss , except for goodwill.

**Trade and Other Payables**

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

**Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees at the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

**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 are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting year. The discount rate used is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of other comprehensive income.

**WAYSS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**Goods and Services Tax (GST)**

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

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

**Revenue and Other Income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

**Rental income**

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

**Interest revenue**

Interest revenue is recognised using the effective interest rate method.

**Rendering of services**

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

**WAYSS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**Grant revenue**

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

**Other income**

Other income is recognised on an accruals basis when the company is entitled to it.

**Critical Accounting Estimates and Judgments**

The directors make estimates and judgments during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

*Key estimates - Impairment*

The entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the assets is determined. Fair value less cost to sell or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

**Economic Independence**

WAYSS Limited is dependent on the Department of Health & Human Services for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the Department will not continue to support WAYSS Limited.

**WAYSS LIMITED**  
**A.B.N. 38 080 191 108**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

|                                      | 2018              | 2017              |
|--------------------------------------|-------------------|-------------------|
|                                      | \$                | \$                |
| <b>3 Revenue and Other Income</b>    |                   |                   |
| <b>Revenue</b>                       |                   |                   |
| State and Federal Government Grants  |                   |                   |
| DHHS Funding/Grants                  | 14,782,739        | 12,932,882        |
| THM Property - Operating             | 1,369,653         | 1,311,133         |
| HEF Grants                           | 818,223           | 866,870           |
|                                      | <u>16,970,615</u> | <u>15,110,885</u> |
| <b>Other revenue:</b>                |                   |                   |
| Interest received                    | 128,950           | 117,400           |
| Other revenue                        | 340,162           | 395,441           |
|                                      | <u>469,112</u>    | <u>512,841</u>    |
| <b>Total revenue</b>                 | <u>17,439,727</u> | <u>15,623,726</u> |
| <b>Other income</b>                  |                   |                   |
| Profit on Sale of Non-current Assets | 357,148           | 63,164            |
| <b>Total other income</b>            | <u>357,148</u>    | <u>63,164</u>     |
| <b>Other revenue from:</b>           |                   |                   |
| Recoveries                           |                   |                   |
| Insurance Claim                      | -                 | 4,950             |
| Non DHHS Income                      | 20,585            | 73,346            |
| Sundry Income                        | 13,851            | -                 |
| Business Undertakings                |                   |                   |
| Rent Recovery                        | 1,865,862         | 1,872,314         |
| Less: OoH Rent Remitted              | (1,560,136)       | (1,555,169)       |
|                                      | <u>305,726</u>    | <u>317,145</u>    |
| <b>Total other revenue</b>           | <u>340,162</u>    | <u>395,441</u>    |
| <b>4 Auditor's Remuneration</b>      |                   |                   |
| Auditor's Remuneration               |                   |                   |
| Audit of Accounts                    | 13,000            | 11,500            |
|                                      | <u>13,000</u>     | <u>11,500</u>     |

**WAYSS LIMITED**  
**A.B.N. 38 080 191 108**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

|   | <b>2018</b>      | <b>2017</b>      |
|---|------------------|------------------|
|   | <b>\$</b>        | <b>\$</b>        |
| <b>5 Profit</b>   |                  |                  |
| <b>Expenses</b>   |                  |                  |
| Depreciation of property, plant and equipment   | <u>535,538</u>   | <u>466,312</u>   |
| Increase (decrease) in:   |                  |                  |
| Annual Leave Provision  | 160,610          | (2,892)          |
| Long Service Leave Provision  | 78,555           | 23,989           |
| Office Relocation Provision   | 400,000          | 500,000          |
| Redundancy/Retirement Provision   | 13,646           | 127,029          |
| Sick Leave Provision  | -                | (315,101)        |
| Time in Lieu Provision  | <u>7,645</u>     | <u>(3,443)</u>   |
|   | <u>660,456</u>   | <u>329,582</u>   |
| <b>Revenue and Other Income</b>   |                  |                  |
| Profit on Sale of Non-current Assets  | <u>357,148</u>   | <u>63,164</u>    |
| <b>6 Cash and Cash Equivalents</b>  |                  |                  |
| Cash on Hand  | 6,820            | 5,620            |
| Cash at Banks   | 820,294          | 1,184,504        |
|   | <u>827,114</u>   | <u>1,190,124</u> |
| <b>Reconciliation of cash</b>   |                  |                  |
| Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows: |                  |                  |
| Cash on Hand  | 6,820            | 5,620            |
| Cash at Banks   | 820,294          | 1,184,504        |
| Bank Overdraft  | (118)            | (13,241)         |
| Term Deposits   | <u>5,863,245</u> | <u>4,000,000</u> |
|   | <u>6,690,241</u> | <u>5,176,883</u> |
| <b>7 Trade and Other Receivables</b>  |                  |                  |
| <b>Current</b>  |                  |                  |
| Sundry Debtors  | 76,436           | 97,577           |
| Trade Debtors   | <u>12,293</u>    | <u>26,226</u>    |
|   | <u>88,729</u>    | <u>123,803</u>   |



**WAYSS LIMITED**  
**A.B.N. 38 080 191 108**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

|  | 2018             | 2017             |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>8 Financial Assets</b>                  |                  |                  |
| <b>Current</b>                             |                  |                  |
| Term Deposits                              | <u>5,863,245</u> | <u>4,000,000</u> |
| <b>9 Other Non-Financial Assets</b>        |                  |                  |
| <b>Current</b>                             |                  |                  |
| Prepayments                                | <u>127,451</u>   | <u>116,531</u>   |
| <b>10 Property, Plant and Equipment</b>    |                  |                  |
| <b>Land and Buildings</b>                  |                  |                  |
| Property/Buildings at Cost                 | 240,000          | 600,000          |
| Requested Properties at Acquisition Value  | <u>3,513,000</u> | <u>3,513,000</u> |
|  | <u>3,753,000</u> | <u>4,113,000</u> |
| Capital Improvements at Cost               | 70,314           | 79,845           |
| Less: Accumulated Depreciation             | <u>(55,613)</u>  | <u>(57,681)</u>  |
|  | <u>14,701</u>    | <u>22,164</u>    |
| Leasehold Improvements at Cost             | 352,334          | 173,174          |
| Less: Accumulated Depreciation             | <u>(208,756)</u> | <u>(165,716)</u> |
|  | <u>143,578</u>   | <u>7,458</u>     |
| <b>Total Land and Buildings</b>            | <u>3,911,279</u> | <u>4,142,622</u> |
| Motor Vehicles at Cost                     | 1,656,350        | 1,642,407        |
| Less: Accumulated Depreciation             | <u>(460,343)</u> | <u>(454,091)</u> |
|  | <u>1,196,007</u> | <u>1,188,316</u> |
| Computers at Cost                          | 188,365          | 129,019          |
| Less: Accumulated Depreciation             | <u>(104,791)</u> | <u>(62,069)</u>  |
|  | <u>83,574</u>    | <u>66,950</u>    |
| Furniture & Equipment at Cost              | 316,013          | 188,582          |
| Less: Accumulated Depreciation             | <u>(167,029)</u> | <u>(136,283)</u> |
|  | <u>148,984</u>   | <u>52,299</u>    |
| <b>Total Plant and Equipment</b>           | <u>1,572,143</u> | <u>1,315,023</u> |
| <b>Total Property, Plant and Equipment</b> | <u>5,339,844</u> | <u>5,450,187</u> |

**WAYSS LIMITED**  
**A.B.N. 38 080 191 108**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

|  | 2018                        | 2017  |                                |                       |              |
|--|-----------------------------|---|--------------------------------|-----------------------|--------------|
|  | \$                          | \$  |                                |                       |              |
| <b>Movements in Carrying Amounts</b>   |                             |   |                                |                       |              |
| Movement in the carrying amounts for each class of property and equipment between the beginning and the end of the current financial year. |                             |   |                                |                       |              |
|  | <b>Land &amp; Buildings</b> | <b>Leasehold &amp; Capital Improvements</b> | <b>Furniture and Equipment</b> | <b>Motor Vehicles</b> | <b>Total</b> |
|  | \$                          | \$  | \$                             | \$                    | \$           |
| Balance at 1 July 2016   | 4,113,000                   | 28,188                                      | 91,602                         | 1,154,237             | 5,387,027    |
| Additions  | -                           | 8,723                                       | 81,480                         | 805,020               | 895,223      |
| Disposals  | -                           | -   | (845)                          | (364,906)             | (365,751)    |
| Depreciation expense   | -                           | (7,289)                                     | (52,988)                       | (406,035)             | (466,312)    |
| Balance at 30 June 2017  | 4,113,000                   | 29,622                                      | 119,249                        | 1,188,316             | 5,450,187    |
| Additions  | -                           | 180,340                                     | 186,775                        | 818,940               | 1,186,055    |
| Disposals  | (360,000)                   | (4,021)                                     | -                              | (396,839)             | (760,860)    |
| Depreciation expense   | -                           | (47,662)                                    | (73,466)                       | (414,410)             | (535,538)    |
| Carrying amount at 30 June 2018  | 3,753,000                   | 158,279                                     | 232,558                        | 1,196,007             | 5,339,844    |

**11 Trade and Other Payables**

**Current**

|                        |                |                |
|------------------------|----------------|----------------|
| Payroll Liabilities    | 80,899         | 67,566         |
| Trade Creditors        | 300,295        | 134,065        |
| Sundry Creditors       | 5,560          | 9,439          |
| OoH Rent Payable       | 122,428        | 139,638        |
| GST Paid on Purchases  | (43,621)       | (37,324)       |
| GST Collected on Sales | 153,505        | 126,109        |
|                        | <u>619,066</u> | <u>439,493</u> |

Trade and other payables are unsecured, non interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short term nature of the balances.

**12 Borrowings**

**Current**

|  |            |               |
|--|------------|---------------|
| Overdraft NAB HEF Account              | -          | 13,241        |
| Overdraft NAB Rental Brokerage Account | 118        | -             |
|  | <u>118</u> | <u>13,241</u> |

**WAYSS LIMITED**  
**A.B.N. 38 080 191 108**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

|  | <b>2018</b>      | <b>2017</b>      |
|--|------------------|------------------|
|  | <b>\$</b>        | <b>\$</b>        |
| <b>13 Provisions</b>                         |                  |                  |
| <b>Movements:</b>                            |                  |                  |
| Opening balance at 1 July 2017               | 3,508,023        | 3,178,441        |
| Additional provisions raised during the year | 827,167          | 828,753          |
| Amounts used                                 | <u>(166,711)</u> | <u>(499,171)</u> |
|  | <u>4,168,479</u> | <u>3,508,023</u> |
| <br>   |                  |                  |
| <b>Analysis of Total Provisions</b>          |                  |                  |
| <b>Current</b>                               |                  |                  |
| Provision for Annual Leave                   | 848,940          | 688,331          |
| Provision for Long Service Leave             | 1,007,894        | 909,939          |
| Provision for Time in Lieu                   | 20,843           | 13,198           |
| Provision for Redundancy/Retirement          | 495,961          | 482,314          |
| Provision for Office Relocation              | <u>1,400,000</u> | <u>1,000,000</u> |
|  | <u>3,773,638</u> | <u>3,093,782</u> |
| <br>   |                  |                  |
| <b>Non-current</b>                           |                  |                  |
| Provision for Long Service Leave             | <u>394,841</u>   | <u>414,241</u>   |
|  | <u>394,841</u>   | <u>414,241</u>   |
| <br>   |                  |                  |
| <b>Total Provisions</b>                      | <u>4,168,479</u> | <u>3,508,023</u> |

**Employee Provisions**

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.

**WAYSS LIMITED**  
**A.B.N. 38 080 191 108**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

|  | 2018             | 2017             |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>14 Other Liabilities</b>  |                  |                  |
| <b>Current</b>   |                  |                  |
| Accruals   | 590,169          | 76,939           |
| Funding in Advance   | 30,000           | 105,808          |
| Unexpended Grants  | 96,459           | 146,085          |
|  | <u>716,628</u>   | <u>328,832</u>   |
| <b>15 Reserves</b>   |                  |                  |
| <b>Bequested Property Reserve</b>  |                  |                  |
| Opening Balance for the year   | <u>3,513,000</u> | <u>3,513,000</u> |
| <b>16 Retained Earnings</b>  |                  |                  |
| Retained earnings at the beginning of the financial year   | 3,078,056        | 2,832,547        |
| Net profit attributable to members of the company  | 151,036          | 245,509          |
| Retained earnings at the end of the financial year   | <u>3,229,092</u> | <u>3,078,056</u> |
| <b>17 Capital and Leasing Commitments</b>  |                  |                  |
| <b>Operating Lease Commitments</b>   |                  |                  |
| Non-cancellable operating leases contracted for but not capitalised in the financial statements: |                  |                  |
| Payable - minimum lease payments   |                  |                  |
| Not later than 12 months   | 498,495          | 556,072          |
| Between 12 months and five years   | 663,611          | 1,145,948        |
| Later than five years  | 11,564           | 26,982           |
|  | <u>1,173,670</u> | <u>1,729,002</u> |

The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a five year term (Thomas Street and Langmore Lane). No capital commitments exist in regards to the operating lease commitments at year-end. Increase in lease commitment may occur in line with CPI.

**WAYSS LIMITED**  
**A.B.N. 38 080 191 108**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

|  | <b>2018</b>      | <b>2017</b>      |
|--|------------------|------------------|
|  | <b>\$</b>        | <b>\$</b>        |
| <b>18 Cash Flow Information</b>                                |                  |                  |
| <b>Reconciliation of Cash Flow from Operations with Profit</b> |                  |                  |
| Profit after income tax  | 151,036          | 245,509          |
| <b>Non-cash flows in profit</b>                                |                  |                  |
| Profit on sale of non-current assets                           | (357,148)        | (63,164)         |
| Depreciation   | 535,538          | 466,312          |
| Charges to provisions  | 660,455          | 329,582          |
| <b>Changes in assets and liabilities</b>                       |                  |                  |
| (Increase) Decrease in current receivables                     | 35,075           | (75,720)         |
| (Increase) Decrease in prepayments                             | (10,920)         | (55,602)         |
| Increase (Decrease) in trade creditors                         | 180,286          | (207,519)        |
| Increase (Decrease) in accrued charges                         | 513,230          | 56,282           |
| Increase (Decrease) in income in advance                       | <u>(125,433)</u> | <u>(428,824)</u> |
|  | <u>1,582,119</u> | <u>266,856</u>   |

**19 Financial Risk Management**

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

The totals 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:

|                                    | <b>2018</b>      | <b>2017</b>      |
|------------------------------------|------------------|------------------|
|                                    | <b>\$</b>        | <b>\$</b>        |
| <b>Financial Assets</b>            |                  |                  |
| Cash and cash equivalents          | 827,114          | 1,190,124        |
| Investments                        | 5,863,245        | 4,000,000        |
| Loans and receivables              | <u>88,729</u>    | <u>123,803</u>   |
| <b>Total Financial Assets</b>      | <u>6,779,088</u> | <u>5,313,927</u> |
| <b>Financial Liabilities</b>       |                  |                  |
| Bank overdraft secured             | 118              | 13,241           |
| Trade and other payables           | 619,066          | 439,493          |
| Funding in advance                 | 30,000           | 105,808          |
| Unexpended grants                  | <u>96,459</u>    | <u>146,085</u>   |
| <b>Total Financial Liabilities</b> | <u>745,643</u>   | <u>704,627</u>   |

**WAYSS LIMITED**  
**A.B.N. 38 080 191 108**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

| 2018 | 2017 |
|------|------|
| \$   | \$   |

---

**Financial Risk Management Policies**

The finance committee's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the finance committee on a regular basis. These included the credit risk policies and future cash flow requirements.

**Credit Risk**

The company does not have any material credit risk exposure as its major source of revenue is the receipt of grants. Credit risk is further mitigated as over 90% of the grants being received from state and federal governments are in accordance with funding agreements which ensure regular funding for a period of 3 years.

**Credit Risk Exposures**

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

The company has no significant concentration of credit risk exposure to any single counterparty or group of counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poors rating of at least AA.

**Liquidity Risk**

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The company manages this risk through the following mechanisms:

- maintaining a reputable credit profile
- managing credit risk related to financial assets; and
- only investing surplus cash with major financial institutions.

**Market Risk**

**Interest rate risk**

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments.

**Price risk**

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

The company is not exposed to securities price risk on investments held for trading or for medium to longer terms.

**WAYSS LIMITED**  
**A.B.N. 38 080 191 108**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

|   | 2018           | 2017           |
|---|----------------|----------------|
|   | \$             | \$             |
| <b>20 Key Management Personnel</b>  |                |                |
| Any person having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel. |                |                |
| <b>Key management personnel compensation:</b>   |                |                |
| Short-term employee benefits  | 855,188        | 774,953        |
| Post-employment benefits  | -              | -              |
| Termination benefits paid   | -              | 192,721        |
| <b>Total compensation</b>   | <u>855,188</u> | <u>967,674</u> |

**21 Related Party Transactions**

There were no related party transactions during the year. In accordance with the Constitution, directors are not eligible for any remuneration except for reimbursement of out-of-pocket expenses.

**22 Capital Management**

Management controls the capital of the company to ensure that adequate cash flows are generated to fund its mentoring programs and that returns from investments are maximised. The finance committee ensures that the overall risk management strategy is in line with this objective.

The finance committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year.

**23 Members Guarantee**

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstandings and obligations of the entity.

**24 Statutory Information**

The registered office and principal place of business of the company is:

WAYSS Limited  
294-300 Thomas Street  
Dandenong Vic 3175

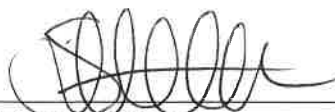
**WAYSS LIMITED**  
**A.B.N. 38 080 191 108**

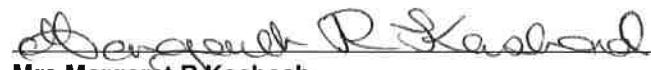
**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 22, for the year ended 30 June 2018 are in accordance with the Corporations Act 2001 and:
  - (a) comply with Australian Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position and performance of the company; and
  - (c) satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director:   
Mr Steve Peterson

Director:   
Mrs Margaret R Kasbach

Dated this 31<sup>ST</sup> day of OCTOBER 2018



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF WAYSS LIMITED  
A.B.N. 38 080 191 108**

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of WAYSS Limited, (the company) which comprises the statement of financial position as at 30 June 2018 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the company is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (iii) complying with the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditors' report.

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

**Responsibilities of Directors' for the Financial Report**

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Corporations Act 2001 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the 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 to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF WAYSS LIMITED  
A.B.N. 38 080 191 108**

**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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF WAYSS LIMITED  
A.B.N. 38 080 191 108**

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

*Morton Watson & Young*  
**Name of Firm: MORTON WATSON & YOUNG AUDIT PTY LTD**  
Chartered Accountants

*[Signature]*  
**Name of Director: Kerpal S Harnam - Registered Company Auditor**

**Address:** 51 Robinson Street, Dandenong Vic 3175

**Dated this** *31<sup>st</sup>* **day of** *October* *2018*