COMMUNITY HOUSING CENTRAL AUSTRALIA

ANNUAL REPORT 2019/2020

CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPANY LTD

ABN: 82 136 070 829 ACN: 136 070 829

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ABOUT US

Community Housing Central Australia (CHCA) is an Aboriginal controlled, not-for-profit, Tier 2 registered community housing provider.

Established by Tangentyere Council in 2009 we help people access safe and affordable housing to improve their quality of life.

We work with government, community and industry stakeholders to advise and facilitate the delivery of high standard tenancy and property management services.

2,800+ RESIDENTS

390+ HOMES

90% ABORIGINAL TENANTS

OUR VISION AND PURPOSE

OUR VISON IS

Better lives, happy homes and stronger communities through safe and affordable housing.

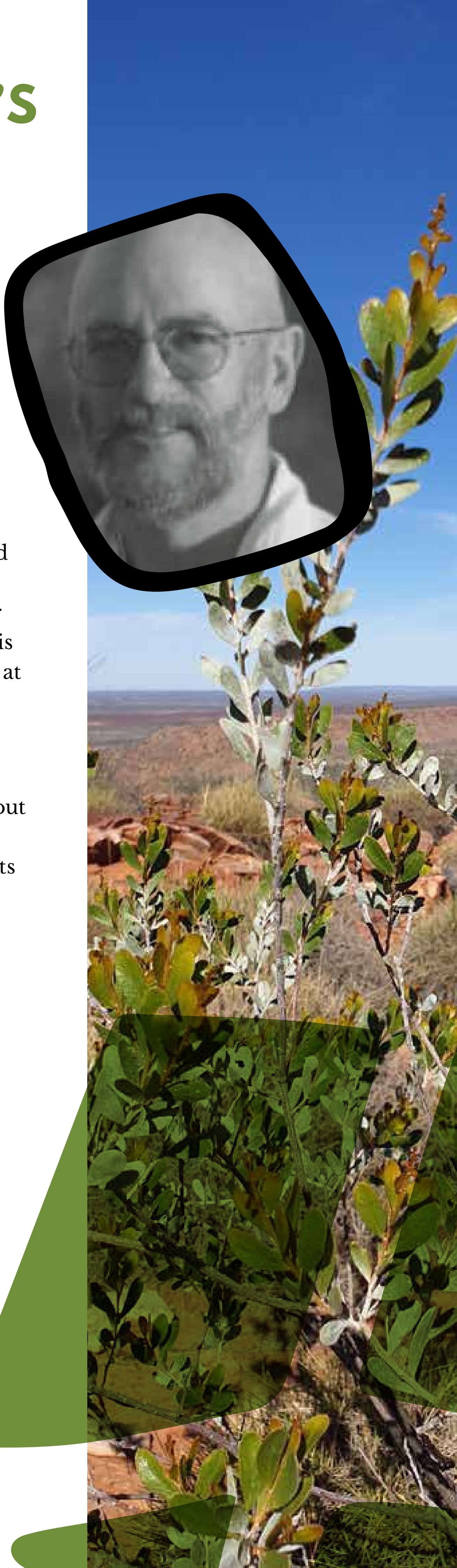
OUR STRATEGIC PILLARS

1. **Happy Customers and Communities**
   We have highly satisfied customers and engaged communities in the places we work.
2. **Growth and Security**
   We will secure our long-term future by growing our management portfolio, developing and constructing new housing and diversifying our housing services.
3. **Business Excellence**
   We are a high performing organisation in every aspect – governance, risk management, financial management and service delivery.

NATIONAL REGULATORY SYSTEM COMMUNITY HOUSING REGISTERED PROVIDER

CHCA is a registered Tier 2 Provider through the National Regulatory System for Community Housing (NRSCH).

CHAIRPERSON'S REPORT



For obvious reasons, the second half of the year was an anxious and testing time for residents and for our staff. In the end it all went well, and I believe that from that experience the organisation is well placed should there be a return of similar circumstances.

In 2020 CHCA has started the construction of four new units at Bloomfield St with the project to be completed before the end of the year. Two of the units are dedicated to housing dialysis patients. We have also established a new transitional housing program, located at the former Akangkentye Hostel on 34 South Terrace. The program is focused on providing senior women and young families at risk with a secure and supportive housing environment.

This year, the tenth year since the organisation was established, has been one of consolidation. CHCA needs to continue its steady growth trajectory, while carrying out its activities to the highest possible standards of service. I am able to report that this year, through the efforts of its dedicated staff, CHCA has again achieved both of those objectives.

I would also like to recognise my fellow board members and thank them for their contributions during this challenging year.

DAVID AVERY
Chairperson

CEO'S REPORT

WELCOME TO OUR ANNUAL REPORT FOR 2019/20

The COVID-19 pandemic has had major health and economic impacts in Australia and the world. Fortunately, we did not experience the full health impacts of the pandemic here in Alice Springs and despite challenging times, the organisation has continued to deliver against our strategy.

In October 2019, we delivered the 'Maintaining Homes for Better Health' project across 70 properties in our community housing portfolio. This project was a first of its kind, applying Healthabitat's 'Housing for Health' model across urban community housing. The project was a new way in engaging with our residents and understanding how important housing is to health. You can read more about this on page 6.

You will also note that our name and logo has changed. With people and communities at the heart of what we do, the new logo and name aptly represents our purpose and who we are. The logo was designed based on a local Town Camper's artwork and draws on the lived experience and history of the organisation.

In May 2020, following some delays due to the pandemic, construction work commenced on four 2-bedroom units on our site at Bloomfield St. This will increase the organisations owned stock and offer affordable housing to working families and renal patients from bush. In July 2020, we took over the housing complex at 34 South Terrace to establish a new transitional housing program. Read more about this on page 8.

The organisation's financial performance in 2019/20 was strong, reflecting a modest improvement in the organisations balance sheet. Steady growth coupled with security of long-term income remains a key priority of the board and management.

I am extremely proud of the work of our staff, especially in such trying and testing times. The team embody a culture of positivity, care, commitment and fun. I thank them for their continued support, efforts and achievements over the last 12 months.

I also wish to acknowledge our Board of Directors, who provide great leadership and support to myself and the team. Their expertise, practical advice and cultural knowledge guide the organisation in achieving its mission.

All of our achievements this year reflect our vision: **Better lives, happy homes and stronger communities through safe and affordable housing.** I am positive that our organisation will continue to grow and deliver great things for the clients and communities we serve in Alice Springs.

Thank you for the opportunity to share our successes. I look forward to sharing more in 2021.

JOHN MCBRYDE
Chief Executive Officer

DIRECTORS

DAVID AVERY (Chairperson)

David is long term resident of Alice Springs since 1986. He has been practising as a Barrister and Solicitor since 1971 in the Northern Territory. After a short period at the Bar, David joined the Central Land Council (CLC) as Manager of its Legal Services in 1986. David was involved in the development of CLC policies and responses to proposed legislative initiatives and has spent decades working with traditional owners to access their own land.

SHIRLEEN CAMPBELL

Shirleen is a proud Warlpiri and Arrernte woman and a third generation resident of Hoppy's Town Camp in Alice Springs. Shirleen is also the Co-Coordinator of the Tangentyere Women's Family Safety Group and was recently awarded the NT Local Hero's award for her work in the Alice Springs community.

PETER MARIN

Peter has over 20 years experience working with Aboriginal people, previously working for the Indigenous Land Corporation assisted groups in developing enterprises on their lands. With experience in business planning, Peter joined MLCS Corporate in 2008 and is currently a Director of MLCS and Independent Director for a number of Aboriginal Corporations. Peter currently consults across a broad range of industries including agriculture, retail, construction, tourism and mining.

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 CHCA. 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 overseas, managing housing, water and sanitation projects in Nepal and South Africa.

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.

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.

A YEAR IN REVIEW

MAINTAINING HOMES FOR BETTER HEALTH

This year CHCA established the 'Maintaining Homes for Better Health' (MHBH) project which is based on the work of Healthabitat and the '9 Healthy Living Practices'.

In October 19, CHCA conducted the first 'Survey – Fix' event by inspecting, testing and fixing over 240 items across 60 of our community housing homes.

The work was completed by three 'Survey – Fix' teams which included Housing for Health Team Leaders, CHCA staff, local NT Environmental Health Officers and eight tenants. Teams completed basic repair works like changing shower heads and light globes, while urgent works were attended to by local plumbers and electricians.

Overall, CHCA properties scored very well against the '9 Healthy Living Practices' reflecting the organisation's strong responsive and cyclical maintenance program. The property data collected during the surveys is now being used to inform future planned maintenance work.

CHCA aims to continue this MHBH project on an annual basis and the second 'Survey – Fix' will take place in early 2021.

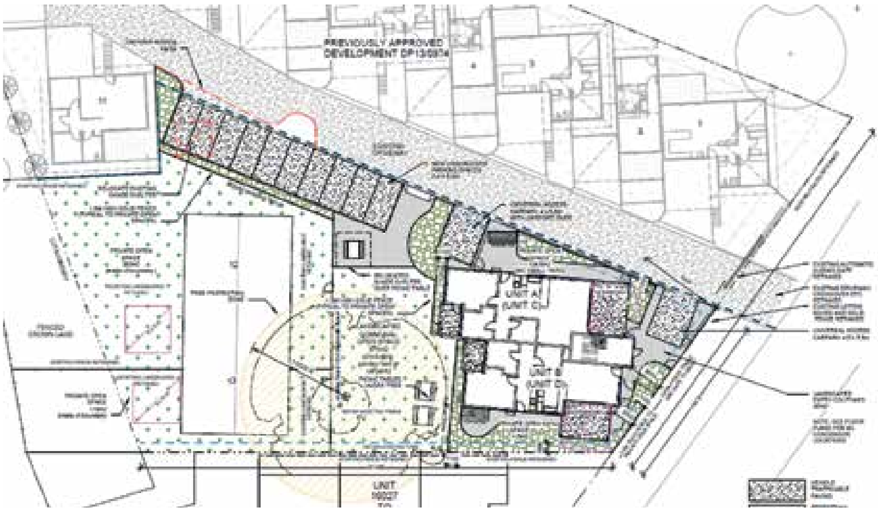
NEW HOUSING DEVELOPMENT

In May 2020, local building company Edifice began the construction of four 2-bedroom units at our Bloomfield St site.

The project is jointly funded by the NT Department of Territory Families, Housing and Communities and the National Indigenous Australians Agency.

The new homes will be offered as affordable housing to working Aboriginal families and end stage renal patients. The construction phase will also deliver employment opportunities for local Aboriginal labourers with set employment targets.

The units are now taking shape and are due to be completed before the end of 2020.



NEW TRANSITIONAL HOUSING PROGRAM

In June 20, CHCA finalised an agreement with the Department of Territory Families, Housing and Communities for the establishment and delivery of a new Transitional Housing Program at 34 South Terrace 'Apmere Urlte'.

The program will offer transitional housing to parents with young children and older single women. The site includes 20 self-contained units (11 x 2 bedroom; 9 x 1 bedroom) a community meeting room, commercial kitchen and office space.

The establishment is underway with three staff located onsite and fifteen homes tenanted. CHCA staff are using a community development approach and are working in partnership with the Tangentyere Women and Family Safety Group and residents in developing the program onsite activities, case management and support.

The program is due to run until 30 June 2024.

THE FUTURE OF TOWN CAMPS COMMUNITY HOUSING

This year CHCA entered into a partnership with Tangentyere and Tangentyere Constructions for the establishment of the 'Town Camps Community Housing Model' project. The goal of the project is to develop a new community controlled housing model that will be fully managed by the partnership, in place of the current public housing system.

The project is being managed by the National Affordable Housing Consortium, a national Tier 1 registered community housing provider.

The project is supported by the NT Government through the recent Local Decision Making agreement signed between Tangentyere and the NT Chief Minister, Michael Gunner. This agreement outlines the NT Government's intention to a 'return of control' for housing and municipal services.

We look forward to reporting more on this project next year.

Tangentyere Council

TANGENTYERE CONSTRUCTIONS
CONSTRUCTION AND PROJECT MANAGEMENT

COMMUNITY HOUSING CENTRAL AUSTRALIA

MEET THE RESIDENTS

Mervyn Rubuntja

Mervyn is a long-term Town Camper and former President of Larapinta Valley.

Before 2012, Mervyn and other Town Camper Presidents had to advocate to NT Housing to set up Community Housing Central Australia.

"We set up Community Housing because we wanted to take control so our mob can speak up for housing."

"Now when I call or come in the office you fellas always help me straight away."

Helen Dixon

Helen is one of our newest residents and recently moved into her new home.

"It feels happy having my own place to call home. I'm looking forward to doing the programs and using the space here.
I like it when everyone comes together here."

"The workers are good, they are friendly, kind, gentle."

Darryl Armstrong

Daryl is one of our longest term affordable housing residents.

"Having this house has provided me and my family a safe home. We live in a quiet place which is really good for us. Community Housing has always been good."

MEET THE TEAM

Henry Peckham

Henry has worked with CHCA for over three years as a Community Housing Officer on Town Camps. "I'm a footy person, I play for the Pioneers. I enjoy watching football and anything to do with sports. Henry is also a single dad to his nine year old boy "I enjoy spending time with him, he plays basketball and we like going out doing things together."

"Each day in my job is different. It could be anything from inspections or following up rent to Housing Reference Group meetings. My job is about building relationships with tenants and support services."

"The best thing is the team environment – everyone works together and I can get help and learn from my team."

Suzanna Willis

Suzy is the Community Housing Officer for our urban homes and has worked with CHCA for over 12 months. "Outside of work, I enjoy netball and beach volleyball as social sports, I love to run although I do not get very far!"

About the job: "I enjoy working with the team, who are great people to work alongside. I also love working with clients and getting to meet so many different people. Home visits are always enjoyable as it is a good time to check in to see my clients are going."

Trevina Byrne

Trevina has been working with CHCA for seven months as a Community Housing Support Officer. "I was born and raised in Alice Springs. I enjoy hanging out with friends and family, playing netball and basketball."

"The best thing about my job is helping people. Assisting families and people with their housing journey. I also like being around the people I work with, they make work more enjoyable."

THANK YOUS AND FAREWELLS

It was a big year for the team, managing the changing workloads during COVID-19 and continuing the good fight. A big thank you to all staff for contributing to our many successes this year.

CHCA would also like to thank two key funders, the Northern Territory Government and the National Indigenous Australians Agency, for their continued support in funding innovative programs like My Place, Apmere Urlte and the Bloomfield St Stage 2 Development Project.

Their support for CHCA and our goal of creating more affordable housing opportunities for the community is much appreciated.

FINANCIAL STATEMENTS

CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPANY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

CONTENTS

General Information

The financial report covers Central Australian Affordable Housing Company Limited (the Company) 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.

The Company 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.

CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPANY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT

The Directors submit herewith the annual financial statements for the financial year ended 30 June 2020.

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
David Avery	BA, LLB, NT Barrister and Solicitor	6 of 6	Appointed 11/11/13
Eileen Hoosan	Executive Member of Tangentyere Council,	6 of 6	Appointed 10/07/13
Rosalind M Marden	CPA (Retired) B Comm, Grad Dip Ed	5 of 6	Appointed 14/11/14
Shirleen Campbell	President of Lhenpe Artnwe Housing Association	0 of 6	Appointed 10/07/13
David Donald	Architect	6 of 6	Appointed 13/09/13
Patrick McDonald	CPA, MAICD, Bec (Hons), Bcomm	6 of 6	Appointed 15/05/14
Peter Marin	B App. Sc. GAICD, Director of MLCS	6 of 6	Appointed 16/11/18

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 revenue for the period amounted to $3,389,931 (2019: $2,468,549).

SIGNIFICANT CHANGES FROM PREVIOUS YEAR
In June 2020, the Company confirmed a five year grant funding agreement with the NT Government for the establishment & service delivery of the 34 South Terrace Transitional Housing Program. The first establishment payment of $342.6 thousand was received in June 2020. During the 2020 financial year, the Company received $414 thousand capital funding from the National Indigenous Australians Agency for the Bloomfield Aboriginal Workers Housing Project to take place on land owned by the Company at 6a Bloomfield St, Gillen.

COMPANY SECRETARY
John Mcbryde is 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 4.

On behalf of the Directors:

Company Secretary

Director

Dated:

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420 King William Street
Adelaide SA 5000
GPO Box 2018, Adelaide SA 5001
AUSTRALIA

DECLARATION OF INDEPENDENCE

BY G K EDWARDS

TO THE MEMBERS OF CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPANY LTD

As lead auditor of Central Australian Affordable Housing Company Ltd for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

G K Edwards
Director

BDO Audit (SA) Pty Ltd

Adelaide, 29 October 2020

CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPANY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
INCOME			
Grant Income	3	836,128	432,632
Management Fees		1,029,359	941,687
Rental Income & Utilities		1,262,703	943,004
Recovery of Expenses		160,619	138,465
Interest Received		608	3,830
Other Income		100,514	8,932
TOTAL INCOME		3,389,931	2,468,549
EXPENDITURE			
Depreciation		313,324	169,745
Finance Charges		21,166	-
Employee Benefits	4	897,262	942,841
Office Expenses		122,279	160,405
Other Expenses		242,369	266,617
Property Related Expenses		1,433,414	1,021,097
TOTAL EXPENDITURE		3,029,813	2,560,705
NET SURPLUS/(DEFICIT) FOR THE YEAR		360,118	(92,156)
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		360,118	(92,156)

The accompanying notes form part of these financial statements

CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPANY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 $	2019 $
CURRENT ASSETS			
Cash & Cash Equivalents	5	2,444,312	2,325,042
Trade & Other Receivables	6	276,127	152,859
Other Assets	7	110,954	103,620
TOTAL CURRENT ASSETS		2,831,393	2,581,521
NON-CURRENT ASSETS			
Property, Plant & Equipment	8	129,151	26,742
Investment Property	9	8,534,313	8,683,598
Right-of-use Assets	10	491,361	-
Assets Under Construction	11	206,055	4,940
TOTAL NON-CURRENT ASSETS		9,360,880	8,715,280
TOTAL ASSETS		12,192,273	11,296,801
CURRENT LIABILITIES			
Trade & Other Payables	12	228,014	252,852
Provisions	13	59,643	45,830
Other Liabilities	14	1,897,429	1,784,402
Lease Liabilities	16	185,946	-
TOTAL CURRENT LIABILITIES		2,371,032	2,083,084
NON-CURRENT LIABILITIES			
Provisions	13	-	3,389
Other Liabilities		-	62,613
Lease Liabilities	16	313,408	-
TOTAL NON-CURRENT LIABILITIES		313,408	66,002
TOTAL LIABILITIES		2,684,440	2,149,086
NET ASSETS		9,507,833	9,147,715
EQUITY		9,507,833	9,147,715

The accompanying notes form part of these financial statements

CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPANY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2020

	Note	Accumulated Surplus $	Reserves $	Total $
BALANCE AT 1 JULY 2018		9,239,871	-	9,239,871
Net Surplus/(Deficit) for the Year		(92,156)	-	(92,156)
Other Comprehensive Income		-	-	-
BALANCE AT 30 JUNE 2019		9,147,715	-	9,147,715
BALANCE AT 1 JULY 2019		9,147,715	-	9,147,715
Net Surplus/(Deficit) for the Year		360,118	-	360,118
Transfer to Reserve		(27,431)	27,431	-
Other Comprehensive Income		-	-	-
BALANCE AT 30 JUNE 2020	15	9,480,402	27,431	9,507,833

The accompanying notes form part of these financial statements

CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPANY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts From:			
Government Grants & Contracts		1,989,607	1,630,141
Tenants		1,291,218	1,066,438
Interest Received		608	3,830
Other		125,637	210,575
Payments to Suppliers & Employees		(2,806,858)	(2,579,247)
NET CASH FLOWS FROM OPERATING ACTIVITIES		600,212	331,737
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of Property, Plant & Equipment		(326,941)	(16,103)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(326,941)	(16,103)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Lease Liabilities		(132,834)	-
Interest on Lease Liabilities		(21,166)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		(154,000)	-
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		119,270	315,634
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		2,325,042	2,009,408
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	5	2,444,312	2,325,042

The accompanying notes form part of these financial statements

CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPANY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

1. CORPORATE INFORMATION

The financial statements of Central Australian Affordable Housing Company Limited (Company) for the year ended 30 June 2020 were approved and authorised for issue in accordance with a resolution of the Directors on 16 October 2020.

The Company is a not-for-profit unlisted Public Company Limited by Guarantee and is incorporated and domiciled in Australia.

COVID-19

As a provider of housing to vulnerable members of the Alice Springs community, the Company was impacted by the risks of COVID-19. Mitigation measures were swiftly introduced to protect our residents, employees and sub-contractors of the Company from the risk of infection of COVID-19. Fortunately, the worst impacts of COVID-19 were not felt due to the lack of community transmission in the Norther Territory.

In terms of the financial impacts of COVID-19, the Company has had no material loss of income from rent payments or Government funding, nor large increases in key expenses such as staffing or property maintenance. In the unfortunate event that community transmission of COVID-19 does take place in Central Australia, the Company is well place to manage this risk through the Company's strong financial position and primary income sources.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Act 2012*. The Company is a not-for-profit entity for the purpose of preparing the financial statements.

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 functional and presentation currency of the Company.

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.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

c) New Accounting Standards

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

AASB 16

For the reporting period ended 30 June 2020, AASB 16 - Leases replaces AASB 117 - Leases, with the date of initial application being 1 July 2019.

At the transition date, the Company was party to leases for motor vehicles and properties as a lessee. All leases existing at the transition date met either of the exemption or transitional arrangements mentioned below, and accordingly no adjustment to the opening balances of the Company were required.

The Company has applied the optional exemption from the requirement to fair value the right-of-use asset arising from their peppercorn leases for which they incur no or nominal consideration.

The Company has applied the optional exemption to not recognise the right-of-use asset for leases with a remaining lease term of less than 12 months from the transition date, or for leases of low-value assets, accordingly accounting for the lease expense of these leases on a straight-line basis over the remaining lease term.

AASB 15 and AASB 1058

AASB 15 - Revenue from Contracts with Customers replaces AASB 118 - Revenue, AASB 111 - Construction Contracts, AASB 1004 - Contributions and several revenue-related Interpretations. AASB 1058 - Income of Not-for-Profit Entities became applicable to the Company during the current reporting period. The initial application date of these Standards was 1 July 2019.

The Company applied these new standards using the modified retrospective approach and accordingly the comparative information has not been restated. Furthermore the initial adoption of these new standards have not materially impacted the financial statements, and accordingly the Company's opening balances as at 1 July 2019 have not been adjusted for the first time adoption of these standards.

d) 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.

e) 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.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

f) Revenue

Revenue arises from grants, rental income and tenancy management fees.
All revenue is stated net of the amount of goods and services tax (GST).

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. The performance obligation is defined as unrestricted access to a residential property for a prescribed period in accordance with the underlying agreement. Rental income is recognised once this unrestricted access have been provided to the tenant, which is invoiced either weekly, fortnightly or monthly depending on the terms of the agreement.

Rendering Of Services

The Company is contracted by the government to provide tenancy management services for residential properties. The Company receives management fees as well as contract income for these services. The performance obligation is defined as specific tenancy related services which are to be provided to the tenants on an on-going basis, in accordance with the tenancy management service agreements. The income is earned and received on a monthly basis and are either defined on a per property basis or a singular fee for the management of multiple properties.

Grant Revenue

Government and other grants are recognised as follows:

- a grant that does not impose specific future performance obligations on the Company is recognised as revenue the earlier of when the grant proceeds are received or receivable;
- a grant that imposes specific future performance obligations on the Company is recognised as revenue only when the performance obligations are met; and
- a grant received before the revenue recognition criteria are satisfied, is recognised as a liability.

These principals are applied to the grant revenue recognised by the Company as follows:

Transitional Housing

The Company receives funding for the provision of transitional housing. The performance obligations include entering into lease agreements with lessors and subletting the properties to tenants that meet prescribed requirements, as well providing ongoing tenancy services to the tenants in accordance with the underlying agreement. The funding is received in advance is recognised as income once the performance obligations are met, which usually coincide with incurring the costs associate with providing the services.

Construction of Asset

The Company receives funding for the construction of residential properties, which become the property of the Company. The Company is required to let these properties to tenants meeting prescribed criteria. The funding is received in advance and is recorded as income over time coinciding with when the related construction costs are incurred.

Refurbishment

The Company receives funding for the refurbishment of properties for which the Company is contracted to provide tenancy management services. The funding is received in advance and is recorded as income over time coinciding with when the related refurbishment costs are incurred.

The Company recognises liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

g) 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.

h) Plant & Equipment

Plant and equipment are measured using the cost model. Accordingly plant and 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 plant and equipment 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.

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.

Derecognition & Disposal

An item of 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.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

i) Impairment Testing of Plant & Equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Company's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in use. To determine the value-in-use, management estimates expected future cash flows from each cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

j) 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.

k) 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 40 years to its expected residual value.

l) Financial Instruments

Recognition and Derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

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

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

l) Financial Instruments (cont.)

Classification and Initial Measurement of Financial Assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through other comprehensive income (FVOCI); or
- fair value through profit or loss (FVTPL).

In the periods presented the corporation does not have any financial assets categorised as FVTPL.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent Measurement of Financial Assets

Financial Assets at Amortised Cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and) are not designated as FVTPL:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's term deposits, cash and cash equivalents, as well as trade and most other receivables fall into this category of financial instruments.

Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In the periods presented the Company does not have any financial assets categorised as FVOCI.

Financial Assets at Fair Value Through Profit or Loss (FVTPL)

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit and loss.

In the periods presented the Company does not have any financial assets categorised as FVTPL.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

l) Financial Instruments (cont.)

Derecognition of Financial Assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (i.e. has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the Company elected to classify under the fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the following approaches to impairment, as applicable under AASB 9 - Financial Instruments:

- the general approach; and
- the simplified approach.

General Approach

This approach is applicable to trade receivables.

Under the general approach, at each reporting period, the Company assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the Company measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there is no significant increase in credit risk since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

l) Financial Instruments (cont.)

Recognition of Expected Credit Losses in Financial Statements

At each reporting date, the Company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

Classification and Measurement of Financial Liabilities

Financial liabilities consist of trade and other payables which are initially measured at fair value, and, where applicable, adjusted for transaction costs, and subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

Derecognition of Financial Liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

m) Leased Assets

As described in Note 1(c), the Company has applied AASB 16 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under AASB 117.

For any new contracts entered into by the Company as a lessee on or after 1 Jul 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

1 The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;

2 The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and

3 The Company has the right to direct the use of the identified asset throughout the period of use, assessing whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

m) Leased Assets (cont.)

Measurement and Recognition of Leases as a Lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which consists of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date, net of any incentives received.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available, or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments.

Subsequent to initial measurement, the liability is reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

During the previous year, where the Company was a lessee, payments on operating lease agreements were recognised as an expense on a straight-line basis over the lease term.

n) Employee Entitlements

Short-term Employee Benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Long-term Employee Benefits

The Company's liability for long service leave is included in long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

Defined Contribution Plans

The Company provides post-employment benefits through defined contribution plans. The amount charged as an expense 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.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

o) Deferred Income

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is discounted and presented as non-current.

p) Economic Dependency

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

q) Provisions, Contingent Liabilities & Contingent Assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

	2020 $	2019 $
3. GRANT INCOME		
Transitional Housing	329,805	277,394
Construction of Asset	189,338	15,946
Refurbishment	204,443	30,317
Other	112,542	108,975
	836,128	432,632

Unexpended grants as at 1 July 2019 of $600,332 were recognised as grant funding in the 2019/2020 financial year, following confirmation that performance obligations were met.

The liabilities recognised for unexpended grants as at 30 June 2020 are reported in note 14.

4. EMPLOYEE BENEFITS

Expenses recognised for employee benefits are analysed as follow:

	2020	2019
Salaries	808,601	844,350
Workers Compensation Insurance	3,323	6,234
Superannuation	74,914	78,285
Employee Benefit Provisions	10,424	13,972
	897,262	942,841

The liabilities recognised for employee benefits are reported in note 13.

CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPANY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (cont.)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

		2020	2019
		$	$
5.	**CASH & CASH EQUIVALENTS**		
	Cash at Bank	2,444,312	2,325,042

Included in cash at bank is tenant bonds held, totalling $96,436 (2019: $81,019), which are not available for use by the Company.

		2020	2019
6.	**TRADE & OTHER RECEIVABLES**		
	Trade Receivables	238,968	174,176
	Provision for Bad Debts	(12,841)	(21,317)
	Cash Flow Boost Receivable	50,000	-
		276,127	152,859
7.	**OTHER ASSETS**		
	Prepayments	57,504	71,493
	Bonds Paid	53,450	32,127
		110,954	103,620
8.	**PROPERTY, PLANT & EQUIPMENT**		
	Furnishings, Fittings & Equipment		
	At Cost	95,541	56,443
	Accumulated Depreciation	(56,438)	(37,498)
		39,103	18,945
	Motor Vehicles		
	At Cost	15,435	15,435
	Accumulated Depreciation	(11,459)	(7,638)
		3,976	7,797
	Leasehold Improvements		
	At Cost	86,728	-
	Accumulated Depreciation	(656)	-
		86,072	-
	Total Property, Plant & Equipment	129,151	26,742
	Reconciliation of movements in the carrying amounts of property, plant & equipment:		
	Opening Balance	26,742	44,726.00
	Additions	125,826	2,565
	Depreciation & Amortisation	(23,417)	(20,549)
	Closing Balance	129,151	26,742
9.	**INVESTMENT PROPERTY**		
	Land & Buildings		
	At Cost	9,079,216	9,079,216
	Accumulated Depreciation	(544,903)	(395,618)
		8,534,313	8,683,598

The Directors of the Company believes the carrying value of the investment property approximates its fair value.

	2020 $	2019 $

9. INVESTMENT PROPERTY (cont.)

The acquisition and development costs of the investment properties known as Bloomfield Street and Renal Development, were financed by funding received from local and federal government.

The respective funding agreements placed the following restrictions upon the nature of use of the investment properties:

Bloomfield Street:

- The Company may not mortgage, lease or dispose of the land and buildings, without the prior written consent of the Commonwealth; and
- The use of the land and buildings are restricted to the designated purpose of affordable housing for Aboriginal people to 2026. Refer to note 18.

Renal Development:

- The Company must manage the land and buildings as per the original Development and Funding Agreement, for a period of 10 years, for end stage renal patients, which ends in April 2026: and
- The Company may not mortgage, lease or dispose of the land and buildings, without the prior written consent of the Department of Local Government and Housing: Territory Housing.

10. RIGHT-OF-USE ASSETS

	2020 $	2019 $
Land & Buildings		
At Cost	603,339	-
Accumulated Depreciation	(135,382)	-
	467,957	-
Motor Vehicles		
At Cost	28,851	-
Accumulated Depreciation	(5,447)	-
	23,404	-
Total Right-of-use Assets	491,361	-

Included as expenses under profit and loss is Depreciation totalling $140,829 relating to right-of-use assets.

11. ASSETS UNDER CONSTRUCTION

	2020 $	2019 $
At Cost	206,055	4,940

12. TRADE & OTHER PAYABLES

	2020 $	2019 $
GST Payable	46,389	66,093
Trade Creditors & Accruals	85,189	105,740
Funds Held in Trust	96,436	81,019
	228,014	252,852

	2020 $	2019 $
13. PROVISIONS		
Provisions include the following liabilities recognised for employee benefits:		
Current		
Provision for Annual Leave	59,643	45,830
Non-Current		
Provision for Long Service Leave	-	3,389
14. OTHER LIABILITIES		
Current		
Unexpended Grants		
Transitional Housing	495,185	301,159
Construction of Asset	1,282,557	1,123,975
Refurbishment	46,117	273,875
Other	49,380	50,111
	1,873,239	1,749,121
Rental Income Received in Advance	24,190	35,281
Total Current Other Liabilities	1,897,429	1,784,402

Renal Accommodation Project

Funding amounting to $6,922,262 was received from the Department of Local Government and Housing: Territory Housing (DHCD) during previous financial periods for the provision of affordable long-term accommodation for end stage renal patients.

Total Funding Received	6,922,262	6,922,262
Total Funds Expended	(5,926,016)	(5,798,287)
Unexpended Grant Funds at Year End	996,246	1,123,975

The unexpended grant funds relating to the Renal Accommodation Project are included in the construction of asset unexpended grants balance at year end.

15. RESERVES		
Restricted Funds Reserve	27,431	-

The Company is party to lease & tenancy management agreements that require the Company to sublet the properties leased to the Company under these agreements, as well as provide tenancy management services to the tenants. The rent received under these arrangements are restricted for the purposes of being expended on costs associated with prescribed properties, in accordance with the underlying lease & tenancy management agreement.

The rent received in excess of the costs associated with the prescribed properties are transferred to the restricted funds reserve.

	2020 $	2019 $

16. LEASE LIABILITIES

The Company has leases for residential properties, its head office and some motor vehicles. With the exception of its short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

Lease liabilities are presented in the statement of financial position as follows:

Current	185;946	-
Non-Current	313,408	-

All leases incur termination fees for early exit from the leases. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For the leased office building and residential properties, the Company must keep these properties in a good state of repair and return the properties to their original condition at the end of the lease.

The Company is a lessee to 3 peppercorn leases that gives the Company access to residential properties for the purpose of subletting the properties to designated groups. The Company has applied the optional exemption from the requirement to fair value the right-of-use asset arising from these leases and accordingly the fair value dollar equivalent for these lease arrangements are not reported in the statement of financial position. The lease terms range from between 5 and 10 years and the option to renew these leases are at the full discretion of the lessor.

Total cash outflows for leases during the financial period were $757,603. Included in office expenses and property related expenses are short-term leases expensed totalling $603,602.
At 30 June 2020 the Company was committed to short-term leases totalling $527,512.

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use Asset	Land & Buildings	Motor Vehicles
No. of the Right-of-use Assets Leased	5	2
Average Remaining Lease Term	2 years	2 years
No. of Leases with Extension Options	1	None
No. of Leases with Termination Options	None	None

The leases, where the Company is the lessor of investment properties, are considered cancellable.

17. FAIR VALUE MEASUREMENT

There are no financial instruments or non-financial instruments that are carried at fair value as at 30 June 2020.

	2020	2019
	$	$

15. RELATED PARTY TRANSACTIONS

The Company's related parties is its key management personnel.

Transactions with Key Management Personnel

The key management of the Company consists of the Directors of the Company, the Chief Executive Officer and the Business Manager. Key management personnel remuneration includes the following expenses:

	2020	2019
Total Key Management Personnel Remuneration	266,921	241,871

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

18. CONTINGENT LIABILTIES

If the designated use restriction clause placed on the Bloomfield Street properties is breached prior to May 2026, the Company may be required to repay the full amount of funding received, totalling $4,374,443. Any breaches following this date may require a pro-rata repayment. Refer note 9.

Except for the matter referred to above, there are no contingent liabilities that have been incurred by the Company in relation to 2020 or 2019.

19. CAPITAL COMMITMENTS

As at the reporting date the Company did not commit any funds towards assets expected to be received on a future date.

20. AUDITOR'S REMUNERATION

	2020	2019
Audit Fees Paid & Payable	7,000	7,000

Apart from the annual audit, the auditor does not provide any other services to the Company.

21. POST-REPORTING DATE EVENTS

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

22. 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 $10 each towards meeting any outstanding obligations of the entity. At 30 June 2020, the total amount that members of the Company are liable to contribute if the Company wound up is $40 (2019: $40).

23. COMPARATIVE INFORMATION

During the current reporting period, the Company changed the method upon which it accounts for transactions relating to lease & tenancy management agreements that the Company are party to, as the previous method inflated the revenue and expenses relating to these agreements.

The financial statement line items impacted as at 30 June 2019 are as follows:

	Previous	Restated
	$	$
Statement of Profit or Loss and Other Comprehensive Income		
Income		
Rental Income & Utilities	1,077,811	943,004
Recovery of Expenses	284,446	138,465
Expenditure		
Property Related Expenses	1,301,886	1,021,097

These changes had no impact on the net surplus achieved for the year ended 30 June 2019.

CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPANY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' DECLARATION

In the directors' opinion:

1) the attached financial statements and notes thereto comply with the Australian Accounting Standards - Reduced Disclosure Requirements, and 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;*

2) the attached financial statements and notes thereto give a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the financial year ended then ended; and

3) 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* ;

D.H. AVERY
Director

Signature

Patrick McDonald
Director

Signature

23/10/2020
Dated:

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CENTRAL AUSTRALIAN AFFORDABLE HOUSING COMPNAY LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Central Australian Affordable Housing Company Ltd (the registered entity), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of Central Australian Affordable Housing Company Ltd, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) Giving a true and fair view of the registered entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the registered entity's annual report, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered entity's financial reporting process.

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 (http://www.auasb.gov.au/Home.aspx) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO

BDO Audit (SA) Pty Ltd

G K Edwards
Director

Adelaide, 29 October 2020

COMMUNITY HOUSING
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