



FINANCIALS
2014 - 2015

Celebrating

30

Years

HOUSING PLUS

83 147 459 461

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2015**

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DIRECTORS' REPORT

Your Board Members submit the financial report of Housing Plus for the financial year ended 30 June 2015.

Board Members

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

Carleen Cunningham	- Director
James Couper	- Director (<i>retired January 2015</i>)
Kim Ferguson	- Director
Lyall Sadler	- Director
Jennifer Hazelton	- Director
Brad Cam	- Director
Daryl Pike	- Director (<i>retired February 2015</i>)
Don Grant	- Director
Steven Woodhouse	- Director (<i>appointed July 2015</i>)

Principal Activities

The principal activity of the company during the financial year was the conduct and management of a subsidised housing operation.

The company's short-term objectives are:

- Expand the number of properties under management through acquisitions and development in order to continue to create secure, affordable and sensitively managed housing opportunities for low and moderate income households.
- Allow strategic management of assets to better meet the future housing demand.
- To provide a secure asset base to leverage additional finance for investment in social and affordable housing.
- To encourage the support of all levels of government for the development and expansion of community based housing programs to increase the supply of affordable, secure and sensitively managed rental accommodation for low and moderate income households.
- To establish an organisation for the relief of poverty, disability, destitution, helplessness and distress regardless of race, creed, colour or gender.
- To raise public awareness and understanding of the social contexts within which people become homeless or poorly housed and to encourage the involvement of tenants in the company.

The company's long-term objectives are to:

- Continue to increase the supply of affordable housing for those in need through the strategic management of assets.
- Continue to provide a secure asset base to leverage additional finance for investment in social and affordable housing.
- Continue to encourage the support of all levels of government for the development and expansion of community based housing programs.

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DIRECTORS' REPORT

Operating Results

The operating surplus for the year was \$1,171,678 (2014 operating surplus \$4,280,318) after deducting income tax expense of nil (2014: nil).

Review of Operations

The decrease in operating surplus of \$3,108,640 is due to a decrease in revenue, such as the loss of two (2) programs during the year Emerge and Operation Courage, however some of this was offset by the addition of the Going Home Staying Program which was taken over by Housing Plus in October 2014. Also, one off grants received by the Company in 2014 that were not received in 2015, such as NRAS State Funding of \$1,371,110, account for some of this variance. An increase in expenses has also lead to this overall decrease, due to factors such as bank interest and loan charges being incurred for the first time in 2015 due to a new loan, and increase in salaries and wages, largely as a result of the Company employing more specialised and experienced staff during the year, such as a Business Development and Innovations Manager.

Significant Changes in the State of Affairs

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

After Balance Sheet Date Events

The Housing Plus Board of Directors have approved the sale of 3 Mudgee properties and sub-division of another in Mudgee. An application has been submitted to FACS seeking approval for the sale and the sub-division that will provide estimated proceeds of \$800,000. These proceeds will be used to create new properties in areas of most need, based on previously completed housing needs analysis. Negotiations are taking place with relevant stakeholders to partner with Housing Plus which will maximise the housing outcomes.

Future Developments

The entity will use the previous noted proceeds amount of \$800,000 along with another \$3.25million from cash reserves to increase the property portfolio. These funds, which exceeds \$4 million, will be used to create new properties in areas of most need based on previously completed housing needs analysis. Negotiations are taking place with relevant stakeholders to partner with Housing Plus which will maximise the housing outcomes. The company will continue to tender for programs that Board and management feel would be appropriate to be run by Housing Plus.

Meetings of the Board

During the year ended 30 June 2015, 10 meetings of directors were held. Attendance by each director during the period are stated below.

Information on Directors

Carleen Cunningham	
Occupation	- Community Liaison Coordinator
Meetings Attended	- 6 of 10
James Couper	
Occupation	- Market Researcher
Meetings Attended	- 4 of 5

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DIRECTORS' REPORT

Information on Directors (Cont.)

Mr. Ferguson	- Business Performance Manager/Facilitator
Meetings Attended	- 10 of 10
Mr. Adler	- Financial Controller – Nestle Purina
Meetings Attended	- 6 of 10
Mr. Hazelton	- Head Teacher – TAFE
Meetings Attended	- 7 of 10
Mr. Ham	- General Manager – Mid Western Regional Council
Meetings Attended	- 6 of 10
Daryl Pike	- Solicitor
Meetings Attended	- 5 of 6
Don Grant	- Land Administration Consultant
Meetings Attended	- 7 of 10

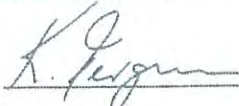
Members Guarantee

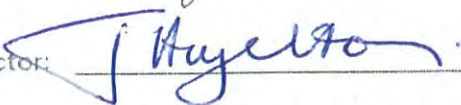
The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the entity. At 30 June 2015, the total amount that members of the company are liable to contribute if the company is wound up is \$2.

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:  _____

Director:  _____

Dated this 30th day of October 2015

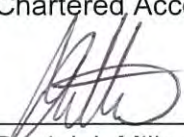
**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF HOUSING PLUS**

We hereby declare, that to the best of our knowledge and belief, during the financial year ended 30 June 2015 there have been no:

- (i) contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: Pigot Miller Wilson
Chartered Accountants

Name of Partner:



Daniel J. Miller

Address: 65 Hill St, Orange NSW 2800

Dated this 30th **day of** October **2015**

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
CHLP FUNDED PROPERTIES		
REVENUE		
Other Grants and Income	39,923	1,456,509
Grants Received	921,915	920,832
Rents Received	7,278,674	6,871,451
Tenant Reimbursements	510,663	446,024
	<u>8,751,175</u>	<u>9,694,816</u>
EXPENSES		
Tenant Reimbursement Bad Debts	131,993	127,111
Insurance	198,805	206,465
Other Rental Expenses	39,961	39,571
Rates	1,022,850	984,743
Rent Paid to Owners	1,985,581	1,979,148
Repairs and Maintenance	1,657,659	1,552,523
	<u>5,036,849</u>	<u>4,889,561</u>
NET SURPLUS FROM CHLP FUNDED PROPERTIES	<u>3,714,326</u>	<u>4,805,255</u>
GHSH, CAP, EMERGE AND OPERATION COURAGE FUNDED PROPERTIES		
REVENUE		
Tenant Contribution	68,117	46,619
Grants Received	170,201	107,641
Emerge Funding	109,056	468,791
Operation Courage Funding	38,265	163,004
GHSH Funding	694,552	-
	<u>1,080,191</u>	<u>786,055</u>
EXPENSES		
Property Expenses	208,334	120,261
Emerge Running Costs	211,320	470,729
Operation Courage Running Costs	54,437	140,678
GHSH Running Costs	580,930	-
	<u>1,055,021</u>	<u>731,668</u>
NET SURPLUS FROM GHSH, CAP, EMERGE AND OPERATION COURAGE FUNDED PROPERTIES	<u>25,170</u>	<u>54,387</u>

The accompanying notes form part of these financial statements.

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
OTHER PROPERTIES		
REVENUE		
Tenant Contribution	115,760	150,970
Other Grants	6,449	42,006
	<u>122,209</u>	<u>192,976</u>
EXPENSES		
Property Expenses	<u>120,227</u>	<u>158,915</u>
	120,227	158,915
NET SURPLUS FROM OTHER PROPERTY INCOME		
	<u>1,982</u>	<u>34,061</u>
OTHER INCOME		
REVENUE		
Ongoing Fee for Service	170,661	102,855
Legal Aid Funding	343,010	191,683
Interest Received	94,553	172,082
NRAS State Funding	-	1,371,110
Sundry Income	59,920	60,096
Profit on Sale Assets	2,843	-
	<u>670,987</u>	<u>1,897,826</u>
EXPENSES		
Audit	19,136	24,680
Advertising	12,982	1,320
Bank Charges	10,484	5,069
Bank Interest and Loan Charges	299,131	-
Board of Management Expenses	47,733	32,731
Computer Expenses	87,543	89,812
Consultants Expenses	63,938	25,153
Conference/Travel Expense	54,316	30,164
Depreciation	82,883	78,345
Employee Recruitment Expense	32,904	20,252
General Office Expenses	2,379	7,274
Insurance	4,334	3,482
Legal Aid Running Costs	323,644	189,293
Motor Vehicle Expenses	25,232	27,873
Postage	4,975	6,014
Printing and Stationery	19,416	13,876
Provision for Annual Leave	7,068	19,902
Provision for Long Service Leave	4,197	(14,725)
Doubtful Debts Provision	15,817	-
Rent of Office Premises	254,967	263,475
Repairs, Maintenance & Office Equipment	27,677	27,546

The accompanying notes form part of these financial statements.

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
Staff Training	35,829	36,512
Subscriptions	22,464	24,386
Superannuation	147,281	124,249
Phone, Fax & Internet	39,577	41,475
Tenant Participation	9,744	15,640
Wages	1,576,560	1,410,835
Workers Compensation Insurance	8,576	6,578
	<u>3,240,787</u>	<u>2,511,211</u>
SURPLUS FROM OPERATIONS	<u>1,171,678</u>	<u>4,280,318</u>
OTHER COMPREHENSIVE INCOME		
Comprehensive income	-	53,380,000
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO MEMBERS	<u>1,171,678</u>	<u>57,660,318</u>

The accompanying notes form part of these financial statements.

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BALANCE SHEET
AS AT 30 JUNE 2015

		2015	2014
CURRENT ASSETS			
Cash and cash equivalents	3	9,289,481	5,424,361
Trade and other receivables	4	309,143	523,538
Other current assets	5	54,404	44,630
TOTAL CURRENT ASSETS		<u>9,653,028</u>	<u>5,992,529</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	70,441,634	63,051,649
TOTAL NON-CURRENT ASSETS		<u>70,441,634</u>	<u>63,051,649</u>
TOTAL ASSETS		<u>80,094,662</u>	<u>69,044,178</u>
CURRENT LIABILITIES			
Trade and other payables	7	1,045,475	1,652,284
Employee leave entitlements	8	166,297	151,937
Borrowings	9	1,380,132	-
TOTAL CURRENT LIABILITIES		<u>2,591,904</u>	<u>1,804,221</u>
NON CURRENT LIABILITIES			
Employee leave entitlements	8	14,213	6,466
Borrowings	9	9,083,381	-
NOTAL NON CURRENT LIABILITIES		<u>9,097,594</u>	<u>6,466</u>
TOTAL LIABILITIES		<u>11,689,497</u>	<u>1,810,687</u>
NET ASSETS		<u>68,405,166</u>	<u>67,233,489</u>
EQUITY			
Accumulated funds		<u>68,405,166</u>	<u>67,233,489</u>
TOTAL EQUITY		<u>68,405,166</u>	<u>67,233,489</u>

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	Retained Earnings
Balance at 1 July 2013	9,573,171
Surplus from operations	57,660,318
Balance as at 30 June 2014	<u>67,233,489</u>
Surplus from operations	1,171,678
Balance at 30 June 2015	<u>68,405,166</u>

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CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from clients	8,456,957	7,678,015
Grants received	2,510,589	4,721,576
Interest received	94,553	172,082
Payments to suppliers, divisions and employees	<u>(10,074,288)</u>	<u>(7,878,896)</u>
Net cash provided by operating activities	12 <u>987,811</u>	<u>4,692,777</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(7,596,203)	(7,820,881)
Sale of property, plant and equipment	<u>10,000</u>	<u>-</u>
Net cash provided by investing activities	<u>(7,586,203)</u>	<u>(7,820,881)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan Facility	10,800,000	-
Principal repaid	<u>(336,487)</u>	<u>-</u>
Net cash provided by investing activities	<u>10,463,513</u>	<u>-</u>
Net increase (decrease) in cash held	3,865,121	(3,128,104)
Cash at beginning of year	<u>5,424,361</u>	<u>8,552,465</u>
Cash at end of year	3 <u>9,289,481</u>	<u>5,424,361</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

The financial statements cover Housing Plus as an individual entity, incorporated and domiciled in Australia. Housing Plus is a company limited by guarantee.

The financial statements were authorised for issue on 22 October 2015.

1. Statement of Significant Accounting Policies

Basis of Preparation

The financial report is a general purpose financial report as required by the Community Housing Division, Housing NSW. The financial report has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Standards Board and the requirements of the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report, except for the cash flow information, has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial report have been rounded to the nearest dollar.

Accounting Policies

a) Property, Plant & Equipment

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

Freehold Property

Freehold land and buildings are currently shown at cost. Once all properties are completed, and have been valued, the Board will change accounting policy to ensure that the previously vested properties and newly developed properties owned by the Company are reflected at fair value.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation reserve surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

a) Property, Plant & Equipment (Cont.)

Freehold Property (Cont.)

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

Plant and Equipment

Plant and equipment are measured on cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

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

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 asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

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

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

Class of Fixed Asset	Depreciation
Plant & Equipment	5 – 33.3%
Leasehold Improvements	2.5 – 15%

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

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

b) Leases

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

c) Financial Instruments

Initial recognition and measurement

Financial assets and liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value' through profit or loss in which case, transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair valued, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. On other circumstances, valuation techniques are adopted.

Financial assets at fair value through profit and loss

Financial assets are classified in this category when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for trading purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets that have fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

Financial liabilities

Non-derivative financial liabilities are subsequently recognised at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Fair Value

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

c) Financial Instruments (Cont.)

Impairment

At the end of each reporting period, the company assess whether there is objective evidence that a financial asset has been impaired. A financial asset will be deemed to be impaired if there is objective evidence of impairment as a result of the occurrence of one or more events which has an impact on the estimate future cash flows of the financial asset(s). Impairment losses are recognised in the statement of comprehensive income.

Derecognition

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

d) Impairment of Assets

At the end of each reporting period, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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

e) Employee Provisions

Short-term employee benefits

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

Other long-term employee provisions

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

e) Employee Provisions (Cont.)

Other long-term employee provisions (Cont.)

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

f) Provisions

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

g) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

h) Accounts Receivable and Other Debtors

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

Accounts receivable are initially recognised at fair value and subsequently measure at amortised cost using the effective interest method less any provision for impairment. Refer to Note 1(d) for further discussion on the determination of impairment losses.

i) Revenue and Other Income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Grant revenue is recognised in the income statement 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. This is normally at the time of receipt. 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.

Donations and bequests are recognised as revenue when received unless set aside for a specific purpose, whereby they are recognised as a liability until expended.

This should be read in conjunction with the attached audit report

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

i) Revenue and Other Income (Cont.)

In the event that Housing Plus receives contributions of assets from the government and other parties for zero or a nominal value, these assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income in the statement of profit or loss in other comprehensive income.

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

j) Goods and Service Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

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

Cash flows are presented in the cash flow statement on a net basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

k) Comparative Figures

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

When the company has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

l) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remains unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

m) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

n) Intangibles

Software

Software is recorded at cost. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. The company has estimated the useful life to be 2.5 years. It is assessed annually impairment.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

o) Critical accounting estimates and judgements

Management evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

p) Economic dependency

Some programs within the company are dependent on grants from various funding bodies (as applicable to each program), for program revenue to continue the operation of a particular program. As at the date of this report, the Board of Directors has no reason to believe these funding bodies will not continue to support Housing Plus, however if these programs do cease, Housing Plus as a whole will be able to continue operations through their other revenue streams.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
2 Auditors' Remuneration		
Remuneration of the auditor for:		
- Auditing or reviewing the financial report	24,733	24,330
- Other work conducted by the audit firm	525	350
	25,258	24,680
3 Cash and Cash Equivalents		
Cash at Bank	9,288,981	5,423,644
Cash on Hand	500	717
	9,289,481	5,424,361
Reconciliation of cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as above.		
4 Receivables		
Trade Debtors	42,255	42,691
Rental Debtors	131,464	92,959
Sundry Debtors	16,479	140,111
GST Receivable - June BAS	1,202	154,197
Reimbursement Receivable	346,674	306,692
Less Provision for Doubtful Debts	(228,932)	(213,114)
	309,143	523,537
5 Other Assets		
Bonds Lodged	54,154	44,380
Security Deposits Held	250	250
	54,404	44,630
6 Property, Plant and Equipment		
Land at cost		
Mudgee	887,885	887,885
Orange	774,879	802,722
Bathurst	980,358	1,007,890
Dubbo - SAIF Project	402,238	400,945
Total land at cost	3,045,360	3,099,442
Structural Improvements - at cost		
Mudgee	4,292,636	3,828,525
Orange	4,906,906	484,589
Bathurst	2,716,771	151,250
Dubbo - SAIF Project	1,712,480	1,700,048
Total structural improvements at cost	13,628,794	6,164,412

This should be read in conjunction with the attached audit report

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
6 Property, Plant and Equipment (Cont.)		
Investment Properties vested by Housing NSW	<u>53,380,000</u>	<u>53,380,000</u>
Plant and Equipment at Cost	265,382	243,168
Less Accumulated Depreciation	<u>(132,444)</u>	<u>(103,646)</u>
Total Plant and Equipment	<u>132,938</u>	<u>139,522</u>
Plant and Equipment at Cost - Operation Courag	-	9,210
Less Accumulated Depreciation	<u>-</u>	<u>(8,594)</u>
Total Plant and Equipment - Operation Courage	<u>-</u>	<u>616</u>
Plant and Equipment at Cost - Legal Aid	21,064	1,540
Less Accumulated Depreciation	<u>(1,138)</u>	<u>(979)</u>
Total Plant and Equipment - Legal Aid	<u>19,926</u>	<u>561</u>
Plant and Equipment at Cost - Emerge	-	73,282
Less Accumulated Depreciation	<u>-</u>	<u>(34,726)</u>
Total Plant and Equipment - Emerge	<u>-</u>	<u>38,556</u>
Plant and Equipment at Cost - GHSH	63,429	-
Less Accumulated Depreciation	<u>(3,630)</u>	<u>-</u>
Total Plant and Equipment - GHSH	<u>59,799</u>	<u>-</u>
Leasehold Improvements at Cost	241,236	257,153
Less Accumulated Depreciation	<u>(92,596)</u>	<u>(79,771)</u>
Total Leasehold Improvements	<u>148,640</u>	<u>177,382</u>
Software at Cost	62,450	62,450
Less Accumulated Amortisation	<u>(36,272)</u>	<u>(11,292)</u>
Total Software	<u>26,178</u>	<u>51,158</u>
Total Property, Plant and Equipment	<u>70,441,634</u>	<u>63,051,649</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

6 Property, Plant and Equipment (Cont.)

	Property, Plant and Equipment \$	Capital Additions \$	Total \$
Movements in Carrying Amounts			
Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year.			
Balance at the beginning of the year	56,709,854	6,341,794	63,051,648
Additions	51,085	7,464,382	7,515,466
Disposals	(98,409)	-	(98,409)
Depreciation expense	(14,247)	(12,825)	(27,072)
Carrying amount at the end of the year	<u>56,648,282</u>	<u>13,793,351</u>	<u>70,441,634</u>

The properties vested to Housing Plus during 2014 financial year from Housing NSW have strict conditions around the transfer of ownership of these properties. Housing Plus must not transfer or otherwise deal in land in which Housing NSW holds an interest. Dealings include sale, mortgage, lease, redevelop or subdivide the vested assets without consent.

These properties have been treated under AASB140 Investments as agreed upon by the Board, as the primary use of this property is to increase the supply of affordable rental accommodation, allow strategic management of assets to better meet the future housing demand, and provide a secure asset base to leverage additional finance for investment finance for investment in social and affordable housing. The Board wish to make note that the term "Investment Property" is not meant to be literal but is the term required to be used under the Australian Accounting Framework to reflect the most appropriate accounting treatment of these properties.

7 Trade and Other Payables

	2015	2014
Current		
Trade Creditors	268,373	1,128,273
Other Creditors	32,600	40,362
Accrued Expenses	131,858	122,582
Rent Received in Advance	182,229	205,237
Non Rent in Advance	190,259	102,892
Advance Funding	240,156	52,938
	<u>1,045,475</u>	<u>1,652,284</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
8 Employee Leave Entitlements		
Current		
Annual leave	139,231	125,123
Long service leave	27,066	26,814
	<u>166,297</u>	<u>151,937</u>
Non-Current		
Long service leave	<u>14,213</u>	<u>6,466</u>

9 Borrowings

Current		
Bank loan facility	<u>1,380,132</u>	<u>-</u>
Non-Current		
Bank loan facility	<u>9,083,381</u>	<u>-</u>

During 2015, Housing Plus received a bank loan to finance the property developments in Mudgee (\$3,900,000), and in Bathurst and Orange (\$6,900,000). The covenants placed on these loans are:

- Interest cover ratio must remain above 1.75
- Debt service cover ratio must remain above 1.1

These covenants are assessed regularly by management and for the reporting period ended 30 June 2015, these covenants were met.

10 Leasing Commitments**Operating Lease Commitments**

Non - cancellable operating leases contracted for but not capitalised in the financial statements.

- not later than twelve months	164,487	144,820
- between twelve months and five years	298,836	410,322
- greater than five years	-	-
	<u>463,322</u>	<u>555,142</u>

11 Contingent Liabilities and Contingent Assets

The company is liable for the repairs, maintenance and up-keep of all its capital properties. It is uncertain the extent of the financial liability that Housing Plus could potential need to fund for this.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

11 Contingent Liabilities and Contingent Assets (Cont.)

The Housing Plus Board of Directors have approved the sale of 3 properties in Mudgee and the sub-division of another in Mudgee, they are also planning to dispose of a property in Molong. An application has been submitted to FACS seeking approval for the sale and the sub-division that will provide estimated proceeds of \$800,000. These proceeds will be used to create new properties in areas of most need based on previously completed housing needs analysis. Negotiations are taking place with relevant stakeholders to partner with Housing Plus which will maximise the housing outcomes.

12 Cash Flow Information	2015	2014
Reconciliation of net cash provided by operating activities to surplus from ordinary activities		
Surplus from ordinary activities	1,171,678	4,280,318
Non-cash flows in surplus (deficit) from ordinary activities:		
Depreciation & loss on disposal	82,883	78,345
Bad Debts	131,993	-
Profit on disposal	(2,843)	-
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries		
(Increase) Decrease in Receivables	198,577	(314,501)
(Increase) Decrease in Other Assets	(9,774)	(1,080)
Increase (Decrease) in Creditors & Accrued Exp	(858,386)	923,180
Increase (Decrease) in Income in Advance	64,359	64,731
Increase (Decrease) in Grants in Advance	187,218	(358,451)
Increase (Decrease) in Leave Entitlements	22,107	20,235
Cash flows from operations	<u>987,811</u>	<u>4,692,777</u>

13 Members' Guarantee

The entity is incorporated under the *Corporations Act 2001* and is limited by guarantee. If the entity is wound up the constitution states that each member is required to contribute a maximum of \$2 towards meeting any outstanding obligations of the entity. At 30 June 2015 the number of members was 6.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

14 Key Management Personnel Compensation

Any person(s) 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.

Key management personnel compensation	2015	2014
Short-term Benefits	463,028	358,663
Post-employment Benefits	224,887	166,000
Other Long-term Benefits	27,871	27,640
Total	<u>715,786</u>	<u>552,303</u>

The terms above are defined by AASB 124 as follows;

Short-term employee benefits is defined as wages, salaries, annual leave paid and sick leave paid during the period.

Post-employment benefits is defined as superannuation paid during the period, including both compulsory and salary packaged superannuation.

Other long-term benefits is defined as the long-service leave entitlement balance at the end of the period including any applicable on costs.

15 Financial Instruments

Financial Risk Management

The financial instruments consist of deposits with banks, short term investments and bank loans.

We do not have any derivative instruments at 30 June 2015.

i. Treasury Risk Management

The Board review interest rate exposure and management strategies in the context of the most recent economic conditions and forecasts.

ii. Financial Risks

The main risk that we are exposed to is interest rate risk and liquidity risk.

Interest rate risk

The company is not exposed to any significant interest rate risk since cash balances are maintained at variable rates and borrowings of the company are not considered significant.

Foreign currency risk

The company is not exposed to and foreign currency risk.

Liquidity risk

The company manages liquidity risk by monitoring cash flows.

Credit risk

The company does not have a material risk to any single receivable or group of receivables.

Price Risk

The company is not exposed to any price risk.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

16 Capital Management

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised within tolerable risk parameters. The Board ensures that the overall risk management strategy is in line with this objective.

Management 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.

17 Company Details

The registered office of the company is:

Housing Plus
113 Byng St
ORANGE NSW 2800

The principal place of business is:

Housing Plus
113 Byng St
ORANGE NSW 2800

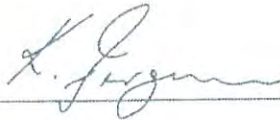
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DIRECTORS' DECLARATION

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 4 to 24, are in accordance with the *Corporations Act 2001*:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the financial position as at 30 June 2015 and the performance for the year ended on that date of the entity.
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they fall due.

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

Director:  _____

Director:  _____

Dated this 30th day of October 2015



PIGOT MILLER WILSON

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INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF HOUSING PLUS

Scope

The Financial Report and Boards' Responsibility

We have audited the accompanying financial report of Housing Plus, which comprises the statement of financial position as at the 30 June 2015 and the income statement, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Housing Plus, would be in the same terms if given to the directors as at the time of this auditor's report.



Audit Opinion

In our opinion, the financial report of Housing Plus 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 2015 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*.

Name of Firm: Pigot Miller Wilson
Chartered Accountants

Name of Partner: 
Daniel Miller, Chartered Accountant

Address: 65 Hill St
Orange NSW 2800

Dated this 30th **day of** October **2015**