



FINANCIALS 2013 - 2014



OUR VISION:
**SAFE
HEALTHY &
CONNECTED
COMMUNITIES**

HOUSING PLUS

83 147 459 461

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2014**

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DIRECTORS' REPORT

Your Board Members submit the financial report of Housing Plus for the financial year ended 30 June 2014.

Board Members

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

Carleen Cunningham	- Secretary
James Couper	- Chairperson
Kim Ferguson	- Vice Chairperson
Lyll Sadler	- Treasurer
Jennifer Hazelton	- Director
Brad Cam	- Director
Daryl Pike	- Director
Don Grant	- Director (<i>appointed 4/3/14</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.

DIRECTORS' REPORT

Information on Directors

Carleen Cunningham

Occupation - Community Liaison Coordinator
Meetings Attended - 8 of 10
Special Responsibilities - Secretary

James Couper

Occupation - Market Researcher
Meetings Attended - 8 of 10
Special Responsibilities - Chairperson/Governance Sub-Committee

Kim Ferguson

Occupation - Business Performance Manager/Facilitator
Meetings Attended - 7 of 10
Special Responsibilities - Vice Chairperson/Governance Sub-Committee

Lyll Sadler

Occupation - Financial Controller – Nestle Purina
Meetings Attended - 8 of 10
Special Responsibilities - Treasurer/Audit and Risk Sub-Committee

Jennifer Hazelton

Occupation - Head Teacher – TAFE
Meetings Attended - 7 of 10

Brad Cam

Occupation - Operations Manager – Mid Western Regional Council
Meetings Attended - 9 of 10
Special Responsibilities - Audit and Risk Sub-Committee

Daryl Pike

Occupation - Solicitor
Meetings Attended - 6 of 10

Don Grant

Occupation - Land Administration Consultant
Meetings Attended - 3 of 4

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 2014, the total amount that members of the company are liable to contribute if the company is wound up is \$2.

DIRECTORS' REPORT

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: *Badh*

Director: *B*

Dated this *30* day of *OCTOBER* 2014

**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 2014 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 **2014**

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
CHLP FUNDED PROPERTIES		
REVENUE		
Other Grants and Income	1,456,509	547,518
Grants Received	920,832	769,305
Rents Received	6,871,451	6,586,620
Tenant Reimbursements	446,024	385,527
	<u>9,694,816</u>	<u>8,288,970</u>
EXPENSES		
Tenant Reimbursement Bad Debts	127,111	124,586
Insurance	206,465	208,269
Other Rental Expenses	39,571	34,126
Rates	984,743	873,410
Rent Paid to Owners	1,979,148	1,926,180
Repairs and Maintenance	1,552,523	1,447,058
	<u>4,889,561</u>	<u>4,613,629</u>
NET SURPLUS FROM CHLP FUNDED PROPERTIES	<u>4,805,255</u>	<u>3,675,341</u>
CAP, EMERGE AND OPERATION COURAGE FUNDED PROPERTIES		
REVENUE		
Tenant Contribution	46,619	54,162
Grants Received	107,641	96,648
Emerge Funding	468,791	487,532
Operation Courage Funding	163,004	156,431
	<u>786,055</u>	<u>794,773</u>
EXPENSES		
Property Expenses	120,261	106,099
Emerge Running Costs	470,729	444,875
Operation Courage Running Costs	140,678	144,968
	<u>731,668</u>	<u>695,942</u>
NET SURPLUS FROM CAP, EMERGE AND OPERATION COURAGE FUNDED PROPERTIES	<u>54,387</u>	<u>98,831</u>

The accompanying notes form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
OTHER PROPERTIES		
REVENUE		
Tenant Contribution	150,970	148,554
Other Grants	42,006	47,437
	<u>192,976</u>	<u>195,991</u>
EXPENSES		
Property Expenses	158,915	157,604
	<u>158,915</u>	<u>157,604</u>
NET SURPLUS FROM OTHER PROPERTY INCOME	<u>34,061</u>	<u>38,387</u>
OTHER INCOME		
REVENUE		
Ongoing Fee for Service	102,855	85,103
Legal Aid Funding	191,683	206,639
Interest Received	172,082	226,342
NRAS State Funding	1,371,110	-
Sundry Income	60,096	101,091
	<u>1,897,826</u>	<u>619,175</u>
EXPENSES		
Audit	24,680	23,195
Advertising	1,320	2,697
Bank Charges	5,069	3,751
Board of Management Expenses	32,731	18,000
Computer Expenses	89,812	11,919
Consultants Expenses	25,153	44,527
Conference/Travel Expense	30,164	31,829
Depreciation	78,345	64,465
Employee Recruitment Expense	20,252	13,916
General Office Expenses	7,274	8,622
Insurance	3,482	3,249
Legal Fees	-	987
Legal Aid Running Costs	189,293	207,111
Motor Vehicle Expenses	27,873	37,136
Postage	6,014	6,466
Printing and Stationery	13,876	13,367
Provision for Annual Leave	19,902	12,077
Provision for Long Service Leave	(14,725)	14,205
Rent of Office Premises	263,475	207,135
Repairs, Maintenance & Office Equipment	27,546	22,144
Staff Training	36,512	24,635
Subscriptions	24,386	22,936
Superannuation	124,249	111,632

The accompanying notes form part of these financial statements.

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
Phone, Fax & Internet	41,475	44,167
Tenant Participation	15,640	4,170
Wages	1,410,835	1,273,427
Workers Compensation Insurance	6,578	7,737
	<u>2,511,211</u>	<u>2,235,502</u>
SURPLUS FROM OPERATIONS	<u>4,280,318</u>	<u>2,196,232</u>
OTHER COMPREHENSIVE INCOME		
Comprehensive income	53,380,000	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO MEMBERS	<u><u>57,660,318</u></u>	<u><u>2,196,232</u></u>

The accompanying notes form part of these financial statements.

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BALANCE SHEET
AS AT 30 JUNE 2014

		2014	2013
CURRENT ASSETS			
Cash and cash equivalents	3	5,424,361	8,552,465
Trade and other receivables	4	523,536	209,036
Other current assets	5	44,630	43,550
TOTAL CURRENT ASSETS		5,992,527	8,805,051
NON-CURRENT ASSETS			
Plant and equipment	6	63,051,648	1,929,163
TOTAL NON-CURRENT ASSETS		63,051,648	1,929,163
TOTAL ASSETS		69,044,175	10,734,214
CURRENT LIABILITIES			
Trade and other payables	7	1,652,284	1,022,874
Employee leave entitlements	8	151,937	117,920
TOTAL CURRENT LIABILITIES		1,804,221	1,140,794
NON CURRENT LIABILITIES			
Employee leave entitlements	8	6,466	20,248
TOTAL LIABILITIES		1,810,687	1,161,042
NET ASSETS		67,233,489	9,573,171
EQUITY			
Accumulated funds		67,233,489	9,573,171
TOTAL EQUITY		67,233,489	9,573,171

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Retained Earnings
Balance at 1 July 2012	7,376,939
Surplus from operations	<u>2,196,232</u>
Balance as at 30 June 2013	9,573,171
Surplus from operations	<u>57,660,318</u>
Balance at 30 June 2014	<u>67,233,489</u>

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CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	7,678,015	7,329,469
Grants received	4,721,576	2,406,460
Interest received	172,082	226,342
Payments to suppliers, divisions and employees	<u>(7,878,896)</u>	<u>(7,438,240)</u>
Net cash provided by operating activities	13 <u>4,692,777</u>	<u>2,524,031</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(7,820,881)	(766,428)
Sale of property, plant and equipment	<u>-</u>	<u>35,912</u>
Net cash provided by investing activities	<u>(7,820,881)</u>	<u>(730,516)</u>
Net increase (decrease) in cash held	(3,128,104)	1,793,515
Cash at beginning of year	<u>8,552,465</u>	<u>6,758,950</u>
Cash at end of year	3 <u>5,424,361</u>	<u>8,552,465</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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

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.

Australian Accounting Standards set out accounting policies that the AASB have concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting 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 plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

Freehold Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Freehold Property (Cont.)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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 2014

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

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

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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(e) 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.

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).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

i) 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.

j) 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.

k) 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.

l) 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*.

m) 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 group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
2 Auditors' Remuneration		
Remuneration of the auditor for:		
- Auditing or reviewing the financial report	<u>24,680</u>	<u>23,195</u>
3 Cash and Cash Equivalents		
Cash at Bank	5,423,644	8,551,665
Cash on Hand	717	800
	<u>5,424,361</u>	<u>8,552,465</u>
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	42,691	26,657
Rental Debtors	92,959	116,767
Sundry Debtors	140,111	-
GST Receivable - June BAS	154,197	-
Reimbursement Receivable	306,692	269,043
Less Provision for Doubtful Debts	<u>(213,114)</u>	<u>(203,432)</u>
	<u>523,536</u>	<u>209,035</u>
5 Other Assets		
Bonds Lodged	44,380	43,300
Security Deposits Held	250	250
	<u>44,630</u>	<u>43,550</u>
6 Plant and Equipment		
Land at cost		
Mudgee	887,885	887,885
Orange	802,722	-
Bathurst	1,007,890	-
Dubbo - SAIF Project	400,945	414,492
Total land at cost	<u>3,099,442</u>	<u>1,302,377</u>
Structural Improvements - at cost		
Mudgee	3,828,525	207,318
Orange	484,589	-
Bathurst	151,250	-
Dubbo - SAIF Project	1,700,048	-
Total structural improvements at cost	<u>6,164,412</u>	<u>207,318</u>

This should be read in conjunction with the attached audit report

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

6 Plant and Equipment (Cont.)

Investment Properties vested by Housing NSW	53,380,000	-
Plant and Equipment at Cost	243,168	268,981
Less Accumulated Depreciation	(103,646)	(95,633)
Total Plant and Equipment	139,522	173,348
Plant and Equipment at Cost - Operation Courage	9,210	9,210
Less Accumulated Depreciation	(8,594)	(6,755)
Total Plant and Equipment - Operation Courage	616	2,455
Plant and Equipment at Cost - Legal Aid	1,540	1,540
Less Accumulated Depreciation	(979)	(839)
Total Plant and Equipment - Legal Aid	561	701
Plant and Equipment at Cost - Emerge	73,282	85,005
Less Accumulated Depreciation	(34,726)	(34,816)
Total Plant and Equipment - Emerge	38,556	50,189
Leasehold Improvements at Cost	257,153	257,153
Less Accumulated Depreciation	(79,771)	(64,379)
Total Leasehold Improvements	177,382	192,774
Software at Cost	62,450	-
Less Accumulated Amortisation	(11,292)	-
Total Software	51,158	-
Total Plant and Equipment	63,051,648	1,929,163

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	1,529,070	400,093	1,929,163
Additions	55,239,515	5,957,093	61,196,608
Disposals	(37,536)	-	(37,536)
Depreciation expense	(21,194)	(15,392)	(36,586)
Carrying amount at the end of the year	56,709,854	6,341,794	63,051,648

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

6 Plant and Equipment (Cont.)

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

	2014	2013
Current		
Trade Creditors	1,128,273	185,826
Other Creditors	40,362	88,021
Accrued Expenses	122,582	94,240
Rent Received in Advance	205,237	178,846
Non Rent in Advance	102,892	64,552
Advance Funding	52,938	411,389
	<u>1,652,284</u>	<u>1,022,874</u>

8 Employee Leave Entitlements

Current		
Annual leave	125,123	108,712
Long service leave	26,814	9,208
	<u>151,937</u>	<u>117,920</u>
Non-Current		
Long service leave	6,466	20,248
	<u>6,466</u>	<u>20,248</u>

9 Leasing Commitments

Operating Lease Commitments

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

- not later than twelve months	144,820	147,581
- between twelve months and five years	410,322	556,506
- greater than five years	-	-
	<u>555,142</u>	<u>704,087</u>

This should be read in conjunction with the attached audit report

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

10 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.

11 Capital Commitments

The company is committed to purchasing a new tenancy management system called Kypera. This software will be capitalised and subsequently amortised in accordance with AASB 138 Intangible Assets. At the date of this report, the expected cost of this software is \$280,064 over the next 4 years and this commitment has been approved at Board level.

In order to complete construction on the Affordable Housing Property Development, the company has also budgeted to spend \$8,338,127 over the coming 12 months. This is split into Orange (\$4,647,244), Bathurst (\$2,707,692) and Mudgee (\$983,191). This will be paid for via borrowings to the value of \$10.8million, which also includes \$3.9million set aside for the Mudgee site.

12 Subsequent Events

After 30 June 2014, the company learned that they would no longer receive funding into the future for their Emerge program. In the 2014 financial year, this program brought in a total income of \$468,790 and had an overall deficit of \$5,898. The loss of this program is not expected to negatively impact on the operations nor the financial results of the company going forward. We note that the fixed assets of Emerge, including motor vehicles and furniture, will be passed on to the next provider of this service and will no longer be held in the accounts of Housing Plus. These fixed assets have a written down value as at 30 June 2014 of \$52,588. This is expected to take place early in the 2015 calendar year.

In addition, Housing Plus were successful in winning the Orange Adults and Families Going Home Staying Home package which will be funded for 3 years, providing \$895,000 in annual funding, pro-rated in the first year. This service will employ 7 new staff.

Housing Plus has also commenced the Local Coordination Point service under the Domestic Violence Reform funded by Legal Aid NSW that creates 1.5 full time equivalent positions within the company. This will add over \$110,000 in funding to the Domestic Violence program in the 2014/2015 period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

13 Cash Flow Information	2014	2013
Reconciliation of net cash provided by operating activities to surplus from ordinary activities		
Surplus from ordinary activities	4,280,318	2,196,232
Non-cash flows in surplus (deficit) from ordinary activities:		
Depreciation	78,345	53,326
Bad Debts	-	-
Net Loss on Disposal	-	7,789
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries		
(Increase) Decrease in Receivables	(314,501)	(59,648)
(Increase) Decrease in Other Assets	(1,080)	(1,090)
Increase (Decrease) in Trade & Other Payables	649,695	327,423
Cash flows from operations	4,692,777	2,524,031

14 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 2014 the number of members was 7.

15 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	2014	2013
Short-term Benefits	358,663	438,378
Post-employment Benefits	166,000	194,377
Other Long-term Benefits	27,640	31,448
Total	552,303	664,203

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

16 Financial Instruments

Financial Risk Management

The financial instruments consist of deposits with banks and short term investments. We do not have any derivative instruments at 30 June 2014.

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.

17 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

18 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

HOUSING PLUS
83 147 459 461

DIRECTORS' DECLARATION

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 4 to 23, 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 2014 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: Dedh .

Director: B .

Dated this 30 day of OCTOBER 2014



PIGOT MILLER WILSON

Accountants & Advisers

Servicing our clients since 1947

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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 2014 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 2014 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 **2014**