



Common Equity Housing S.A. Ltd.

**5th ANNUAL REPORT
2014-2015**

COMMON EQUITY HOUSING SA LTD

5th ANNUAL REPORT 2014 -2015

INCORPORATING THE 2014 – 2015 FINANCIAL REPORT

INDEX

Chairpersons Report	2
Treasurers Report	4
CEO's Report	5
2015 Financial Reports & Contents page	8
Notes to the Accounts	19
Auditors report	27
Combined Debenture List and Summary Maintenance Plan	29

CHAIRPERSON'S REPORT

CEHSA emerged at a time when the number of housing co-operatives and small housing associations in South Australia was undergoing rapid contraction in the face of growing pressures with greater burdens of compliance, more demanding regulatory environment, greater complexity of administration, ageing and burn out of members and clear signals from Government that they favoured a more consolidated sector.

CEHSA was planned in 2009 by a Steering Committee of the Community Housing Council of SA and was ready to operate independently in 2012 with 6 member housing cooperatives. There were 9 member housing cooperatives and 151 properties by May 2014.

Directors and staff worked hard to consolidate the young organization. The development of policies, procedures, a Business Plan and Strategic Plan were all necessary prerequisites for successful operation.

In the last 12 months all community housing providers have been required to reincorporate and then register under the new Community Housing Providers (National Law) (South Australia) Act 2013.

In the process of application for registration under the National Regulatory System, the tasks of documentation, provision of evidence and re-organisation has proven challenging for some, and in the face of these demands some cooperative housing organisations have amalgamated, or closed down and had their properties managed by larger associations. CEHSA has been able to take responsibility for some of the NRS application for its members and will manage ongoing compliance with the new system.



CEHSA has achieved registration as a Tier 3 organization. We look forward to achieving our strategic goals and the highest standard of compliance so that we can upgrade this registration.

In March 2015, Craigmore and some residents of Isis decided to take up the option to terminate their membership, an option which was available to founding members as part of their Property and Service Agreements. CEHSA has lost the management of 36 properties as a consequence.

CEHSA now faces a challenge to our ability to grow our financial base in order to obtain new housing properties to offer for rental to eligible people receiving low incomes.

The Board of Directors has carefully examined its challenges and has developed new strategies to ensure that CEHSA will survive and grow in the future. In the present political climate, the possibility of obtaining more houses from Renewal SA and assisting in the set up of new cooperatives now seems remote.

Cont ...

Instead CEHSA needs to look at new ways to boost its capacity to add to the number of properties available. It aims to build a reputation for excellent service so that it can extend its expertise and provide property management support services to other organizations.

Changes to CEHSA's Constitution have been proposed to support these new initiatives, and Members are being asked to approve these changes at the 2015 Annual General Meeting.

CEHSA offers the opportunity for tenants to continue to enjoy their properties and to manage these independently within a cooperative structure. To maintain identity and independence, while having assistance with compliance and financial management are unique benefits of membership of CEHSA.

Our founding Chairman, Dr. David Kilner retired in April after detailed and dedicated work to ensure the initial development of the organization and then its functioning in its first two and a half years of operation. David's effort and achievement is much appreciated, and I thank him and extend to him the best wishes from the CEHSA Board and staff.

I would like to acknowledge the significant input of fellow Board Members. This has been a challenging year, and they have worked as a team to develop strategy and policy, and to lead the organization through the challenges.

Staff have continued to promote CEHSA's role and benefits for housing cooperatives. We are committed to enabling members to retain their identity and autonomy while providing security of tenure for their member tenants. By providing service to housing cooperatives, we aim to promote the survival of the cooperative and community housing sector.

Elisabeth Gazard
Chairperson

TREASURERS REPORT

It is with pleasure I present CEHSA's Treasurer's Report for 2015.

For the year ended 30 June 2015, CEHSA recorded an operating surplus of \$31,993, compared to a surplus of \$58,842 for the year ended 30 June 2014. There were a number of reasons for this reduction in financial performance:

- A reduction in revenue receipts of 20% for the last quarter of 2014/2015, resulting from two housing co-ops exercising their opt-outs.
- Legal fees of \$18,000 for advice sought in relation to the opt-outs.
- Emergency Services Levy (ESL) increased from \$6,736 in 2013/2014 to \$26,194 in 2014/2015. The ESL will continue to be an increasing cost burden as the State Government has increased the Levy by 9% for 2015/2016.
- Audit fees increased from \$11,909 in 2013/2014 to \$25,400 in 2014/2015. Of this \$14,500 increase, \$8,000 was due to a once-off change in the accounting practice relating to this item.

Despite these financial challenges, CEHSA's 2014/2015 financial result was in line with the projections presented to Member Organisations at the information session held on 19 February 2015.

This presentation also highlighted the financial challenges that lay ahead, and to this end, CEHSA's Board has put in place a rigorous 2015-2018 Strategic Plan in a bid to create a new way forward, which includes the adoption of a robust financial strategy. The strategy aims to initially establish financial stability, upon which to create a sustainable financial platform for future growth. Containment of costs and the implementation of identified savings form the cornerstone of the financial strategy. The 2015/2016 Budget is set at achieving a modest, yet realistic, surplus.



CEHSA's Balance Sheet as at 30 June 2015, despite a reduction in financial performance, continues to be healthy, with total equity increasing from \$175,268 as at 30 June 2014 to \$207,260.

CEHSA's cash position is still strong, as is reflected below:

	<u>30 June 2015</u>	<u>30 June 2014</u>	<u>30 June 2013</u>	
Restricted Cash	\$311,323	\$286,324	\$144,315	(Property Maintenance)
	\$ 39,046	\$ 50,337	\$ 24,000	(Property Improvement)
	<u>\$ 28,756</u>	<u>\$ 18,422</u>	<u>\$ 14,993</u>	(Employee Benefits)
Total Restricted Cash	\$379,125	\$355,083	\$183,308	
Unrestricted Cash	\$203,701	\$157,533	\$132,549	(Working Capital)
TOTAL CASH	\$582,826	\$512,616	\$315,857	

Wayne Turner
Treasurer

CHIEF EXECUTIVE OFFICERS REPORT

January 2015 saw CEHSA celebrate its third anniversary and this was a point in time when so many things were happening. We had finalised gathering our evidence for the National Regulatory System and we were deep in the process of managing the prospective opting-out of 2 member organisations.

Six months earlier two new members had just started their first full year with CEHSA – these were Slovanic Life and Ponderosa Housing Co-operatives. At the same time CEHSA had just celebrated the end of 2014 with a healthy surplus.

To close the framework of the year, by June 2015 all the Member Organisations were re-writing rules, penning down policies, adjusting their ABN's, and re-incorporating their corporations.

Fortunately for CEHSA, as a company we were not immediately involved in any of these legal requirements, but a lot of time and effort has been provided in assisting CEHSA Members to achieve their legal obligations.



Asset and Property Inspections.

Second set of scheduled visits.

Maintenance plays such a huge role in what CEHSA and the Member Organisations do each year, both in terms of money, budgets and accounting for what we do, but also in the time and effort in completing all the work that is done as well as in the maintenance and asset inspections.

Each year CEHSA has completed and provided the Summary Maintenance Plan to Housing SA and these all began with the first round of asset and property inspections early in 2012.

Now 3 years down the track, a 3 year inspection cycle has been established and we have already begun re-inspecting properties. By December 2015 we will have nearly finished our fourth year of operation and 70 properties will have been inspected the second time around. Many thanks to the tenants of all these properties who allow me into their homes.

For the most part visiting properties for the second time confirms what is known already. It picks up one or two new items that might have been missed first time around, and re-inspecting helps ensure maintenance does not get away from us, while at the same time complying with NRS requirements.

2015 Summary Maintenance Plan (SMP)

The 2015 Summary Maintenance Plan was submitted in late September but is effective as at 30th June. The document is prepared on a member by member basis and these are then combined and provided to Housing SA as a single summary document for all the properties.

This year it has taken a mammoth effort to finalise the SMP, largely due to the time consumed in helping members with their ABN applications and re-incorporating. On top of this extra attention has been placed on scheduled jobs that were not completed in recent years, and attempting to schedule these into the next 2 or so years. Needless to say these types of jobs are those that can be deferred, such as painting.

Cont...

If 4 pages of expenses can be expressed as interesting, then these are a few highlights of the 2015 SMP. *(The following figures are statistical and are not part of the CEHSA Financial Report.)*

- Total maintenance expenditure for 2014-15 was \$205,676 while the forecast expenditure for last years was \$221,988.
- The forecast expenditure for 2015-16 is \$ 199,120, 2016-17 \$165,515, and so on.
- The total maintenance funds available decreased from \$661,800 at June 2014 to \$ 570,933 at June 2015. This significant decrease was largely due to the transfer of 36 properties from CEHSA in March and the subsequent payment of maintenance funds back to Craigmores and Isis Co-op's; and this alone was a total of a little under \$ 108,000.

(The total of maintenance funds is the combination of members funds held in their bank accounts, plus the value of maintenance provision of \$311,323 held in the CEHSA balance sheet.)

- Looking to the future over the next 5 year, the balance of maintenance funds is forecast to increase from \$570,933 to \$619,088 by June 2020.

CEHSA's NRS application

After 2 deferrals in commencing the NRS application in 2014, CEHSA finally submitted its registration application in April 2015 for the National Regulatory System, achieving Tier 3 status. CEHSA's size, youthfulness and no development plans were always going to be a limiting factor as to which tier status we could ultimately apply for.

Notwithstanding the defining limits, CEHSA still submitted 230 documents, policies, copies of minutes and sundry other pieces of evidence illustrating what CEHSA has achieved in only 3 years.

The Office of the Housing Regulator were helpful with CEHSA's application as our structure with Member Organisations (or 8 co-op's sitting a layer below CEHSA), meant we were unique as no other housing association or company in South Australia were similar. So with all the challenges and unknown denominators, CEHSA's list of compliance items, or items that needed to be "fixed" was limited to a page and a half.

2015-18 Strategic Plan

In 2012 CEHSA developed and implemented its initial Strategic Plan and with respect to a brand new organisation, it offered some direction for those first few years.

By 2015 it was obvious CEHSA was ready to review its old Strategic Plan and this began in March of this year. Eight meetings later accompanied by a lot of serious discussion by Member and Technical Directors, the 2015-18 Strategic Plan was finalised, released and culminating in 3 goals for CEHSA. These were:

- ✚ Increase the number of properties CEHSA manages.
- ✚ Build a positive and successful brand.
- ✚ Build a sustainable financial platform for growth.

The Goals do not stand alone, and beneath them sit 8 Objectives that provide additional direction.

Finally, none of this works without sets of short, medium and long term Priority Actions to achieve the Objectives. Many of these lie with the CEHSA office such as engaging with the wider community and our peak bodies. While other priority actions sit with the Board, Directors and committees.

Cont ...

Members Survey

In May CEHSA distributed the 2nd Member Organisation survey which contained about 59 questions covering 8 broad subject areas. The survey was anonymous and 7 responses were received back from our 8 Member Organisations.

The summary of the results were released by the Board and presented at a Members Forum in early October. While freely available to the Member Organisations, the summary is far too large to reproduce in this document, but there are a few matters that be drawn upon here. Members wrote:

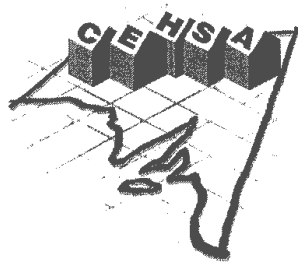
- ✚ Installing separate water meters (for multi tenanted properties);
- ✚ Helping with the transition to the NRS;
- ✚ Uncertainty about rent calculations; and
- ✚ The Summary Maintenance Plan.

All of these are in many ways expected responses as they are the issues we deal with each day and as a result each will be systematically addressed as a mechanism to improve CEHSA's services to its clients, the Member Organisations.

Kym Barnden
Chief Executive Officer



Mr David Kilner and Ms Karen Walker, Chairperson of Common Equity Housing Ltd Victoria, delivering her speech on the benefits of co-operative housing at the 2014 AGM.



COMMON EQUITY HOUSING SOUTH AUSTRALIA LIMITED

(CEHSA LTD)

ACN: 146 523 453

FINANCIAL REPORT

For the Financial Year Ended 30 June 2015

COMMON EQUITY HOUSING SOUTH AUSTRALIA LTD
ACN: 146 523 453

CONTENTS

Directors Report	10
Directors Declaration	14
Statement of Comprehensive Income	15
Statement of Financial Position	16
Statement of Changes in Equity	17
Statement of Cash Flows	18
Notes to the Financial Statements	19
Audit Report	27

COMMON EQUITY HOUSING SOUTH AUSTRALIA LTD
ACN: 146 523 453

DIRECTOR'S REPORT For the Financial Year Ended 30 June 2015

GENERAL INFORMATION

(a) Operations during the year

Common Equity Housing South Australia Ltd was registered as a company on 12/10/2010.

The principle activities of the company are the leasing of debenture properties from Housing SA under the *"South Australian Co-operative and Community Housing Act 1991"* *(abolished, soon to transfer to *Community Housing Providers (National Law) (South Australia) Act 2013*, but still in transition), to member Community Housing Organisations under an operating lease arrangement, who then rent to tenants under this Act. The company also provides operational and accounting services to those member Organisations.

As at 30 June 2015, 8 unpaid \$1.00 shares were on issue to the 8 member groups who had joined the Company under the terms of the Property and Services Agreement.

One unpaid share relating to one Member was cancelled, as a result of opting out.

(b) Details of significant changes during the year

One member opted out during the year.

No other significant changes occurred during the financial year ending 30 June 2015.

(c) Principle activities and any changes during the year

The company continued trading from July 2014 with 151 debenture properties, decreasing to 115 properties as a result of the opting out process.

(d) Matters that have arisen subsequent to 30 June 2015

There are no significant matters subsequent to 30 June 2015.

Specific information

No dividends are payable to members under the company's constitution.

No options exist or are provided for either.

There was a provision in the Property and Services Agreement whereby the 6 original members could opt out at the end of year 3. This occurred at March 2015 in this reporting period.

One Member opted out and ceased being a Member of the Company, while 16 tenanted properties from another Member transferred to another Community Housing Provider. This was a total decrease of 36 debentured properties.

At the Board meeting on 24 September 2015, the Directors resolved to accept the membership from Unity Through Affordable Housing Co-operative Incorporated.

COMMON EQUITY HOUSING SOUTH AUSTRALIA LTD
ACN: 146 523 453

DIRECTOR'S REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 continued:

Director Information: 4 Member Director, 4 Technical Directors and the CEO.

Name	Member/ Technical	Appointed	Resigned	Meetings attended 2014/15 (of 13)
Ray Jackson	Member	25/11/2010		13
Claire MacKenzie	Member	24/10/2013		12
Christine Contessa	Member	24/10/2013		13
Kym Barnden	CEO	16/01/2012		13
John Rolfe	Technical	28/06/2011		13
Elisabeth Gazard	Technical	11/10/2012		12
Wayne Turner	Technical	11/09/2014		12
Alan Fairley	Member	12/06/2014	30/10/2014	3
Paul Svingos	Member	30/10/2014	9/07/2015	7
David Kilner	Technical	25/11/2010	28/04/2015	8

Name: **Elisabeth Gazard**

Qualifications: She holds a BA (Adelaide), B Soc Admin (Flinders) MA (Bradford, UK) Grad Dip Management (UniSA) and is a Graduate Member of the Australian Institute of Company Directors (GAICD).

Experience and expertise: Elisabeth has worked in health and social welfare services for 45 years, most recently managing a substantial philanthropic trust in Adelaide which partnered with several Community Housing Associations in programs to support the provision of affordable housing. She has considerable experience on committees and Boards of disability and health organisations.

Special respon's: Technical, Chair of the Board

Name: **David Kilner**

Qualifications: B.A. Hons, B. Soc. Admin, PHD, Cert IV Workplace Training.

Experience and expertise: Has worked in housing, academia, Government and the community sector for many years. Extensive experience on Boards of organisations.

Special respon's: Chair - retired

Name: **Christine Contessa**

Qualifications: She has a Bachelor Degree in Community Service, a Graduate Diploma in Vocational Rehabilitation, a Masters Degree in Counselling and is currently studying a Graduate Certificate in Social Science (Housing Management & Policy) at Swinburne University of Technology in Melbourne.

Experience and expertise: Representing the Member Organisations as a Member Director on the Board, Christine has spent 20 years in a housing co-operative, assisting with management in a number of roles.

Special respon's: Member

cont.

Name: **Ray Jackson**
Experience and expertise: As a Member Director, Ray has served on the Board since its inception in November 2010. In addition to this, he has served on the board of management of a housing co-operative for the past 7 years, 6 of which in the capacity of Chair.
 With a background in catering, Ray has been a Liaison Director with Parents without Partners, as well as serving 34 years with Scouting, in capacities ranging from Scout Leader to Assistant District Scout Leader.

Special respon's: Member

Name: **Claire MacKenzie**
Qualifications: With over 10 years of experience in tertiary education for nurses, midwives and health science students (Flinders University), Claire is a Registered Nurse, a Registered Midwife, and holds a Bachelor Degree in Adult and Vocational Training (UniSA).

Experience and expertise: Claire has been a Member Director since October 2013, and a housing co-operative member for 24 years, during which time she has fulfilled multiple management roles.

Special respon's: Member

Name: **Wayne Turner**
Qualifications: Holding a Bachelor of Commerce and a Masters Degree in Business Administration, both from UniSA, Wayne is a Fellow of the Institute of Public Accountants (FIPA), a Fellow of the Australian Institute of Management (FAIM) and a Graduate Member of the Australian Institute of Company Directors (GAICD).

Experience and expertise: With more than 38 year's experience in the field of finance and administration, Wayne has held a range of senior management positions with companies such as Balfours Bakery, Ed Harry Menswear, Legend Nautilus, Lloyd Helicopters, Rabbit Photo and Workskill.

Special respon's: Technical/Treasurer

Name: **John Rolfe**
Qualifications: John has held several positions on state and national committees and boards with Australian Direct Marketing Association (ADMA), Institute of Financial Services (IFS) and was 11 years a member of the National Lenders Committee of Mortgage Finance Association of Australasia (MFAA). John holds a Bachelor of Business from Edith Cowan University and several post graduate certificates and diplomas. He is a Fellow of FINSIA, a Graduate Member of the Australian Institute of Company Directors (GAICD) and is a regular speaker and Chair of national and international mortgage industry conferences.

Experience and expertise: With over 32 years' experience in Finance and Retail Banking, John is a respected member of the Mortgage Finance industry. He has held senior strategic and leadership roles with Bank of Western Australia in product management and marketing, mortgage strategy, distribution and credit risk and more recently 7 years with HomeStart Finance as the General Manager - Retail.

Special respon's: Technical

cont.

Name: **Kym Barnden**
Qualifications: Kym's post-secondary education began in 1982 with an Accounting Business Certificate leading very quickly to a career in aged care administration. Here he worked in middle and senior management for over 25 years, including a 2 year stint with the Commonwealth in Canberra.
Experience and expertise: For the past 7 years he has worked in social and community housing, and remains determined in seeing the company grow and become a self-sustaining entity.
Special respon's: CEO, Public Officer, Company Secretary

Name: **Alan Fairley**
Experience and Extensive experience in community housing sector
Special respon's: Member

Name: **Paul Svingos**
Experience and Extensive Board experience within Housing Co-operative for many years.
Special respon's: Member

COMMON EQUITY HOUSING SOUTH AUSTRALIA LTD
ACN: 146 523 453

Director's Declaration

In the opinion of the Directors of Common Equity Housing South Australia Ltd:

- (a) the financial statements and notes set out in this report are in accordance with the requirements of the *Australian Charities and Not-For-Profits Commission Act 2012* and the *Corporations Act 2001*, including:
- (i) giving a true and fair view of the financial position of the company as at 30 June 2015, and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards in Australia, the *Australian Charities and Not-For-Profits Commission Act 2012 and Regulations*, and the *Corporations Act and Regulations 2001*; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the directors .

Signed in Adelaide this 25th day of September 2015.

Name: Elisabeth Gazard

Signed:
Director



Name: Kym Barendsen

Signed:
Director



COMMON EQUITY HOUSING SOUTH AUSTRALIA LTD

Statement of Comprehensive Income FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015	2014
INCOME			
Grants	<u>2</u>	0.00	10,000.00
Donations Received			
Fundraising - Contributions	<u>3</u>	0.00	0.00
Fees and Charges			
Membership Fees			
Interest		8,680.78	7,590.90
Rental Income	<u>4</u>	1,308,754.00	1,155,810.00
Recoupment		17,800.27	11,669.14
Other/Sundry Income			
Gain on Sale of Non-current Assets			
Deficit Funding from Housing SA	<u>21</u>		
Total Income:		<u>1,335,235.05</u>	<u>1,185,070.04</u>
EXPENSES			
Administration Expenses	<u>5</u>	156,970.40	118,675.16
Depreciation	<u>12</u>	6,802.00	5,053.00
Insurance		35,083.75	36,880.95
Interest Paid		0.00	0.00
Rates & Taxes - Rental properties	<u>6</u>	164,499.42	130,076.38
Property improvement - nonMaintenance		24,122.82	62.72
Repairs & Maintenance - Rental Properties		101,898.00	72,541.18
Salaries & Wages	<u>7</u>	218,913.60	204,189.39
Sundry Expenses		577.03	1.27
Write-offs			
Loss on Sale of Assets		1,393.23	0.00
Capital Contribution to Housing SA	<u>21</u>	471,300.67	390,401.45
Total Expenses:		<u>1,181,560.92</u>	<u>957,881.50</u>
Net Operating Surplus/(Deficit):		<u>153,674.13</u>	<u>227,188.54</u>
TRANSFERS TO/FROM PROVISIONS			
Maintenance Provision		-132,972.05	-142,009.03
Housing Improvement Fund		11,291.13	-26,337.28
Total Transfers to/from Provisions:		<u>-121,680.92</u>	<u>-168,346.31</u>
NET SURPLUS/(DEFICIT):		<u>31,993.21</u>	<u>58,842.23</u>

The accompanying notes form part of this financial report.

Common Equity Housing South Australia Ltd

Statement of Financial Position

AS AT 30 JUNE 2015

	Note	2015	2014
CURRENT ASSETS			
Cash	<u>8</u>	582,826.66	512,615.84
Prepayments		3,246.65	6,176.00
Rental bond		3,300.00	3,000.00
Accrued Income			
Accounts Receivable	<u>9</u>	40,439.87	39,669.56
Other Current Assets	<u>10</u>	5,254.35	6,019.13
Total Current Assets:		<u>635,067.53</u>	<u>567,480.53</u>
NON-CURRENT ASSETS			
Long-Term Investments			
Other Financial Assets	<u>11</u>	0.00	0.00
Property, Plant and Equipment	<u>12</u>	29,667.79	44,005.36
Other Non-current Assets	<u>13</u>	8.00	9.00
Total Non-Current Assets:		<u>29,675.79</u>	<u>44,014.36</u>
TOTAL ASSETS:		<u>664,743.32</u>	<u>611,494.89</u>
CURRENT LIABILITIES			
Trade and Other Payables	<u>14</u>	74,921.96	70,142.16
Funding Received in Advance	<u>15</u>	3,435.30	11,001.75
Provisions - Current	<u>16</u>	82,925.54	78,041.70
Total Current Liabilities:		<u>161,282.80</u>	<u>159,185.61</u>
NON-CURRENT LIABILITIES			
Provisions - Non-current	<u>17</u>	296,199.61	277,041.58
Other Non-Current Liabilities	<u>18</u>	0.00	0.00
Total Non-Current Liabilities:		<u>296,199.61</u>	<u>277,041.58</u>
TOTAL LIABILITIES:		<u>457,482.41</u>	<u>436,227.19</u>
NET ASSETS:		<u>207,260.91</u>	<u>175,267.70</u>
EQUITY			
Member Funds		8.00	9.00
Retained Surplus (Accumulated Losses)		175,259.70	116,417.47
Current Year Surplus / (Deficit)		31,993.21	58,842.23
Assets Revaluation Reserve			
Other Reserves			
TOTAL EQUITY:		<u>207,260.91</u>	<u>175,268.70</u>

The accompanying notes form part of this financial report.

COMMON EQUITY HOUSING SOUTH AUSTRALIA LTD

ACN: 146 523 453

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Accumulated	Share Capital	Asset	Total
	Funds		Revaluation	
Note	\$	\$	Reserve	\$
Balance at 1 July 2014	175,260	9	-	175,269
Share Issue	-	1	-	1
Transfers (to) and from reserves	-	-	-	-
Surplus/(Deficit) for the year	31,993	-	-	31,993
Other comprehensive income for the year	-	-	-	-
Balance at 30 June 2015	207,253	8	-	207,261

	Accumulated	Share Capital	Asset	Total
	Funds		Revaluation	
Note	\$	\$	Reserve	\$
Balance at 1 July 2013	116,417	6	-	116,423
Share Issue	-	3	-	3
Transfers (to) and from reserves	-	-	-	-
Surplus/(Deficit) for the year	58,843	-	-	58,843
Other comprehensive income for the year	-	-	-	-
Balance at 30 June 2014	175,260	9	-	175,269

The accompanying notes form part of this financial report.

COMMON EQUITY HOUSING SOUTH AUSTRALIA LTD
ACN: 146 523 453
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from operating activities		1,332,429	1,162,477
Other income		-	-
Interest received		8,681	7,591
Payments to suppliers and employees		(1,276,999)	(938,475)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		<u>64,111</u>	<u>231,593</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant & equipment		-	(34,834)
Proceeds on sale of property, plant & equipment		6,100	-
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		<u>6,100</u>	<u>(34,834)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	-
Payments for financing activities		-	-
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		<u>-</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		70,211	196,759
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		<u>512,616</u>	<u>315,857</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		<u><u>582,827</u></u>	<u><u>512,616</u></u>

The accompanying notes form part of this financial report.

COMMON EQUITY HOUSING SOUTH AUSTRALIA LTD

ACN: 146 523 453

CORPORATE INFORMATION

The financial statements of Common Equity Housing South Australia Ltd for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 24th September 2015.

The report is for the company operations for the financial year ended 30 June 2015, a public unlisted company limited by shares, incorporated in Australia, based on operations entirely within Australia for the full period. Common Equity Housing South Australia Ltd is a company domiciled in Australia, its registered office is situated at 32 West Thebarton Road, Thebarton, SA.

1A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Common Equity Housing South Australia Ltd is a Company Limited by Shares under the Corporations Act, and the Australian Charities and Not-For-Profits Commission Act 2012. The financial report is a special purpose financial report that has been prepared to satisfy requirements of the Corporations Act 2001 Australian Charities and Not-For-Profits Commission Act 2012 and Australian Accounting Standards (AASB's). The accounting policies adopted are consistently applied to all years presented unless otherwise stated.

a) Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The Company is a registered Housing Association under the South Australian Co-operative and Community Housing Act 1991, and therefore the format of the Statement of Comprehensive Income and Statement of Financial Position reflects the requirement of this prior Act. The Act has been abolished and probable from the future reporting period the company will be under the Community Housing Providers (National Law) (South Australia) Act 2013.

b) Statement of compliance

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the company.

c) New Accounting Standards and UIG Interpretations

Certain Australian Accounting Standards and UIG Interpretations have been recently issued or amended but are not yet effective. These other standards have not been adopted for the year ended 30 June 2015. The directors have yet to finalise their assessment of the impact of these new standards and interpretation.

d) Critical Accounting Estimates and Judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the periods of the revision and future periods if the revision effects both current and future periods.

e) Comparative Figures

Where required comparative figures have been adjusted to conform with changes in presentation for the current financial year.

f) Events post balance sheet date

At the Board meeting on 24 September 2015, the Directors resolved to accept the membership from Unity Through Affordable Housing Co-operative Incorporated, and apart from this there have been no other material reportable events post balance sheet date.

1B. Share Capital

At start of year, 9 shares were listed as issued to member shareholders at one unpaid \$1.00 share each. During the year 1 member opted out and 1 share was cancelled, leaving 8 on issue at reporting date.

COMMON EQUITY HOUSING SOUTH AUSTRALIA LTD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2015

1 SUMMARY OF ACCOUNTING POLICIES

Financial Reporting Framework

The Common Equity Housing South Australia Ltd

is not a reporting entity because in the opinion of the Committee of Management there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this "special purpose financial report" has been prepared to satisfy the reporting requirements of the *South Australian Co-operative and Community Housing Act 1991* (SACCH Act) *Abolished but still in transition under this at reporting date. The accounting policies used in the preparation of this report, as described below, are consistent with the financial reporting requirements of the Act, and except where stated, with previous years.

The financial report has been prepared in accordance with the approved Accounting Standards and Interpretations as determined under the Act. The following approved Accounting Standards and Interpretations apply:

AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors

AASB 116: Property, Plant and Equipment

AASB 119: Employee Benefits

AASB 132 & 139: Financial Instruments

AASB 137: Provisions, Contingent Liabilities and Contingent Assets

AASB 138: Intangible Asset

AASB 1031: Materiality

AASB Interpretation 12: Service Concession Arrangements

UIG Interpretation 1031: Accounting for the Goods and Services Tax (GST)

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets and liabilities for which the fair value basis of accounting has been applied.

Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The Income Statement has been prepared on an accrual basis of accounting in order to match the income receivable with expense commitments for the period. Accordingly, the statement is not a statement of receipts and payments during the year.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In accordance with the approved Accounting Standards a financial asset is cash, advances or prepayments, rent receivable, or trade and other receivables (debtors). A financial liability is an overdraft, loans, capital contribution, or trade and other payables (creditors).

AASB 139 requires financial assets to be subjected to a review for impairment at each reporting date. A financial asset is impaired if a loss event occurs, such as when a rent arrear becomes doubtful because of tenant personal insolvency issues.

Service Concession Arrangements

AASB Interpretation 12 *Service Concession Arrangements* apply to arrangements where government transfers public infrastructure to non-government organisations subject to the following conditions:

- a) the government controls and regulates what services the non-government organisation must provide with the infrastructure, to whom it must provide them, and at what price; and
- b) the government retains residual ownership of the infrastructure.

The above conditions are deemed to have been satisfied through the requirements of the SACCH Act and Funding Agreement which prescribe how the community houses are to be used, the eligible tenants that are entitled to tenant them, and what rents can be charged. The arrangements also require Community Housing Organisations to return long term vacant property to government under the Funding Agreement.

COMMON EQUITY HOUSING SOUTH AUSTRALIA LTD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2015

Infrastructure within the scope of the Interpretation should not be recognised as property, plant and equipment of the operator, irrespective of the extent to which the operator bears the risks and rewards incidental to ownership and regardless of which party has legal title to it during the term of the arrangement, since the asset is "controlled" by the government. Instead, the non-government organisation recognises an intangible asset to the extent it has a right to charge users (tenants) of the public service.

Intangible assets

An Intangible asset is an identifiable non-monetary asset without physical substance. An Intangible asset is recognised when:

- a) it is identifiable; and
- b) the entity controls the asset; and
- c) there is future economic benefits flowing from intangible asset.

The above conditions are deemed to have not been satisfied as there is no expected future economic benefits which will flow to the organisation at the inception of Funding Agreement or during the course of service provision.

Income Tax

The Community Housing Organisation (CHO) is endorsed as an Income Tax Exempt Charity (ITEC) under Section 50B of the Income Tax Assessment Act 1997 in accordance with Item 1.1 Charitable Institutions.

The CHO is also registered for GST purposes, with a GST registration number 82 146 523 453, the accrual accounting method and quarterly GST periods.

Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Depreciation of Non-Debentured Rental Properties, Buildings, Plant and Equipment, Rental Property Furniture & Fittings and Motor Vehicles

Non-debentured rental properties, buildings, plant and equipment, rental property furniture & fittings, motor vehicles are depreciated on a straight-line basis over their useful lives. Useful lives of these assets are reviewed and adjusted, if appropriate, at each balance date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

Goods and 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

2 GRANTS	2015	2014
Grants (Commonwealth) Operating - Recurrent		
Grants (Commonwealth) Operating - Non-recurrent		
Grants (Commonwealth) Capital		
Grants (State) Operating - Recurrent		
Grants (State) Operating - Non-recurrent (transfer to income of provision from startup)	0.00	10,000.00
Grants (State) Capital		
Grants (Local) Operating - Recurrent		
Grants (Local) Operating - Non-recurrent		
Grants (Local) Capital		
Grants - Other		
Total Grants	<u><u>0.00</u></u>	<u><u>10,000.00</u></u>
3 FUNDRAISING - CONTRIBUTIONS	2015	2014
Contribution (Members)		
Contribution (Public)		
Contribution (Government)		
Contribution (Philanthropic trusts and corporations)		
Total Fundraising - Contributions:	<u><u>0.00</u></u>	<u><u>0.00</u></u>

COMMON EQUITY HOUSING SOUTH AUSTRALIA LTD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2015

4 RECONCILIATION: RENTAL INCOME	2015	2014
Funding Agreement (2006) requires Community Housing Organisation to account for rent on an accrual basis, taking into account arrears, rent paid in advance and rent adjustment. Capital Contributions payable to Housing SA are based on Rent Receivable (Rent Income) for the number of days tenanted, not on Rent Received. The relationship between Rent Receivable and Rent Received is shown in the following reconciliation:		
Debtors and Advance relate to member entity balances since joining date.		
Actual Rent Received	1,307,421.60	1,150,168.47
<i>add:</i> Accounts Receivable - Rental Debtors (end of year)	34,021.15	35,118.47
Rent in Advance (beginning of year)	11,001.75	9,234.00
Rent Arrears Written Off	0.00	0.00
Rent Adjustments (if applicable)	688.05	472.81
	45,710.95	44,825.28
<i>less:</i> Account Receivables - Rental Debtors (beginning of year)	35,118.47	28,182.00
Rent in Advance (end of year)	3,435.30	11,001.75
Rent Adjustments (if applicable)	5,824.78	0.00
	44,378.55	39,183.75
Rental Income - Debentured properties (FA 2006)	<u>1,308,754.00</u>	<u>1,155,810.00</u>
5 ADMINISTRATION EXPENSES	2015	2014
Accounting Fees		
Advertising & Promotion	955.00	1,328.36
Audit Fees	25,400.00	11,909.09
Bank Charges	119.51	96.52
Bad Debt		
Board/Governance Expenses		
Centrelink Fees	688.05	652.42
Computer Expenses	3,019.02	4,940.72
Equipment Hire/Lease		
Legal Fees	18,866.39	663.00
Management Fees		
Meeting Expenses	2,300.18	567.93
Membership Fees Paid	764.81	827.27
Minor equipment	616.33	569.41
Motor Vehicle Expenses	4,182.98	4,583.19
Office Rent	19,500.00	19,800.00
Postage, Freight and Courier	2,034.78	1,760.01
Printing & Stationery	3,654.91	4,188.52
Security Expenses		
Staff Amenities	94.45	1,744.26
Strata fees - admin	2,081.71	1,697.00
Sundry/other	5,189.00	688.20
Telephone, Fax and Internet Charges	3,136.63	3,492.45
Tenancy and Property Supplies and Services - (Member allowances - operating/location)	55,929.93	52,173.44
Training & Development (Staff)	340.91	573.48
Travel and Accommodation	6,832.25	5,353.93
Utilities	1,263.56	1,065.96
Volunteer Costs		
Total Administration Expenses:	<u>156,970.40</u>	<u>118,675.16</u>
6 RATES & TAXES - RENTAL PROPERTIES	2015	2014
Council Rates	55,743.26	51,192.29
SA Water	82,128.97	71,630.15
Emergency Services Levy	26,194.05	6,736.00
Utilities	433.14	517.94
Total Rates & Taxes - Rental Properties - Debentured Properties (FA2006)	<u>164,499.42</u>	<u>130,076.38</u>

COMMON EQUITY HOUSING SOUTH AUSTRALIA LTD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2015

7 SALARIES & WAGES	2015	2014
S&W Annual Leave Expenses	5,864.47	923.00
S&W Fringe Benefit Tax		
S&W Long Service Leave Expenses	3,012.51	2,506.00
S&W Recruitment Expenses		
S&W Sick Leave Expenses		
S&W Superannuation	17,554.83	17,090.43
S&W Termination Payments		
S&W Workers' Compensation	4,174.50	3,177.14
S&W Salaries and Wages	187,494.35	186,890.82
S&W Salaries - Others	812.94	-6,398.00
S&W Fees Paid		
S&W Cost Recovery		
Total Salaries/Wages Expenses:	218,913.60	204,189.39
8 CASH	2015	2014
Petty Cash	300.00	300.00
Cash Float		
Undeposited Funds		
Total Cash on Hand	300.00	300.00
Maintenance Funds	311,323.00	286,324.00
Additional Service Levies		
Other restricted funds		
Cash at Bank - Restricted	311,323.00	286,324.00
Cash at Bank - Unrestricted	271,203.66	225,991.84
Total Cash:	582,826.66	512,615.84
9 ACCOUNTS RECEIVABLE		
Accounts Receivable - Excess water Debtors	6,418.72	4,551.09
Accounts Receivable - Rental Debtors	34,021.15	35,118.47
(less: Provision for Doubtful Debts - Rental Debtors)		
Total Trade Receivables	40,439.87	39,669.56
10 OTHER CURRENT ASSETS	2015	2014
GST Receivable	5,038.60	6,019.13
Deficit Funding Receivable from Housing SA	21	
Workcover refundable	215.75	0.00
Total Other Current Assets:	5,254.35	6,019.13
11 OTHER FINANCIAL ASSETS	2015	2014
[Give Details for others]		
Total Other Financial Assets:	0.00	0.00
13 OTHER NON-CURRENT ASSETS (if required)	2015	2014
Comhouse Silo Account		
Shares on Call	8.00	9.00
Total Other Non-Current Assets:	8.00	9.00
14 TRADE AND OTHER PAYABLES	2015	2014
Accounts Payable	8,499.08	6,320.85
Accrued Expenses	19,084.00	9,528.00
Loans Payable		
GST Payable	46.21	0.00
ABN Withholding Tax Payable		
Superannuation Payable	4,458.55	4,381.19
Salary Sacrifice		
Hire Purchase Liability		
Lease Liability		
Other Current Liabilities	6,961.00	8,701.10
Capital Contribution Payable to Housing SA	21 35,511.07	40,829.05
Sundry Debt Payable to Housing SA		
Customer deposits/adjustments	362.05	381.97
Total Trade and Other Payables:	74,921.96	70,142.16

COMMON EQUITY HOUSING SOUTH AUSTRALIA LTD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2015

15 FUNDING RECEIVED IN ADVANCE		
Revenue Received in Advance	3435.3	11,001.75
Grant Received in Advance	0.00	0.00
Grant Repayable to Government Departments		
Total Funding Received in Advance:	3,435.30	11,001.75
16 PROVISIONS - CURRENT	2015	2014
Employee Benefits/Employee Provisions	22,577.00	15,256.00
Maintenance Provision	21,302.39	12,448.42
Housing Improvement Fund	39,046.15	50,337.28
<i>Doubtful Debts</i>	0.00	0.00
Total Provisions - Current:	82,925.54	78,041.70
17 PROVISIONS - NON-CURRENT	2015	2014
Employee Benefits/Employee Provisions	6,179.00	3,166.00
Maintenance Provision	19 290,020.61	273,875.58
Additional Services Levy Provision	20	
<i>[Give Details]</i>		
Total Provisions - Non-current:	296,199.61	277,041.58
18 OTHER NON-CURRENT LIABILITIES	2015	2014
Hire Purchase Liability		
Lease Liability		
Loans Payable		
JV Equity / Investment Shares		
<i>[Give Details]</i>		
Total Other Non-Current Liabilities:	0.00	0.00
19 MAINTENANCE PROVISION	2015	2014
Opening Balance	286,324.00	144,314.67
<i>add:</i> Maintenance Allowance	227,941.92	210,198.02
Interest on Maintenance Account	6,927.51	4,353.50
Other (as appropriate)	0.00	-1.01
Maintenance Funds Available:	521,193.43	358,865.18
<i>less:</i> Actual Maintenance Expenses Incurred on Debentured Properties for Financial Year	50,911.12	22,285.55
Member CHP provision allowance transfer	158,959.31	50,255.63
Maintenance Provision:	311,323.00	286,324.00
Represented By:		
Maintenance Bank Account (including Maintenance Investment Account)	311,323.00	286,324.00
Comhouse Silo Account		
Funds Held in Separate Accounts	311,323.00	286,324.00
Excess / (Shortfall) of Funds to Provision:	0.00	0.00
20 ADDITIONAL SERVICES LEVY PROVISION	2015	2014
Opening Balance		
<i>add:</i> Additional Services Levy Collected		
Other (as appropriate)		
Additional Services Funds Available:	0.00	0.00
<i>less:</i> Additional Services Funds Used/Drawn (as approved by Housing SA)		
Closing Balance:	0.00	0.00

COMMON EQUITY HOUSING SOUTH AUSTRALIA LTD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2015

21 CAPITAL CONTRIBUTION PAYABLE TO HOUSING SA	2015	2014
Amount Owing (beginning of year)	40,829.05	25,146.00
<i>add:</i> Capital Contributions Payable to Housing SA	471,300.67	390,401.45
<i>less:</i> Deficit Funding Receivable from Housing SA (if applicable)		
Total Capital Contributions/-Deficit Funding:	512,129.72	415,547.45
<i>less:</i> Current Year Monthly Remittances to Housing SA	476,618.64	374,718.40
<i>add:</i> Current Year Monthly Receipts from Housing SA (if applicable)		
Capital Contributions Payable/-Receivable (end of year):	35,511.07	40,829.05
<i>less:</i> Capital Contributions paid post-June	35,511.07	40,829.05
<i>add:</i> Deficit Funding received post-June (if applicable)		
Total Underpaid/-Overpaid Capital Contributions:	0.00	0.00

COMMON EQUITY HOUSING SOUTH AUSTRALIA LTD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2015

12 PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Motor Vehicle	Plant and Equipment	Rental Property Furniture & Fittings	Total Land and Buildings
Opening Value (1 July 2013)						
Acquisition Cost			11,095.00	11,634.18		22,729.18
Accumulated Depreciation (-)			-1,674.00	-2,722.82		-4,396.82
Written-Down Value	0.00	0.00	9,421.00	8,911.36	0.00	18,332.36
Acquisition/Addition During the Period			28,687.00	2,039.00		30,726.00
Disposal During the Period						
Acquisition Cost						0.00
Accumulated Depreciation (-)						0.00
Written-Down Value	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation During the Period (-)			-1,935.00	-3,118.00		-5,053.00
Closing Value (30 June 2014)						
Acquisition Cost	0.00	0.00	39,782.00	13,673.18	0.00	53,455.18
Accumulated Depreciation (-)	0.00	0.00	-3,609.00	-5,840.82	0.00	-9,449.82
Written-down Value	0.00	0.00	36,173.00	7,832.36	0.00	44,005.36
Acquisition/Addition During the Period						0.00
Disposal During the Period						
Acquisition Cost			-11,096.00			-11,096.00
Accumulated Depreciation (-)			3,560.43			3,560.43
Written-Down Value	0.00	0.00	-14,656.43	0.00	0.00	-14,656.43
Depreciation During the Period (-)			-3,586.00	-3,216.00		-6,802.00
Closing Value (30 June 2015)						
Acquisition Cost	0.00	0.00	28,686.00	13,673.18	0.00	42,359.18
Accumulated Depreciation (-)	0.00	0.00	-3,634.57	-9,056.82	0.00	-12,691.39
Written-down Value	0.00	0.00	25,051.43	4,616.36	0.00	29,667.79



4 Frederick Street
Frewville SA 5063
Telephone: (08) 8338 4100
Facsimile: (08) 8338 4155
Email: admin@dwaa.com.au

15 Fifth Street
PO Box 74
Minlaton SA 5575
Telephone: (08) 8853 2080
Email: dwa@internode.on.net

www.dwaa.com.au
ACN 067 089 794
ABN 15 067 089 794

Liability limited by a scheme
approved under Professional
Standards Legislation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMON EQUITY HOUSING SOUTH AUSTRALIA LIMITED (CEHSA) ACN 146 523 453

We have audited the accompanying financial report of CEHSA, which comprises the statement of financial position as at 30 June 2015, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

The Responsibility of Directors for the Financial Report

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the accounting policies described in Note 1 of the financial report are appropriate to meet the requirements of the Corporations Act 2001 and to meet the needs of the members. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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



4 Frederick Street
Frewville SA 5063
Telephone: (08) 8338 4100
Facsimile: (08) 8338 4155
Email: admin@dwaa.com.au

15 Fifth Street
PO Box 74
Minlaton SA 5575
Telephone: (08) 8853 2080
Email: dwa@internode.on.net

www.dwaa.com.au
ACN 067 089 794
ABN 15 067 089 794

Liability limited by a scheme
approved under Professional
Standards Legislation.

Auditor's Opinion

In our opinion, the financial report of Common Equity Housing South Australia Limited is in accordance with the Corporations Act 2001, including:

- a. Giving a true and fair view of the company's financial position as at 30 June 2015 and of its financial performance and cash flows for the year ended on that date in accordance with the accounting policies described in Note 1; and
- b. Complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the corporations Act 2001. As a result, the financial report may not be suitable for another purpose.

DEAN WITHERS & ASSOCIATES PTY LTD

Chartered Accountants

Dean R Withers-director

Dated this 30th Day of September 2015

Frewville, South Australia

Schedule 1

List of debentured properties and Summary Maintenance Plan September 2015

Property Address	Forecast 2014/15	Actual 2014/15	Fore- cast 2015/16	Fore- cast 2016/17	Fore- cast 2017/18	Fore- cast 2018/19	Fore- cast 2019/20	Total
1/158 Drayton Street Bowden	150	1,211	890	680	480	840	790	3,680
2/158 Drayton Street Bowden	450	480	480	530	2,580	610	910	5,110
3/158 Drayton Street Bowden	660	994	1,180	780	880	890	960	4,690
138 Gibson Street Bowden	500	396	1,670	2,940	1,160	660	1,440	7,870
1/8 The Parkway Klemzig	400	1,535	1,380	560	480	630	510	3,560
2/8 The Parkway Klemzig	2,050	261	1,330	480	480	790	760	3,840
3/8 The Parkway Klemzig	3,050	0	1,530	780	3,280	630	660	6,880
4/8 The Parkway Klemzig	800	80	1,350	710	450	650	880	4,040
5/8 The Parkway Klemzig	150	1,236	1,500	3,580	480	610	780	6,950
1/19 Denmead Ave Campbelltown	450	1,056	480	2,100	770	3,430	990	7,770
2/19 Denmead Ave Campbelltown	150	80	1,410	1,320	660	3,650	630	7,670
3/19 Denmead Ave Campbelltown	220	120	1,090	2,340	3,320	1,330	510	8,590
4 Josephine Street Newton	450	989	860	420	2,570	570	790	5,210
7/8 Papagni Avenue Newton	3,550	322	3,970	580	860	2,540	510	8,460
1/8A Miller St Seacombe Gardens	1,440	1,374	4,830	580	1,090	750	840	8,090
2/8A Miller St Seacombe Gardens	250	5,890	850	860	1,050	1,380	2,490	6,630
2/1 Packard Street Nairne	3,160	867	1,070	1,280	1,170	1,710	480	5,710
3/1 Packard Street Nairne	250	810	1,100	2,360	880	630	510	5,480
4 Gray Court Mt Barker	150	509	480	730	880	830	850	3,770
13 Gray Court Mt Barker	2,750	3,546	2,950	630	830	1,070	690	6,170
2 Dutch Close Mt Barker	500	499	1,250	840	480	540	710	3,820
61 Victoria Road Mt Barker	5,992	1,071	3,540	850	740	800	800	6,730
2/13 Douglas Drive Mt Barker	530	96	1,070	1,870	1,480	910	510	5,840
10 Ray Orr Drive Mt Barker	400	1,021	1,350	700	2,650	630	900	6,230
19 Bowyer Avenue Mt Barker	250	978	1,000	1,280	780	660	860	4,580
4/15 Gray Court Mt Barker	200		480	2,630	570	960	860	5,500
8/15 Gray Court Mt Barker	250	145	1,330	480	880	1,070	510	4,270
4 Gillard Ct Old Reynella	4,710	167	5,020	340	500	1,220	1,190	8,270
31 Huntingdale Rd Noarlunga Downs	1,480	0	2,610	3,120	670	510	1,300	8,210
22 Yangara Rd O'Sullivan Beach	940	95	2,330	6,020	630	3,100	2,550	14,630
23 Wyong Rd O'Sullivan Beach	1,050	3,665	1,780	330	3,180	1,160	530	6,980
37 Scottsglade Rd Christie Downs	3,830	390	1,790	700	430	2,360	2,960	8,240
8 Nathan Ct Morphet Vale	2,100	1,115	2,000	2,940	2,430	650	410	8,430
2 Garland Ct Noarlunga Downs	1,030	304	3,700	2,410	2,080	540	410	9,140
12 Misan Drive Morphet Vale	1,100	0	1,270	830	3,830	2,010	1,240	9,180
13 Taranki Way Noarlunga Downs	1,200	395	3,010	3,750	1,380	410	530	9,080
45 Orana Drive Morphet Vale	3,060	1,054	2,180	1,130	3,430	500	2,700	9,940
43 Baden Tce O'Sullivan Beach	2,380	0	3,290	950	660	610	1,310	6,820
18 Erebus Cct Morphet Vale	1,950	1,100	2,430	720	280	350	2,460	6,240
1/21 Aish Close Newton	590	0	620	3,500	730	940	410	6,200
2/21 Aish Close Newton	550	340	620	1,350	1,520	810	450	4,750
11 Archer Court Oakden	430	3,151	480	580	780	710	1,010	3,560
7 Bently Drive Holden Hill	350	215	2,910	1,320	660	600	6,450	11,940
49 Browning Street Clearview	250	0	670	3,780	480	510	990	6,430

49A Browning Street Clearview	150	90	3,680	680	480	3,060	890	8,790
7 Erong Avenue Gillies Plains	400	0	850	2,510	780	660	610	5,410
1/38 Floriedale Road Greenacres	600	1,080	760	480	3,780	1,180	690	6,890
2/38 Floriedale Road Greenacres	770	1,043	1,060	530	530	1,220	1,160	4,500
17 Fourth Avenue Klemzig	300	10,709	1,180	480	680	940	630	3,910
1/21 Glenburnie Avenue Northfield	150	440	3,530	600	2,600	1,330	610	8,670
41 Honeysuckle Drive Hope Valley	1,070	543	4,840	810	1,120	1,230	630	8,630
1/31 Janet Street Maylands	500	90	840	2,720	2,810	1,090	810	8,270
2/31 Janet Street Maylands	1,150	662	1,080	1,330	1,100	930	710	5,150
15 Lothian Ave Windsor Gdns	780	529	10,500	1,075	650	1,120	680	14,025
3 Parkwood Avenue Paradise	150	171	1,790	1,820	1,330	1,220	1,170	7,330
2 Papagni Avenue Newton	410	0	2,500	500	660	830	1,020	5,510
68 Essex Street South Plympton	1,490	262	3,330	1,570	2,460	92	4,410	11,862
18 Victoria Street Goodwood	490	206	1,550	660	2,860	1,290	690	7,050
10 St Lawrence Ave Edwardstown	480	0	1,640	2,220	2,690	1,280	1,470	9,300
10A St Lawrence Ave Edwardstown	2,130	0	1,285	580	580	1,330	1,670	5,445
37 Doreen Street Oaklands Park	650	2,362	1,650	1,180	580	5,410	610	9,430
1/37 Wolseley Terrace Ascot Park	400	1,434	2,450	1,030	730	1,200	760	6,170
1 Quintus Terrace Dover Gardens	470	368	1,730	2,560	3,350	1,030	760	9,430
37 Bransby Ave Nth Plympton	350	820	580	880	730	1,130	830	4,150
8 John Olsen Drive Kadina	320	6,262	620	3,820	1,420	1,300	1,510	8,670
38 Port Road Kadina	3,090	296	2,300	720	700	2,050	870	6,640
38B Port Road Kadina	250	2,257	580	2,300	3,680	995	740	8,295
34 George Street Kadina	150	11	1,110	480	660	890	2,430	5,570
17 Gurner Street Kadina	400	1,867	2,080	680	680	510	1,210	5,160
56 Olive Parade Kadina	320	478	580	730	1,160	795	3,110	6,375
56 Lawrence Street Kadina	950	25	1,400	1,780	480	750	510	4,920
Unit 1/33 Blyth Street Moonta	800	99	480	680	480	1,110	1,030	3,780
Unit 2/33 Blyth Street Moonta	850	945	650	660	650	510	1,350	3,820
Unit 3/33 Blyth Street Moonta	1,150	839	660	2,870	1,230	1,250	1,490	7,500
41 Ryan Street Moonta	2,950	161	1,680	4,230	480	2,210	1,870	10,470
27 Blyth Street Moonta	620	864	480	480	910	2,360	640	4,870
4 Playtime Parade Moonta	150	1,804	1,120	730	810	970	510	4,140
161 Coast Road Moonta	1,700	1,380	1,780	720	1,230	690	670	5,090
7 Pattison Crescent Moonta	3,300	1,821	1,330	660	830	2,200	1,060	6,080
84 Wallaroo Road Moonta	1,080	273	480	480	1,440	1,760	770	4,930
44 Monmouth Street Moonta	1,020	388	820	1,370	800	2,070	640	5,700
55 Muddy Lane Moonta	3,050	2,502	4,420	980	1,980	650	810	8,840
111 North Second Street Moonta	2,150	1,001	730	1,210	620	660	1,420	4,640
5 Second Street Moonta	600	436	1,130	530	3,130	510	660	5,960
5 Prince Street Wallaroo	5,100	382	6,670	1,430	890	1,190	510	10,690
2 Hughes Street Wallaroo	550	732	1,110	630	480	710	690	3,620
10 Ireland Street Wallaroo	2,150	887	730	680	530	510	670	3,120
35 Scotland Street Wallaroo	600	1,375	480	1,060	1,180	2,900	3,630	9,250
20 Daly Street Wallaroo	2,960	160	3,810	880	2,680	1,030	1,110	9,510
18 England Street Wallaroo	680	440	880	1,260	1,060	650	510	4,360
14 East Terrace Wallaroo	530	318	780	530	730	510	2,960	5,510
21 Lydia Street Wallaroo	420	679	1,170	480	620	780	660	3,710
8 Kadina Road Wallaroo	730	1,378	1,290	480	680	660	660	3,770
10 Kadina Road Wallaroo	650	1,013	480	480	1,880	2,490	670	6,000

12 Kadina Road Wallaroo	650	803	1,185	1,360	780	1,110	660	5,095
9 Elder Street Wallaroo	650	360	1,600	680	1,130	730	760	4,900
57 Harbrow Grove secombe Garden	1,110	230	1,220	800	850	550	1,260	4,680
2/5 mikasa court , trott park	320	180	1,520	550	2,580	550	1,920	7,120
117 lander road	320	7,844	1,420	550	3,430	950	1,510	7,860
21 balee avenue , sheidow park	320	0	2,020	3,550	940	550	1,085	8,145
40 lindsay avenue , edwardstown	820	1,502	1,370	1,200	1,350	1,250	1,180	6,350
5 lincoln avenue , sturt	970	4,295	1,590	870	1,190	830	580	5,060
5a lincoln avenue , sturt	11,500	300	1,320	870	730	2,670	1,030	6,620
34a alawoona avenue , mitchell park	1,090	340	1,160	980	550	860	730	4,280
34b alawoona avenue , mitchell park	1,020	1,436	1,170	550	700	1,290	3,580	7,290
3 walter avenue , mitchell park	470	117	670	550	950	2,240	980	5,390
5 walter avenue , mitchell park	500	1,104	700	550	770	1,850	3,000	6,870
7 walter avenue , mitchell park	320	202	520	790	1,370	770	1,080	4,530
47 baume circuit , old reynella	1,420	2,900	1,520	1,050	800	750	2,060	6,180
1-123A Woodville Rd, Woodville Nth	3,020	5,962	470	7,340	440	430	2,540	11,220
2-123A Woodville Rd, Woodville Nth	670	9,465	570	680	2,100	730	2,430	6,510
4A Longford Crescent, Ferryden Park	770	6,381	820	350	350	2,000	580	4,100
5 Wooldridge Street, Peterhead	1,080	6,365	1,120	2,250	950	350	1,160	5,830
14 Hamilton Ave, Osborne	2,240	3,597	2,400	550	3,450	600	3,480	10,480
17 Rosetta Street, Glanville	1,920	4,633	770	4,250	700	550	910	7,180
Properties disposed of during year.								
19 Olinda Street Craigmore	250	803						
33 Olinda Street Craigmore	210	55						
73 Gooronga Drive Craigmore	1,250	340						
59 Otama Court Craigmore	1,230	574						
21 Pinda Court Craigmore	150	285						
17 Luringa Close Craigmore	1,150	1,578						
32 Luringa Close Craigmore	1,750	407						
23 Commodore Pde Andrews Farm	400	2,932						
37 Callanna Court Craigmore	1,850	2,548						
3 Trim Crescent Craigmore	2,800	1,723						
8 Waytown Street Elizabeth Park	400	3,800						
6 Tyalla Court Munno Para	5,750	389						
13 Gurumbi Crescent Munno Para	750	70						
30 Baldina Crescent Craigmore	1,300	795						
5 Carob Crescent Craigmore	500	456						
12 Musgrave Street Evanston Gdns	2,400	2,460						
49 Linger Cres Elizabeth Downs	2,070	685						
26 Kenner Street Elizabeth Downs	730	1,287						
33 Lomalinda Drive Craigmore	980	599						
3 Karimbla Crescent Craigmore	350	120						
18 Boston Street Croydon	4,230	1,029						
28 Kent Street South Plympton	8,650	2,007						
30 Kent Street South Plympton	1,950	0						
4 Wallira Street South Plympton	960	400						
65 Stuart Road South Plympton	350	1,120						
67 Stuart Road South Plympton	400	0						
2 Eastern Avenue South Plympton	550	1,696						

34 Pemberton Street Oaklands Park	1,300	1,335						
2/37 Wolseley Terrace Ascot Park	3,200	844						
3/37 Wolseley Terrace Ascot Park	610	823						
1/15 Branksome Terrace Dover Gds	570	2,531						
2/15 Branksome Terrace Dover Gds	400	253						
40 Beauchamp Street Kurralta Park	750	1,340						
40A Beauchamp Street Kurralta Park	350	501						
18A Danae Street Dover Gardens	150	0						
37A Bransby Avenue Nth Plympton	350	50						
	190,532	183,290	190,920	155,215	146,310	131,612	137,725	761,782

Emergency Maintenance	4,400	11,290	2,400	2,400	2,400	2,400	2,400	12,000
Vacancy Maintenance	26,200	11,096	5,800	7,900	7,100	4,900	4,300	30,000
Total Maintenance for the Year	221,988	205,676	199,120	165,515	155,810	138,912	144,425	803,782
Maintenance Allowance	272,429	237,086	207,789	207,789	207,789	207,789	207,789	1,038,947
	-24,518		-37,402	-37,402	-37,402	-37,402	-37,402	-187,010
Net Maintenance Allowance Retained for the Year	247,911	237,086	170,387	170,387	170,387	170,387	170,387	851,937

Maintenance Bank Account Balance as at 1/7/14

570,933

Total Maintenance Funds Available as at 30/6/15

570,933

	Fore- cast 2014/15	Fore- cast 2015/16	Fore- cast 2016/17	Fore- cast 2017/18	Fore- cast 2018/19	Total Jul '14 - Jun '19
Total Available Maintenance Funds (held in Maintenance Bank Accounts) as at 1 July	570,933	542,200	547,073	561,650	593,125	570,933
Maintenance Allowance Retained for the Year	170,387	170,387	170,387	170,387	170,387	851,937
Total Maintenance Outgoings for the Year	-199,120	-165,515	-155,810	-138,912	-144,425	-803,782
Total Available Maintenance Funds (held in Bank Accounts) as at 30 June	542,200	547,073	561,650	593,125	619,088	619,088