CENTRAL AUSTRALIAN AFFORDABLE HOUSING

Annual Report 17/18

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OUR VISION

We create place

We nourish and strengthen the fabric of communities

We work with the complexities and search for workable options; even if they are outside the typical program requirements

Better Lives start with a Home

STATUS

CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPANY is a NOT-FOR-PROFIT special purpose community housing development and management company incorporated as a COMPANY LIMITED BY GUARANTEE and registered as a TAX CONCESSION CHARITY with PUBLIC BENEVOLENT INSTITUTION status.

ABOUT CAAH

Located on Arrernte country, CAAH is an Aboriginal controlled, not-for-profit, Tier 2 NRSCH Registered community housing provider.

Established in 2009 by Tangentyere Council, CAAH's mission is to improve the lives of vulnerable Territorians by providing safe and affordable homes, with a focus on addressing the housing problems faced by many Aboriginal people in the NT.

1,800+	359	90%	67%
RESIDENTS	HOMES	ABORIGINAL TENANTS	ABORIGINAL STAFF

WHAT WE DO

Community Housing

Since 2009, CAAH has established its own community housing portfolio through a range of property development activities and leasing and management partnerships. Today we manage 74 homes as a mix of affordable, seniors and supported housing.

My Place Program

Established in 2017, the My Place Program aims to prevent homelessness by improving people's access to housing in the private rental market through providing 15 subsidised transitional housing homes, tenancy education and coordinated support.
The My Place Program prioritises helping people that are escaping domestic and family violence and/or people who are suffering mental health issues.

Town Camps

CAAH has a long and proud history of working with the residents and communities of the 16 Alice Springs Town Camps.
CAAH is currently contracted by the Department of Housing and Community Development to provide 'Tenancy Management Services' for the 270 homes on the Town Camps, which involves rent management, inspections and managing repairs and maintenance requests.

Property Development

Since 2014, CAAH has purchased and developed 23 homes including 13 new affordable housing dwellings and 10 renal accommodation homes. These properties now make up part of our community housing portfolio and offer a diverse range of housing options.
In each scenario CAAH has received capital funding for the purchase and development costs and managed the project independently, with support from subcontractors such as Tangentyere Design.

For more information on CAAH please see our new webpage at **www.affordablehousingcompany.com.au**

CHAIRPERSONS REPORT

The company resumed operation of the Town Camps Tenancy Management in June 2017 and has now had the benefit of a full year of operations. Not only is this good for the company but I also consider that the skills and qualities we bring to tenancy management are good for the residents of the town camps. It's regrettable that the contract did not provide for a longer term. Our company was founded substantially to improve the housing situation for Aboriginal people in Alice Springs and we regard the town camps as 'core business'.

Sally Langton the former CEO departed early this year after giving us plenty of notice of her intention to move on. We are indebted to Sally for her great contribution, particularly during the period when the resources of the company were severely constrained after we lost the town camps contract. She brought the company through the lean times and enabled it to re-win the lost contract. We thank you Sally!

We have been fortunate to be able to appoint John McBryde as Sally's replacement. John's lengthy background in community housing, as well as his familiarity with the operations of the company from his earlier service with us, have enabled him to assume the CEO's duties almost seamlessly.

The activities of the company are set out in the Report, but one particular project I will mention is the Renal Accommodation Project even though the number of units may be small in terms of overall tenancy management. Suitable accommodation for renal patients is a very significant contributor to their overall health. The circumstances of some renal patients can present particular challenges for tenancy management and in accepting those challenges our company can play an important role in the wellbeing of the patients.

Shortly the directors will gather to consider the future path of the company. Community housing is increasingly attractive to governments, and that brings both opportunities and risks. It is important that we do our best to position the company in future to take advantage of the opportunities that may present while minimising our risk exposure.

Once again I thank Sally Langton and John McBryde and all our staff, and my fellow directors, for their contributions this year.

David Avery

CEO'S REPORT

In March 2018, I re-joined CAAH as the new CEO and Company Secretary following on from Sally Langton.

I first arrived in Alice Springs in February 2015 to work for CAAH as the Operations Manager. I was delighted to return to CAAH in 2018 and see how the organisation has overcome adversity and grown into its best position since incorporation in 2009.

It is with this in mind, that I must thank and congratulate Sally Langton for her dedicated stewardship of CAAH over the last three years. Sally made an enormous contribution to CAAH through establishing innovative programs like My Place, the development of new housing through the Renal Accommodation Project, and implementing best practice systems for financial management and controls. I wish Sally the very best in her future endeavours.

The last year has been one of growth and transition for CAAH. With early successes such as the return of the Town Camps Tenancy Management Contract and the implementation of My Place, the organisation has had the opportunity to bed down its practices and genuinely invest in our brand of 'people first' customer service.

Some of the highlights for 2017/18 include:

- The extension of the My Place Program to June 2019 and the creation of 15 new transitional housing properties through the private rental market.
- The extension of the Town Camps Tenancy Management Contract for a period of 12 months to 30 June 2019.
- A successful compliance audit as a Tier 2 organisation under the National Regulatory System for Community Housing.
- Several business improvement initiatives including the introduction of a new Tenancy Management System, file management system and the development of CAAH's new website.

I am very proud of the work of our staff, who show a great deal of commitment and personal care for our customers and each other. The CAAH team culture is one of positivity, hard work and fun. I would like to thank the team and the Board of Directors for making me feel very welcome rejoining the company.

Looking forward to 2019, I am pleased to say that CAAH is developing its Strategic Plan 2019-2022, which will clearly outline the future strategic directions for the organisation over the next three years.

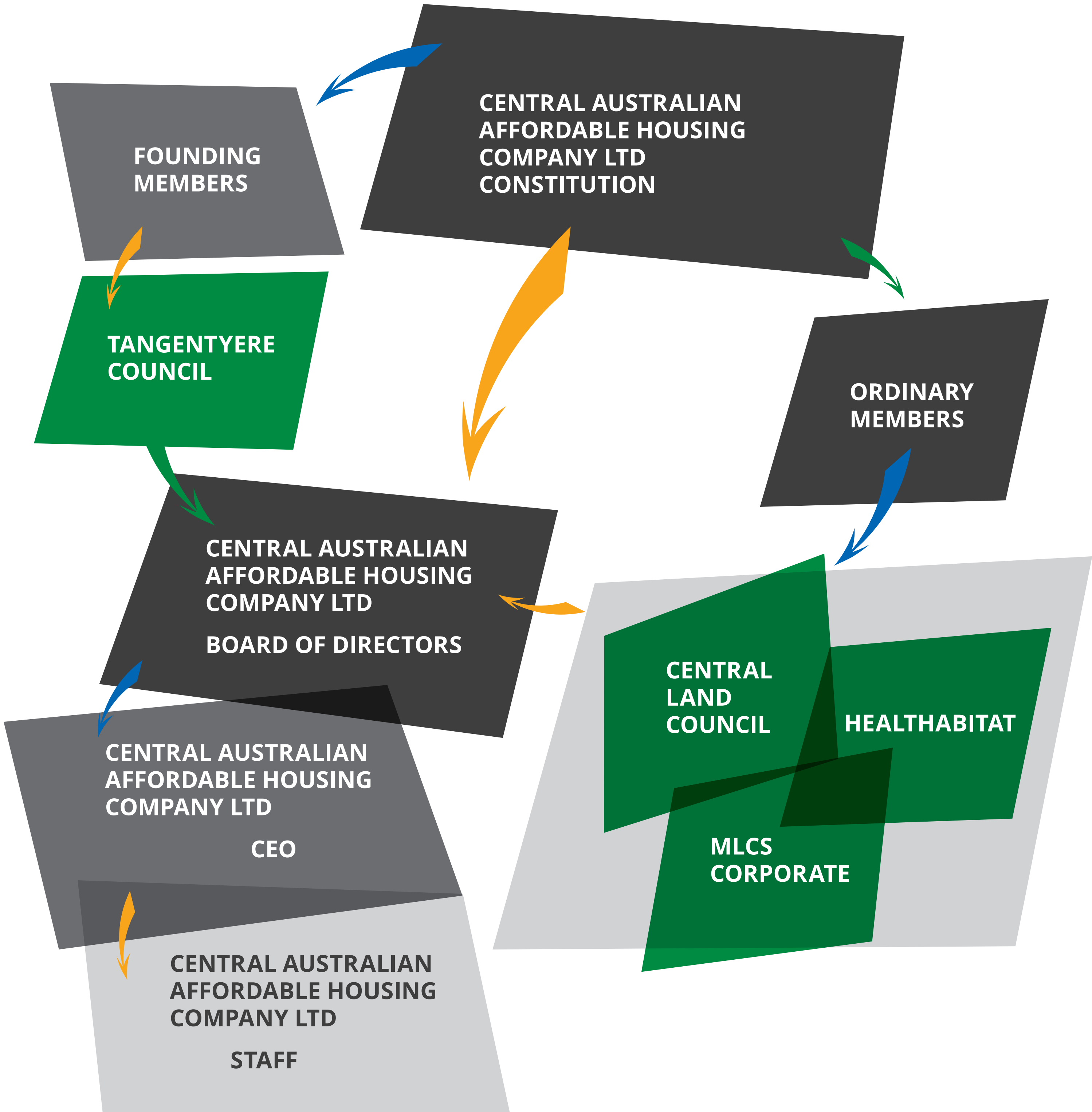
We welcome the new National Housing and Homeless Agreement between the Northern Territory and the Commonwealth. Further, I am heartened by the Northern Territory Government's commitment to develop the community housing sector and its 'Local Decision Making' agenda which will see Aboriginal people and communities empowered for the future.

CAAH's vision that 'Better lives start with a home' aligns strongly with these initiatives, and I'm positive that CAAH will continue to grow and deliver great things for the customers and communities we serve in Alice Springs.

Thank you for the opportunity to share our successes. I look forward to sharing more in 2019.

John McBryde

CORPORATE STRUCTURE



DIRECTORS

DAVID AVERY (CHAIRPERSON)

David is long term resident of Alice Springs since 1986. He has been practising as a Barrister & Solicitor since 1971 in the Northern Territory. After a short period at the Bar, David joined the Central Land Council as Manager of its Legal Services in 1986. David was involved in the development of CLC policies and responses to proposed legislative initiatives. Currently David is working for the Northern Land Council.

SHIRLEEN CAMPBELL

Shirleen works with the Tangentyere Women's safety group and is a mother of five children managing a very busy household and coordinating the many sporting activities of her children. She is a resident of Hoppy's Town Camp in Alice Springs and serves as President of the Housing Association. Shirleen also works for the Tangentyere Council where she is a member of the Executive and the Women's Executive.

PAUL CASE

Paul is an accountant and business advisor who joined accountancy practice MLCS Corporate in 1995. He became a Director of the MLCS in 1999 and spends much of his professional life advising Indigenous business initiatives in the Northern Territory, South Australia and Western Australia. Paul has a Bachelor of Economics from the University of Adelaide and is an Associate of the Institute of Chartered Accountants, a registered Company Auditor and an authorised representative of Count Financial (Financial Planning).

DAVID DONALD

David is an architect working in a private practice based in Newcastle NSW. He formerly managed the Housing Division of Tangentyere Council prior to it being transformed into CAAH. David works with Healthabitat and NSW Health managing 'Housing for Health' programs for Local Aboriginal Land Councils across NSW. David is currently the Program Manager for Healthabitat OS, managing housing, water and sanitation projects in Nepal and South Africa.

EILEEN HOOSAN

Eileen is a long term resident of Mt Nancy Town Camp in Alice Springs. She is a member of the Executive of the Tangentyere Council and has been a member of the Tangentyere Women's Council for many years.

ROZ MARDEN

Roz worked at the Tangentyere Council for 23 years as accountant and Chief Financial Officer. Prior to that Roz gained experience in a number of bookkeeping roles and teaching in business management. In addition to her Commerce degree, Roz has qualifications in Education and Business Systems Design and Management. Roz is now enjoying her retirement in Queensland.

PATRICK MCDONALD

Patrick is an accountant who trained at the University of Adelaide where he completed a Bachelor of Economics with Honours and a Bachelor of Commerce. He has spent the last 15 years working for Tangentyere Council in senior positions including two years as Chief Financial Officer and four years as Chief Operating Officer. Patrick is Chartered Practicing Accountant (CPA) and a Member of the Australian Institute of Company Directors. Patrick joined the Board following the retirement of Roz Marden as one of the Tangentyere nominated Directors of the Company.

A YEAR IN REVIEW

2017/18 saw rapid growth for the organisation with the return of the Town Camps contract, the implementation of the My Place Program, and addition of new affordable housing at Poepple Gardens

TOWN CAMPS TENANCY MANAGEMENT

CAAH has a long and proud history of working with the residents and communities of the 16 Alice Springs Town Camps.

In June 2017, CAAH entered into a 13 month contract with the Department of Housing and Community Development to provide 'Tenancy Management Services' for the 270 homes on the Town Camps. This work involves rent management, inspections and managing repairs and maintenance requests.

CAAH's objective has always been to help residents sustain a successful tenancy by providing culturally appropriate services and also engaging with the broader community through the Housing Reference Groups and Housing Associations.

Over the last 12 months, the Town Camps Team has done a great job at re-establishing our service in the communities, working alongside the Department of Housing and Community Development and other partners such as Tangentyere, Mission Australia and Anglicare NT.

In June 2018, we welcomed a 12 month extension of the current contract to 30 June 2019. This contract extension fell in line with new five year National Housing and Homelessness Agreement between the Northern Territory and the Commonwealth.

We look forward to the future directions of Town Camps housing within the 'Local Decision Making' agenda and to re-tendering in early 2019 for a four year agreement.

Town Camps Numbers

16
TOWN CAMP COMMUNITIES

1,000+
RESIDENTS

270
HOMES

MY PLACE PROGRAM

Overview

Through the innovative My Place Program we aim to prevent homelessness by improving people's access to housing in the private rental market through providing subsided transitional housing, tenancy education and coordinated support. It focuses on helping people that are escaping domestic and family violence and/or people who are suffering mental health issues and includes two key elements – the Rent Subsidy Program and the Private Rental Liaison Program.

Rent Subsidy Program

By March 2018, CAAH had leased 15 properties from the private rental market for the initial My Place participants. These homes have been leased to the My Place Participants at a subsidised rent for 12 months.

Over the last year, the My Place Team have worked with participants to build their knowledge and understanding of managing a tenancy and also linked the participants with support, where needed.

Wins so far?

Over the last 12 months we have had three tenants who have successfully exited the Rent Subsidy Program after their 12 month lease with CAAH, by either holding a direct lease with the landlord or by moving into other permanent accommodation.

Private Rental Liaison Program

Under this part of the Program, CAAH supports participants who have the financial means and capacity to enter the private rental market directly. CAAH acts as broker in this arrangement by helping the participants establish a rental budget, searching for affordable properties in the private rental market and then coordinating inspections and lease signings.

Wins so far?

So far we have worked with approximately 20 clients, with 3 successful participants moving into the private rental market in the Liaison Program.

Partnerships

The success of the My Place Program relies heavily on partnerships. CAAH works with a wide range of partners to deliver the program including the Alice Springs Women's Shelter, the Mental Health Association of Central Australia and many local real estate agents and support services. We thank them for their continued support during the program.

Meet Kerri

Before entering My Place, Kerri had been staying with family looking for her own place for over 12 months. No matter where she tried, Kerri kept getting 'knocked back' from real estate agents.

"My Place has helped me find my own place, which I'm so grateful for. If it wasn't for their help, who knows where I'd be today"

A YEAR IN REVIEW

COMMUNITY HOUSING PORTFOLIO

Since 2009, CAAH has established its own community housing portfolio through a range of property development activities and leasing and management partnerships. Today we manage 74 homes as a mix of affordable, seniors and supported housing.

Over the 2018/19 year, we have added new affordable homes to the portfolio and improved our practice of asset management.

Poeppel Gardens Affordable Housing

In December 2017, CAAH took over the management of three bedroom homes at Poeppel Gardens, Gillen under a five year lease and management agreement with the Department of Housing and Community Development.

Under this arrangement, CAAH is providing housing to three working Aboriginal families.

Better Asset Management

In early 2017, Housing Choices Australia (HCA) generously assisted CAAH in developing a ten-year Asset Management Plan to help CAAH better manage stock under the Community Housing portfolio. Three of HCA's asset management team joined Community Housing Manager, Kylie Preece, to inspect over 70 dwellings in three days!

In 2018 and based on the recommendations of HCA, we have implemented a planned maintenance program for all cooling equipment and the gutter and roof cleaning.

Over the next 12 months we will be reviewing our annual inspection process to include further asset and equipment audits to ensure our homes are the best standard for our tenants.

BUSINESS IMPROVEMENTS

With the rapid expansion of CAAH during 2017/18, we invested heavily in strengthening business systems and developing our new staff. All of these business improvements will help CAAH spend more time with our customers and in communities.

Chintaro Tenancy Management System

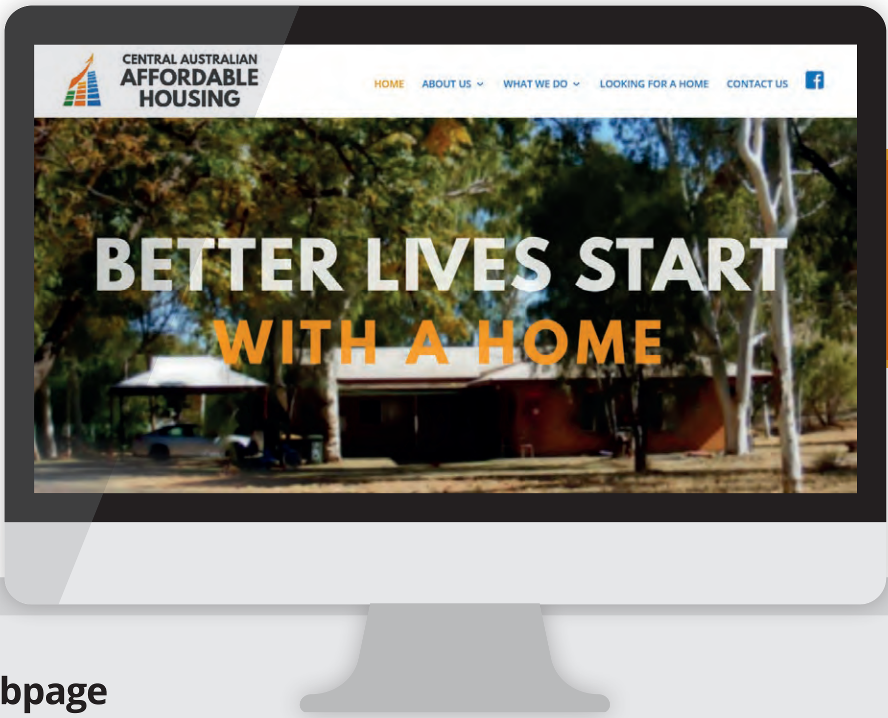
In September 2017, CAAH embarked on the implementation of a new Tenancy Management System. Chintaro is a purpose-built Social Housing software program developed over the past 15 years to suit the needs of the Australian and New Zealand social housing sectors.

Over the course of several months CAAH staff managed the difficult transition from old to new. However, the Chintaro system has already provided some great results with improved rent and debt management reporting and better integration of financial data into our accounting system.

Compliance Tick!

During 2017/18 CAAH underwent a compliance check for registration as a Tier 2 provider under the National Regulatory System for Community Housing (NRSCH).

Fortunately CAAH passed the compliance with flying colours! CAAH's next compliance round will be undertaken in February 2019.



Thanks to Jane Clarke for all her help.

CAAH's New Webpage

Over the last four months CAAH has developed a new website – **www.affordablehousingcompany.com.au**.

Instead of outsourcing the website design and building, CAAH decided to build capacity internally with staff. We sought help from local IT guru Jane Clarke who help us by providing one on one training with staff and providing support. Through trial and error CAAH has produced the new page with our own staff and we now have the skills in-house to manage it into the future! The new webpage brings us up to contemporary standards, can be accessed on range of devices and, most importantly, paints a very important picture of CAAH and the work we do today.

A YEAR IN REVIEW

THANK YOU TO STAFF

It was a big year for the team taking on so many new contracts and reestablishing the organisation through key management changes and rapid growth. Thank you to all staff – The Town Camps Team, My Place and Community Housing - for doing the hard yards and contributing to our many successes this year.

Farewell Sally Langton

Sally joined CAAH in 2015 as the CEO coming up from Adelaide where she managed the Common Ground housing program. Sally brought with her a wealth of knowledge and experience in the 'housing first' principles and quickly took the reins of CAAH.

Sally's leadership of the organisation through difficult times was tremendous. Her courage to continue fighting the good fight saw the organisation diversify and return to the organisation it is today.

Sally made an enormous contribution to CAAH through establishing innovative programs like My Place, the development of new housing through the Renal Accommodation Project, and implementing best practice systems for financial management and controls.

The CAAH team wishes Sally the very best in the future.

Farewell Louise Dyer

Louise joined CAAH in September 2016 as the Manager, Project and Operations. During her time at CAAH, Louise oversaw the management of the Renal Accommodation Project with great success. Louise also contributed greatly to the successful tendering for My Place and the Town Camps.

In March, Louise left CAAH on maternity leave and welcomed to her family the gorgeous baby Tarz. Understandably, Louise has decided to spend more time with bub and we wish her all of the best in the future.

FINANCIAL REPORT

CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPANY LTD
(a company limited by guarantee)
FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

CONTENTS

General Information
The financial report covers Central Australian Affordable Housing Company Ltd as an individual entity. The financial report is presented in Australian dollars, which is the functional and presentation currency of the company.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Central Australian Affordable Housing Company Ltd is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Unit 3, 21 Gregory Terrace
Alice Springs NT 0870

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial report.

FINANCIAL REPORT

CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPANY LTD
(a company limited by guarantee)
DIRECTORS' REPORT

The directors submit herewith the annual financial statements for the financial year ended 30 June 2018.

DIRECTORS

The names of the directors of the company during or since the end of the financial year are:

Name	Particulars	Meetings Attended	Date Resigned/ Appointed
Paul J. Case	B. Ec (University of Adelaide), Director of MLCS	3 of 4	Appointed 16/10/12
David Avery	BA, LLB, NT Barrister and Solicitor	4 of 4	Appointed 11/11/13
Eileen Hoosan	Executive Member of Tangentyere Council,	3 of 4	Appointed 10/7/13
Rosalind M Marden	CPA (Retired) B Comm, Grad Dip Ed	4 of 4	Appointed 14/11/14
Shirleen Campbell	President of Lhenpe Artnwe Housing Association	2 of 4	Appointed 10/7/13
David Donald	Architect	4 of 4	Appointed 13/09/13
Patrick McDonald	CPA, MAICD, Bec (Hons), Bcomm	3 of 4	Appointed 15/5/14

PRINCIPAL ACTIVITIES

The company's principal activity in the course of the financial period was to provide tenancy and property management services.

The directors are satisfied that the company activities directly support the company objectives, because by providing tenancy and property management services the availability of affordable accommodation for low income earners would be increased.

SHORT AND LONG TERM OBJECTIVES

The objective of the company over the coming year is to increase the availability of affordable accommodation to low income earners, with the Indigenous population of Central Australia the priority.

The company seeks to relieve poverty, sickness, destitution, suffering, distress, misfortune and helplessness through the provision of affordable housing, giving priority to addressing the serious housing problems faced by many aboriginal people in the Northern Territory of Australia.

MEASUREMENT OF PERFORMANCE

The entity measures its performance based on revenue and the total grant, rental, contract, and management fee income for the period amounted to $3,353,261 (2017: $6,078,626).

SIGNIFICANT CHANGES FROM PREVIOUS YEAR

The construction of the renal accommodation properties concluded at the start of the financial year and the company tenanted the properties shortly thereafter. The My Place initiative that commenced at the end of the previous financial period saw numerous properties being leased and sublet during the financial period. Furthermore, in June 2017 the company regained the contract to manage Tenancies on the Alice Springs Town Camps which continued throughout this financial year.

These changes significantly impacted the operating results of the company for the financial year.

FINANCIAL REPORT

CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPANY LTD
(a company limited by guarantee)
DIRECTORS' REPORT

COMPANY SECRETARY
During the financial peirod John Mcbryde replaced Sally Langton as the appointed Company Secretary.

WINDING UP
The amount that each member of the company is liable to contribute if the company is wound up is $10. The company has 4 members.

AUDITOR'S INDEPENDENCE DECLARATION
A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-Profits Commission Act 2012 is set out on page 15.

On behalf of the Directors:

Company Secretary

Director

Dated: 22/10/18

FINANCIAL REPORT

CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPANY LTD
(a company limited by guarantee)
DIRECTORS' DECLARATION

In the directors' opinion:

a) the attached financial statements and notes thereto comply with the Australian Accounting Standards - Reduced Disclosure Requirements, and are are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and the Australian Charities and Not-for-profits Commission Regulation 2013.

b) the attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the financial year ended then ended; and

c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 60.15 (2) of the Australian Charities and Not-for-profit Commission Regulation 2013;

President

~~Honorary~~ Treasurer

Dated: 22/10/18

FINANCIAL REPORT

CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPANY LTD
(a company limited by guarantee)
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 $	2017 $
CURRENT ASSETS			
Cash & Cash Equivalents	3	2,009,408	1,781,900
Trade & Other Receivables	4	240,722	321,837
Other Assets	5	76,661	41,918
TOTAL CURRENT ASSETS		2,326,791	2,145,656
NON CURRENT ASSETS			
Plant & Equipment	6	44,726	49,863
Investment Property	7	8,824,196	3,538,552
Assets Under Construction	8	-	4,805,772
TOTAL NON CURRENT ASSETS		8,868,922	8,394,186
TOTAL ASSETS		11,195,713	10,539,842
CURRENT LIABILITIES			
Trade & Other Payables	9	400,208	138,884
Provisions	10	34,321	21,513
Unexpended Grants	11	1,471,756	1,613,941
TOTAL CURRENT LIABILITIES		1,906,285	1,774,337
NON CURRENT LIABILITIES			
Other Payables		48,630	56,577
Provisions	10	927	-
TOTAL NON CURRENT LIABILITIES		49,557	56,577
TOTAL LIABILITIES		1,955,842	1,830,914
NET ASSETS		9,239,871	8,708,928
EQUITY			
Accumulated Surplus		9,239,871	8,708,928

FINANCIAL REPORT

CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPANY LTD
(a company limited by guarantee)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	2018 $	2017 $
INCOME			
Operating Grants		539,311	118,156
Management Fees		960,355	413,546
Rental Income		970,243	714,269
Recovery of Expenses		246,385	146,918
Other Income		17,929	5,371
TOTAL INCOME		2,734,223	1,398,260
EXPENDITURE			
Employee Benefits		1,101,759	413,412
Office Expenses		159,189	99,268
Other Expenses		287,723	138,641
Property Related Expenses		1,121,535	700,771
TOTAL EXPENDITURE		2,670,205	1,352,092
RESULT BEFORE DEPRECIATION		64,018	46,168
Depreciation		152,472	66,020
DEFICIT FROM ORDINARY ACTIVITIES		(88,454)	(19,852)
Capital Grants Income		619,397	4,680,366
SURPLUS FOR THE YEAR		530,944	4,660,514
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		530,944	4,660,514

FINANCIAL REPORT

CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPANY LTD
(a company limited by guarantee)
STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2018

	Note	Accumulated Funds $
BALANCE AT 1 JULY 2016		4,048,414
Surplus for the Year		4,660,514
BALANCE AT 30 JUNE 2017		8,708,928
BALANCE AT 1 JULY 2017		8,708,928
Surplus for the Year		530,944
BALANCE AT 30 JUNE 2018		9,239,871

FINANCIAL REPORT

CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPANY LTD
(a company limited by guarantee)
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Income Received		2,971,486	1,539,392
Payments to Suppliers & Employees		(2,437,837)	(1,398,793)
Interest Received		2,884	962
NET CASH FLOWS FROM OPERATING ACTIVITIES		536,533	141,561
CASH FLOWS FROM INVESTING ACTIVITIES			
Income Received from Capital Grants		318,182	3,050,096
Acquisition of Property, Plant & Equipment		(627,207)	(4,731,331)
Proceeds from Disposal of Land		-	221,957
NET CASH FLOWS FROM INVESTING ACTIVITIES		(309,025)	(1,459,278)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS		227,508	(1,317,717)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1,781,900	3,099,617
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	3	2,009,408	1,781,900

FINANCIAL REPORT

CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPANY LTD
(a company limited by guarantee)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

1. CORPORATE INFORMATION

The financial statements Central Australian Affordable Housing Company Limited for the year ended 30 June 2018 were approved and authorised for issue in accordance with a resolution of the directors on 22 October 2018.

The company is a not-for-profit unlisted public company limited by guarantee and is incorporated and domiciled in Australia.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the Australian Accounting Standards - Reduced Disclosure Requirements.

The financial statements have been prepared on an accruals basis and is based on historical costs and do not take into account changing money values.

The financial statements are presented in Australian dollars which is the company's functional and presentational currency.

b) Significant Accounting Judgement, Estimates & Assumptions

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful Lives of Depreciable Assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates that could have a material impact on the financial statements relate to the useful life of buildings.

c) Income Tax

The company is exempt from income tax pursuant to the Income Tax Assessment Act 1997. Accordingly, Australian Accounting Standard AASB 112 has not been applied and no provision for income tax has been included in the financial reports.

d) Revenue

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 entity 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.

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

Grant Revenue

Grant revenue is recognised in the Statement of Comprehensive Income when the entity obtains control of the grant, 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.

CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPANY LTD
(a company limited by guarantee)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

d) Revenue (cont.)

Grant Revenue (cont.)

When a grant is received whereby the entity have to satisfy conditions attached to the grant, recognition of the grant as revenue is recognised in the Statement of Financial Position as a liability until those conditions are satisfied.

Rental Income

Rental income is recognised over the period of the lease. Rental income is determined in accordance with an annual review conducted for all tenants. Rental income include recovery of utility costs incurred.

Rendering Of Services

Management fees is recognised as income in accordance with the underlying agreements.

e) Employee Entitlements

Central Australian Affordable Housing Company Ltd had 13 (2017: 17) employees at 30 June 2018. Liabilities for employee benefits for wages, salaries, annual leave and long service leave that are expected to be settled within 12 months of the reporting date representing present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the organisation expects to pay as at reporting date.

Long Service Leave is provided for after 5 continuous years of service. Liabilities for long service leave expected to be settled after 12 months from the end of the reporting period are calculated at undiscounted rates. Consideration is given to the company's experience of employee departures and periods of service.

Non-accumulating non-monetary benefits, such as sick leave, are expensed based on the net marginal cost to the Company as the benefits are taken up by the employees.

The company provides post-employment benefits through defined contribution plans. The amount charged to the statement of comprehensive income in respect of superannuation represents the fixed contributions made or payable by the Company to the superannuation funds of employees. The Company has no legal or constructive obligations to pay contributions in addition to its fixed contributions.

f) Goods & Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. 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.

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

g) Financial Instruments

Recognition, Initial Measurement & Derecognition

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are initially measured at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

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g) Financial Instruments (cont.)

Classification & Subsequent Measurement

Trade and Other Receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in Companys, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified Company.

Classification & Subsequent Measurement of Financial Liabilities

The company's financial liabilities consists of trade and other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss (FVTPL), that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

h) Cash & Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less where the investment is convertible to known amounts of cash and is subject to insignificant risk of changes in value. For the purposes of the statement of cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above, plus term deposits with maturity dates of less that 12 months from balance date net of any outstanding bank overdrafts.

i) Investment Property

Investment property is held by the company to earn rental income and is measured at cost.

Investment property is depreciated on a straight-line basis over 50 years to its expected residual value.

j) Plant & Equipment

Plant & equipment are measured using the cost model. Accordingly plant & equipment is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset where applicable.

Plant and equipment 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.

Depreciation

The depreciable amount of all property, plant and equipment s is depreciated on a straight line basis so as to write off the net cost of each asset over its expected useful life to the company commencing from the time the asset is held ready for use.

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j) Property, Plant & Equipment (cont.)

Depreciation

The depreciation rate used for each class of depreciable asset are as follow:

Fixed Asset Class	Depreciation rate
Furnishings, Fittings & Equipment	15% to 33.3 %
Motor Vehicles	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.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amounts being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of property, plant and equipment is the higher of fair value less costs of disposal and value in use. Depreciated replacement cost is used to determine value in use where the assets are not held principally for cash generating purpose and would be replaced if the company was deprived of it. Depreciated replacement cost is the current replacement cost of an item of plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost. Value in use for all other assets is a discounted cash flow calculation.

An impairment loss exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount. Impairment losses are recognised in profit and loss.

Derecognition & Disposal

An item of property, plant and equipment is derecognised upon disposal, when the item is no longer used in the operations of the company or when it has no sale value. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit and loss in the year the asset is derecognised.

k) Assets Under Construction

Development costs incurred on assets where the development has not been completed at year end are classified as assets under construction. Once the development is completed the costs will be transferred to the relevant asset classification.

l) Economic Dependency

The company is dependent on government contracts and grants for the majority of its income.

	2018 $	2017 $
3. CASH & CASH EQUIVALENTS		
Cash at Bank	2,009,408	1,781,843
Cash on Hand	-	57
	2,009,408	1,781,900

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		2018	2017
		$	$
4.	**TRADE & OTHER RECEIVABLES**		
	GST Receivable	-	209,311
	Trade Receivables	217,231	106,013
	Other Receivables	23,491	6,513
		240,722	321,837

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

		2018	2017
5.	**OTHER ASSETS**		
	Prepayments	45,874	35,091
	Bonds Paid	30,787	6,827
		76,661	41,918
6	**PLANT AND EQUIPMENT**		
	Furnishings, Fittings & Equipment		
	At Cost	53,878	41,301
	Accumulated Depreciation	(20,771)	(6,120)
		33,107	35,181
	Motor Vehicles		
	At Cost	15,435	14,682
	Accumulated Depreciation	(3,817)	-
		11,619	14,682
	Total Property, Plant &Equipment	44,726	49,863
7.	**INVESTMENT PROPERTY**		
	Land & Building		
	At Cost	9,070,617	3,650,968
	Accumulated Depreciation	(246,421)	(112,416)
		8,824,196	3,538,552

The directors of the company believes the carrying value of the investment property approximates its fair value.

		2018	2017
8.	**ASSETS UNDER CONSTRUCTION**		
	At Cost	-	4,805,772
9.	**TRADE & OTHER PAYABLES**		
	GST Payable	58,628	-
	Trade Creditors & Accruals	267,976	74,209
	Funds Held in Trust	73,604	64,676
		400,208	138,884

The carrying value of trade payables is considered a reasonable approximation of fair value due to the short term nature of the balances.

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		2018	2017
		$	$
10.	**PROVISIONS**		
	Current		
	Provision for Annual Leave	34,321	21,513
	Non-Current		
	Provision for Long Service Leave	927	-
11.	**UNEXPENDED GRANTS**		
	My Place - DHCD	628,397	401,258
	Renal Accommodation	517,659	1,179,383
	Capital Works - DHCD	318,182	-
	Other Unexpended Grants	7,518	33,300
		1,471,756	1,613,941

Renal Accommodation Project

Funding amounting to $6,600,000 were received from the Department of Local Government and Housing: Territory Housing during previous financial periods for the provision of affordable long-term accommodation for end stage renal patients.

	2018	2017
Total Funding Received	6,600,000	6,600,000
Total Funds Expended	(6,082,341)	(5,420,617)
Unexpended Grant Funds at year end	517,659	1,179,383

12 RELATED PARTY TRANSACTIONS

The Directors receive a fee for attending board meetings as well as reimbursement of expenses incurred in relation to their capacity as directors.

13. CONTINGENT LIABILTIES

There are no contingent liabilities that have been incurred by the Company in relation to 2018 or 2017.

14. POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

15. MEMBERS GUARANTEE

The amount that each member of the company is liable to contribute if the company is wound up is $10. The company has 4 members.

DEANE & ASSOCIATES
ABN 22 638 967 349
Chartered Accountant

69 Franklin Street
Adelaide SA 5000

PO Box 399
Rundle Mall SA 5000

Telephone (08) 8232 9905
Email: info@rdeane.com.au

DEANE & ASSOCIATES
AUDITOR INDEPENDENCE DECLARATION

To the Directors

CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPANY LTD

As lead auditor for the audit of Central Australian Affordable Housing Company Ltd for the year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect Central Australian Affordable Housing Company Ltd.

Auditor signature

RICHARD F DEANE

Name

PRINCIPAL

Position

Deane & Associates, 69 Franklin Street, ADELAIDE

Firm and address

29th August 2018

Date

Richard F Deane, Principal
Associate: Amanda Stewart

DEANE
& ASSOCIATES
ABN 22 638 967 349
Chartered Accountant

69 Franklin Street
Adelaide SA 5000

PO Box 399
Rundle Mall SA 5000

Telephone (08) 8232 9905
Email: info@rdeane.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPANY LTD

Report on Audit of the Financial Report
We have audited the financial report of Central Australian Affordable Housing Company Ltd (the company) which comprises the statement of financial position as at 30 June 2018, and the comprehensive income statement, statement of changes in equity, statement of cash flows and a summary of significant accounting policies and other explanatory notes, Director's Report and the Director's Declaration.

In our opinion, the financial report of Central Australian Affordable Housing Company Ltd has been prepared in accordance with the Australian Securities and Investments Commission Act 2001 for companies limited by guarantee and Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012, including:

(a) 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 then ended; and
(b) Complying with Australian Accounting Standards to the extent described in Note 1, and Australian Securities and Investments Commission Regulations 2001 and Division 60 of the Australian Charities and Not-for-Profits Commission Regulations 2013.

Basis for Opinion
We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial report Section of our report. We are independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant or our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibility of the Directors for the Financial Report
The Directors of the company are responsible for the preparation of a financial report that gives a true and fair view and has determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of members.

The Director's responsibility also includes such internal control as the Directors determines is necessary to enable the preparation of a 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 relating to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the companies or to cease operations, or have no realistic alternative but to do so.

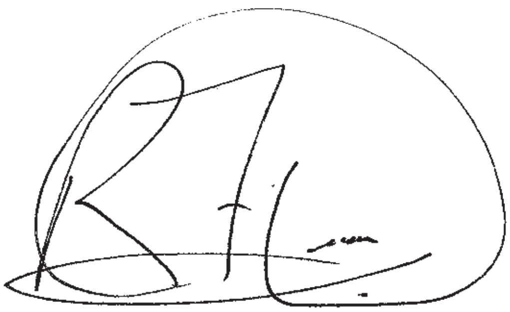
The Directors are responsible for overseeing the company's financial reporting process.

FINANCIAL REPORT

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

DEANE & ASSOCIATES



Richard F Deane, Principal

Date: 22nd October 2018
69 Franklin Street, ADELAIDE SA

CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPANY LTD

A MEMBER OF ...

NTShelter

Community Housing
INDUSTRY ASSOCIATION

ACCREDITED BY ...

Accredited Housing Provider
Global-Mark.com.au®

REGISTERED CHARITY
acnc.gov.au/charityregister

NATIONAL REGULATORY SYSTEM
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