

Annual Report

2016-2017



**COMMON
EQUITY HOUSING**
South Australia

Our vision

Common Equity Housing SA Ltd.'s vision is that smaller Community Housing Providers can remain autonomous and continue to provide secure, sustainable, affordable and appropriate housing to South Australian households in need.

Our mission

Common Equity Housing SA Ltd.'s mission is to strengthen, support and further develop smaller Community Housing Providers operating across South Australia, through the provision of timely and high-quality infrastructure including administrative, development and maintenance services for Member Organisations.

Contents

Our vision	2
Our mission	2
Common Equity Housing SA Services.....	4
Chairperson’s Report	5
Treasurer’s Report	7
Chief Executive Officer’s - Transformation Report.....	8
Directors' Report.....	11
Directors' Declaration	15
Statement of Profit or Loss and other Comprehensive Income.....	16
Statement of Financial Position	17
Statement of Changes in Equity.....	18
Statement of Cash Flows.....	19
Notes to the Financial Statements.....	20
Notes to the Accounts	21
Notes to the Accounts	29
Independent Auditor’s Report	30
Auditor’s Independence Declaration	33

Common Equity Housing SA Services

CEHSA is committed to deliver housing in a way that empowers tenants with a level of self-governance, within a broader supporting framework, and enables a range of benefits to be created for tenants, government and the broader community.

Member organisations continue to maintain a separate legal status, manage their tenancies' day

to day activities but are not required to be registered for the National Regulatory System (NRS) because Common Equity Housing SA is the registered body.

The table below illustrates the services provided by CEHSA and the autonomy retained by the member organisations:

Common Equity Housing SA services	Member organisation retains
Tenancy management	
<ul style="list-style-type: none"> ✦ Manage rent calculations, reviews, collections and arrears. ✦ Collect council rates rebates, excess water. ✦ Verify and register tradespeople. ✦ Act as agent for member organisations at the SA Civil and Administrative Tribunal. 	<ul style="list-style-type: none"> ✦ Manage vacancies, selecting tenants from the Community Housing Customer Register aligned to their Co-op's ideology. ✦ Welcome new tenants, complete incoming and outgoing inspections, collect bond. ✦ Foster good neighbour and community relationships.
Asset management	
<ul style="list-style-type: none"> ✦ Maintain all property and tenant activity on Chintaro (social housing database). ✦ Manage all insurance claims. ✦ Manage the Asset Management Plan. 	<ul style="list-style-type: none"> ✦ Advocate for tenant members regarding property improvements. ✦ Coordinate forecast, responsive and emergency maintenance using registered tradespeople.
Financial management	
<ul style="list-style-type: none"> ✦ Manage the financial viability of CEHSA, budgeting, forecasting, monitoring and reporting. ✦ Manage BAS returns and complete monthly financial statements and activity reports for each member organisation. ✦ Coordinate an annual independent audit/review 	<ul style="list-style-type: none"> ✦ Maintain proper records of all Co-op activities and assist external auditing process.
Compliance & risk management	
<ul style="list-style-type: none"> ✦ Develop and implement an effective governance framework. ✦ Management constitutional compliance ✦ Manage ACNC application, charity status registration, ASIC reporting, NRS compliance reporting and assessment. 	<ul style="list-style-type: none"> ✦ Ensure effective governance of Co-op rules and By Laws ✦ Notify CEHSA of any changes to official officer bearers, licences, inspections, bond receipts, NRS maintenance statistics and other legal documentations. ✦ Maintain privacy and confidentiality of personal information.
Support services	
<ul style="list-style-type: none"> ✦ Distribute quarterly newsletters, regular bulletins and hold Member Forums with relevant guest speakers. ✦ Track and report levels of tenant and member organisation satisfaction via an annual survey. ✦ Facilitate training opportunities for members to address identified issues or to build member capabilities. 	<ul style="list-style-type: none"> ✦ Support members around the central issues to the purpose of the co-op e.g. single parents, cultural background etc.
Industry advocacy & education	
<ul style="list-style-type: none"> ✦ Active member of CHCSA to network and keep members up to date with developments. 	<ul style="list-style-type: none"> ✦ Maintain and enhance the reputation of the Community Housing Sector.

Chairperson's Report



This year has presented significant changes and challenges.

Common Equity Housing SA Ltd (CEHSA) was formed through the auspices of the Community Housing Council of SA, with Government support, in 2010 to assist small community housing providers to manage and survive. At that time, there were more than 52 in South Australia, but now there are considerably fewer and it is a critical time for them as they decide their future.

Government resources are being rationalised and Renewal SA is currently aiming for the consolidation of community housing providers. The rationale provided for this course of action is to focus funds and resources on those community housing providers who have the financial and skill based capabilities to grow through development of new properties.

This has led to Government support through training for self-management and public funding for development to be withdrawn, and coupled with the strict requirements of registration by the National Regulatory System, successful continuation of small community housing entities will prove to be extremely difficult. The fixed charge applied by the new Master Agreement and the debentures over properties restrict capacity for small entities to expand and develop.

Small community housing providers who are registered as Tier 3 are being encouraged to merge with or be taken over by a Tier 1 or 2 organisation. This means that the independent continuation of

volunteer managed housing organisations (housing associations and cooperatives) is limited. These organisations were developed in the 1980s by people with common purposes and housing needs to provide an option for communities and groups to have access to social housing which is not managed by large bureaucratic organisations.

CEHSA believes these entities offer much-needed diversity in the social housing system and they encourage a move to personal independence through building individual capacity, and offer ways to build neighbourhood cohesion and reduce social isolation. There are many instances of personal growth and development achieved by participants through involvement in the management of their organisations.

CEHSA believes the co-operative model is sound and delivers housing in a way that empowers tenants and enables a range of benefits to be created for tenants, governments and the broader community.

The co-operative model is also well established around the world and offers a diverse solution to Government and as well as property owners seeking to optimise their social return on their investment.

In this environment CEHSA faces the challenge to maintain and expand its organisational model as an umbrella body to support volunteer managed housing providers who are Members.

The Board of CEHSA has confidently acted in these circumstances. The staff team has been augmented and reorganised, headed by a new Chief Executive Officer, Angela Carey. We have successfully completed our NRS compliance review, and have reviewed our asset management and maintenance policies as well as rewriting our Property and Service Agreement so that it is easy to understand and relevant in the present circumstances.

The organisation has refreshed its presentation to members and the public through a new logo, and expanded website. We are actively promoting our services in the sector and, as always, are working to improve efficiency and service.

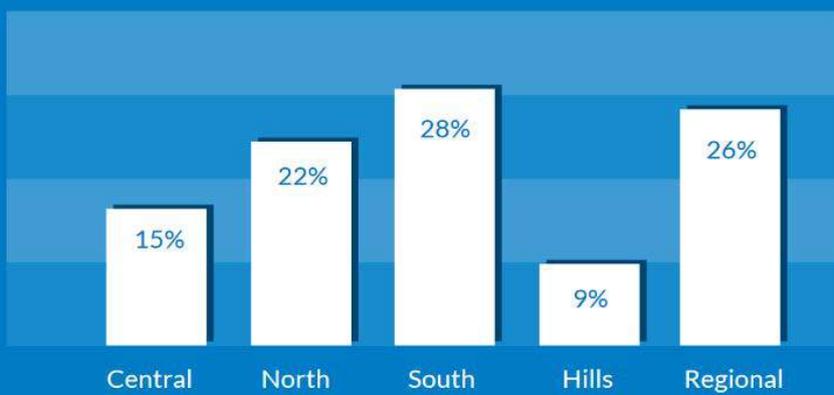
During this time of an uncertain future for volunteer managed housing, CEHSA remains committed to support our Members and others who aim to preserve the co-operative model, which is an important component of the social housing system.

Elisabeth Gazard
Chairperson

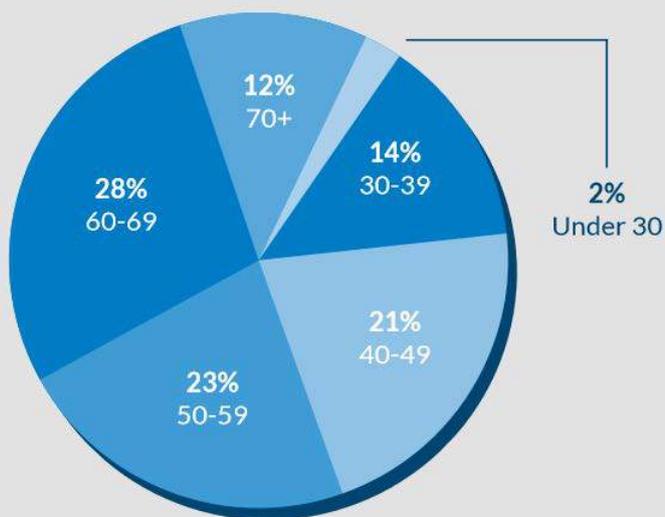
Geographical area

Currently our 122 properties are spread over the greater metropolitan area from the coast to the Hills and the southern suburbs to the north. This also includes 32 regional properties for the Copper Triangle Housing Co-operative in Moonta, Wallaroo and Kadina on the Yorke Peninsula.

Common Equity Housing SA Locations



CEHSA primary tenant age ranges



Treasurer's Report



It is with pleasure I present CEHSA's Treasurer's Report for 2016/17.

For the year ended 30 June 2017, CEHSA recorded an operating surplus of \$68,511, compared to a surplus of \$86,285 in 2015-16. This result was well in excess of our forecast surplus of \$38,972.

There were several positive income variants, some of which were:

1. A transfer of \$49,728 being surplus funds transferred to CEHSA after six properties from PERCH Co-operative became directly managed tenants.
2. An increase in interest revenue increasing from \$12,716 last year to \$18,351 in 2016-17 due to continued transfer of surplus funds to term deposits. The interest is for both maintenance and operating funds, and
3. Dividend income increased to \$5,127 from the purchase of shares.

There were a number of under and unbudgeted expenses also experienced this financial year leading to Total Administrative expenses exceeding budget by \$29,745. This was primarily due to:

1. Payroll Expenses being over budget by \$23,626 due to the change in CEO during the year.
2. A review of the website and marketing materials leading to Marketing Expenses being over budget by \$2,465, and
3. Consultancy and Legal Fees exceeding budget by \$4,256 due to additional Legal costs

incurred due to work on the new Master Agreement with Renewal SA and subsequent revamp of the Property and Services Agreement.

There was another significant expense incurred in the Loss on Assets at Fair Value. Every year there is a requirement to take the net movement in the share portfolio to the Profit and Loss Statement. In the 2016-17 Financial Year, the share portfolio had a net loss (on paper) of \$13,102.89. This is due to the share price for Telstra falling throughout the year and would only be realised if we sold the shares.

CEHSA's Balance Sheet as at 30 June 2017 continues to show healthy growth,

with total equity increasing to \$362,057 from \$293,546 as at 30 June 2016, despite the write down in the share portfolio.

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

	30 June 2017	30 June 2016	30 June 2015
Restricted Cash	\$653,288	\$423,573	\$311,323
Unrestricted Cash	\$258,222	\$265,082	\$271,203
Total Cash	\$971,373	\$688,655	\$582,826

After a strong financial performance in 2015-16, CEHSA is expecting continued improvement which will facilitate an increase in staffing numbers to provide the platform for growth in member organisations joining CEHSA.



John Rolfe
Treasurer

Chief Executive Officer's - Transformation Report



Since I joined the team at Common Equity Housing SA Ltd (CEHSA) in February 2017, our focus has been to build our brand, strengthen our reputation and to establish a solid financial position to enable the organisation to grow and prosper in the future.

Brand & reputation

An organisation's visual identity is expressed through a logo and name, which are instrumental in helping a brand stand out and be memorable. So, in March 2017 we launched our new logo and refreshed our promotional material and website. Our aim was to improve the brand perceptions and associations of CEHSA by presenting a brand that invokes thoughts such as:

- Shelter/housing
- Listens to members who are a priority
- Security, peace of mind
- Professional and caring
- Provides a voice for housing co-operatives

We also revamped our quarterly member newsletter, member forums and specific workshops with our various member groups. This demonstrates our commitment to strengthening our member organisations, providing them with guidance and tools to assist them fulfil their roles and develop valuable skills.

A Tenant Satisfaction Survey was conducted by NSW Federation of Housing Associations (the Federation) in May-June 2017.

We achieved an overall satisfaction rating of 89% and a 51% response rate.

This response rate is well above the National Regulatory System for Community Housing (NRSCH) threshold of 25%, and above the Federation's industry average of 35%.

In comparison to the NRSCH thresholds, CEHSA comfortably out-performed two of the three thresholds for overall satisfaction (by 14%) and condition of home (by 10%). Satisfaction with repairs and maintenance was 4% below the NRSCH threshold. Actions to improve our results include updating our maintenance reporting systems, holding specific maintenance and tenancy officer workshops and reviewing our complaints handling process.

We have also been conducting regular presentations to independent social housing co-ops and associations (now known as Tier 3 community housing providers) to illustrate the benefits of joining CEHSA and to emphasize the changes to our structure, member engagement and support programs.

The co-operative model principles are unique so it is important that CEHSA demonstrates our commitment to deliver housing in a way that empowers tenants with a level of self-governance, within a broader supporting framework, and enables a range of benefits to be created for tenants, government and the broader community.

The key benefits of co-operative housing that we promote to independent co-ops so they recognise the value of staying a co-op with the support of CEHSA include:

- Stronger sense of community and support networks created
- Greater pride by tenants in their properties
- Lower maintenance costs due to lower property damage
- Higher tenant satisfaction
- Better health and wellbeing outcomes
- Lower running costs created by volunteerism
- Tenant skill development
- Low vacancy and rent arrears rates
- Higher levels of tenant autonomy and self-governance
- Enhanced social and community benefits
- Greater community resilience

We are starting to reap the rewards of these presentations and are meeting with two co-ops (38 properties) who are negotiating to join us as CEHSA

member organisations in late 2017 and are engaged with several others in formal discussions.

Stakeholder engagement

We are firmly focussed on taking the organisation in a new direction and to establish strong relationships across the sector to help build a more sustainable financial platform.

Developing a local and national network within the community housing sector was an important component in our plans in 2016-17. The National Co-op Network has been a vital information channel for CEHSA with larger and successful organisations with a similar model providing advice and feedback on our activities.

We are also an active member of Community Housing Council SA attending the monthly CHP forums and regular education workshops. The Business Council of Co-ops and Mutuals has also been great support for CEHSA with opportunities to provide feedback on national issues and attend industry events and forums.

Compliance

CEHSA's bi-annual review within the National Regulatory System for Community Housing (NRSCH) was due in June 2017. Since registration in 2015 we have undertaken substantial activity to centralise our maintenance records within our social housing software, Chintaro and update our board governance and procurement policies.

We're very pleased to report that we are 'fully compliant' and we are committed to continuous improvement of service standards and development of new opportunities.

The Property and Services Agreement (which define the arrangements between CEHSA and members) needed an overhaul to include the Community Housing Master Agreement with Housing SA obligations and to simplify the structure and language so it clearly illustrated CEHSA's and member organisations' obligations. A draft Agreement has been prepared and our aim is to complete the consultation process and gain member organisations' approval by the end of November 2017.

Financial sustainability

A review of our internal processes and systems has enabled CEHSA to streamline several activities so our team have greater capacity to support our member organisations. The use of EFT whenever possible to pay invoices, standardisation of the rent payment methods of member organisations and the greater use of our social housing software system, Chintaro, to record the NRS compliance reporting are three improvements this financial year.

CEHSA achieved an operating surplus of \$68,511 to the end of June 2017, compared to a surplus of \$86,285 in 2015-16. This is a solid performance and exceeded our forecast surplus of \$38,972. A full review of our Asset Management Plan in 2017-18 with maintenance projections for the next 10 years will allow us to scope the use of our surplus funds more effectively in the coming years.

Our future focus

- Continue to attract new member organisations – our goal is to grow to 200 properties by June 2018.
- Develop a new three-year Strategic Plan for CEHSA, including a new vision, purpose, values and strategic direction with clear objectives, KPI's and initiatives.
- Continue to review our model to make sure it aligns to the needs of our current and future members.
- Identify strategic partnerships to improve member benefits, identify additional income sources or to form joint venture property redevelopments.

I'm excited about CEHSA's future and I'm extremely grateful for the support and encouragement from our members, our hard-working volunteer Board and the small but dedicated team at CEHSA.



Angela Carey
CEO - Transformation



Common Equity Housing SA Ltd

ACN: 146 523 453

Financial Report

for the Financial Year ended 30 June 2017

Directors' Report for the Financial Year ended 30 June 2017

General Information

a) Operations during the year

Common Equity Housing SA Ltd (CEHSA) was registered as a company on 12/10/2010. The principle activities of the company are the leasing of debenture properties from South Australian Housing Trust (SAHT) under the Community Housing Providers (National Law) (South Australia) Act 2013 and the Master Community Housing Agreement between SAHT and CEHSA. Under a Property and Services Agreement, CEHSA leases these properties to member Community Housing Providers (CHP's) who then sublease to tenants under this Act. The company is registered under the National Regulatory System for Community Housing and must comply to specific performance standards. The company also provides administration, finance, property management, compliance and support services to those member organisations.

As at 30 June 2017, eight unpaid \$1.00 shares were on issue to the eight-member groups who had joined CEHSA Ltd under the terms of the Property and Services Agreement (PSA).

b) Details of significant changes during the year

A new Chief Executive Officer - Transformation was appointed in February 2017.

A property was handed back to Renewal SA and new replacement property gained. This has GST issue - the invoice from Renewal SA is yet to be received - net nil effect on finances.

c) Principle activities and any changes during the year

The company principle activities are to strengthen, support and further develop smaller Community Housing Providers operating across South Australia, through the provision of timely and high-quality infrastructure including administrative, finance, property management, compliance and support services to Member Organisations.

There have been no significant changes during the year.

d) Matters that have arisen subsequent to 30 June 2017

Significant matters subsequent to 30 June; GST invoice from Renewal SA for a new property is yet to be received.

e) There are no Unissued shares under option

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

No options exist or are provided for either.

f) Environment Legislation

CEHSA Ltd operations are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory in Australia.

Common Equity Housing SA Ltd
ACN: 146 523 453

Directors' Report for the Financial Year ended 30 June 2017 cont.

Director Information: Four Member Directors, four Technical Directors and the CEO. As at 30/6/17 there was one Technical Director vacancy.

Name	Member/Technical	Appointed	Resigned	Meetings attended 2016/17 (of 12)
Ray Jackson	Member	25/11/2010		12
Claire MacKenzie	Member	24/10/2013		11
Christine Contessa	Member	24/10/2013	14/09/2016	2
Kym Barnden	CEO	16/01/2012	17/02/2017	8
John Rolfe	Technical	28/06/2011		8
Elisabeth Gazard	Technical	11/10/2012		11
Don Passmore	Technical	14/07/2016		9
Heather Hutton	Member	26/10/2016		8
Angela Carey	CEO	17/02/2017		4
Ray Smith	Member	26/10/2016		6

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 responsibilities: Technical, Chair of the Board

Name: Christine Contessa (deceased)

Qualifications: She has a Bachelor Degree in Community Service, a Graduate Diploma in Vocational Rehabilitation, a Master Degree in Counselling.

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 responsibilities: Member

Name: Ray Jackson

Experience and expertise:

As a Member Director, Ray has served on the CEHSA Board since its inception in 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 responsibilities: Member

Common Equity Housing SA Ltd
ACN: 146 523 453

Name: Don Passmore

Qualifications: Don holds a Master of Business Management (MBA) from Australian Institute of Management as well as qualifications in front line management and training and assessment.

Experience and expertise: Don has held leadership and senior management positions for over fifteen years. His experience comes from a vast range of industry sectors including manufacturing, logistics, hire and retail. Working with companies that use world's best practices on a daily basis, Don has gained extensive knowledge in strategy, sales, operations and human resource management.

Special responsibilities: Technical

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 of CEHSA since October 2013, and a housing co-operative member for 24 years, during which time she has fulfilled multiple management roles.

Special responsibilities: Member

Name: John Rolfe

Qualifications: John has also held several positions on state and national committees and boards with Australian Direct Marketing Association (ADMA), Institute of Financial Services (IFS) and was for 11 years a member of the National Lenders Committee of Mortgage Finance Association of Australasia (MFAA). John holds a Master of Business Administration and 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).

Experience and expertise: With over 34 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 7 years as the General Manager – Retail at HomeStart Finance. John has recently completed his Master of Business Administration and is now leading the mortgage broking team at Elders.

Special Responsibilities: Technical/Treasurer

Common Equity Housing SA Ltd
ACN: 146 523 453

Name: Heather Hutton

Qualifications: Heather has had many years' experience as Office Manager in both medical and allied health clinics, as well as having a Diploma of Remedial Massage. Amateur musical theatre has also been a lifelong love and commitment as a performer and choreographer.

Experience and expertise: Heather has been a Member Director from 2016 and has been a housing co-operative member for 2 years.

Special Responsibilities: Member

Name: Ray Smith

Qualifications: He is a member of several professional organisations including APRA, AMCOS, IRCAM, LBPS and the NPS and holds a BSc (UK), BA (Adelaide) and MCA (Townsville).

Experience: Ray has been a working musician and educator for over forty years and has taught at several Australian institutions including James Cook University and the University of Adelaide.

Special Responsibilities: Member

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.

Special Responsibilities: Former CEO, Public Officer, Company Secretary

Name: Angela Carey

Qualifications: She has a Bachelor of Management (Marketing), Diploma in Project Management and is a Graduate Member of the Australian Institute of Company Directors. In her own time, Angela is actively involved as a member of the Vinnies Crisis Centres Committee at St Vincent de Paul.

Experience and expertise: Angela has extensive experience in management, marketing, process improvement and stakeholder engagement and has previously worked at HomeStart Finance, Savings & Loans Credit Union and Adelaide Bank in senior management roles.

Special Responsibilities: CEO, Public Officer, Company Secretary

Directors' Declaration

The Directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

In the opinion of the Directors of CEHSA Ltd.

- a) the financial statements and notes set out in this report are in accordance with the Corporations Act 2001, including:
- i) giving a true and fair view of the financial position of the company as at 30 June 2017, and of its performance for the financial year ended on that date; and
 - ii) complying with Accounting Standards in Australia and the Corporations 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 21st day of September 2017.

Name: John Rowe

Name: Elisabeth Cazard

Signed: 
Director

Signed: 
Director

Common Equity Housing SA Ltd
ACN: 146 523 453

Statement of Profit or Loss and other Comprehensive Income
for the Year ended 30 June 2017

	Note	2017	2016
INCOME			
Revenue	<u>4</u>	1,186,943	1,113,019
Other Income	<u>4</u>	81,645	60,004
Gain on Sale of Assets		3,596	0
Fair value Gains		0	757
Total Income:		<u>1,272,184</u>	<u>1,173,780</u>
EXPENSES			
Administration Expenses	<u>5</u>	135,256	112,135
Depreciation	<u>12</u>	6,352	6,231
Insurance		29,295	30,907
Interest Paid		0	0
Rates - Rental properties	<u>6</u>	135,148	129,577
Property improvement – Non-maintenance		3,723	6,464
Repairs & Maintenance - Rental Properties		112,443	86,860
Salaries & Wages	<u>7</u>	273,216	210,645
Sundry Expenses		674	442
Write-offs		0	0
Loss on Sale of Assets		0	0
Fair value Loss		13,103	0
Capital Contribution to Housing SA	<u>21</u>	432,345	418,461
Total Expenses:		<u>1,141,555</u>	<u>1,001,721</u>
Net Operating Surplus/(Deficit):		<u>130,628</u>	<u>172,059</u>
TRANSFERS TO/FROM PROVISIONS			
Maintenance Provision		(65,840)	(92,237)
Housing Improvement Fund		3,723	6,464
Total Transfers to/from Provisions:		(62,117)	(85,773)
NET SURPLUS/(DEFICIT):		<u>68,511</u>	<u>86,285</u>

The accompanying notes form part of this financial report.

Common Equity Housing SA Ltd
ACN: 146 523 453

Statement of Financial Position

for the Year ended 30 June 2017

	Note	2017	2016
CURRENT ASSETS			
Cash	<u>8</u>	973,979	688,955
Prepayments		22,985	17,897
Rental bond		3,300	3,300
Accrued Income		11,626	7,813
Accounts Receivable	<u>9</u>	27,172	59,709
Other Current Assets	<u>10</u>	55,117	65,969
Total Current Assets:		1,094,179	843,642
NON-CURRENT ASSETS			
Other Financial Assets	<u>11</u>	0	0
Property, Plant and Equipment	<u>12</u>	12,488	23,437
Other Non-current Assets	<u>13</u>	8	8
Total Non-Current Assets:		12,496	23,445
TOTAL ASSETS:		1,106,674	867,087
CURRENT LIABILITIES			
Trade and Other Payables	<u>14</u>	176,373	72,261
Funding Received in Advance	<u>15</u>	28,578	7,344
Provisions - Current	<u>16</u>	97,526	172,988
Total Current Liabilities:		302,477	252,592
NON-CURRENT LIABILITIES			
Provisions - Non-current	<u>17</u>	442,140	320,948
Other Non-Current Liabilities	<u>18</u>	0	0
Total Non-Current Liabilities:		442,140	320,948
TOTAL LIABILITIES:		744,617	573,540
NET ASSETS:		362,057	293,546
EQUITY			
Member Funds		8	8
Retained Surplus (Accumulated Losses)		180,639	144,323
Current Year Surplus / (Deficit)		68,511	86,285
Assets Revaluation Reserve		0	0
Other Reserves		112,899	62,930
TOTAL EQUITY:		362,057	293,546

The accompanying notes form part of this financial report.

Common Equity Housing SA Ltd
ACN: 146 523 453

Statement of Changes in Equity

for the Year Ended 30 June 2017

Note	Accumulated Funds \$	Share Capital \$	Property Reserve \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2016	230,608	8	62,930	-	293,546
Share Issue		-			-
Transfers (to) and from reserves	(49,969)		49,969	-	-
Surplus/(Deficit) for the year	68,511			-	68,511
Other comprehensive income for the year	-	-	-	-	-
Balance at 30 June 2017	<u>249,150</u>	<u>8</u>	<u>112,899</u>	<u>-</u>	<u>362,057</u>

Note	Accumulated Funds \$	Share Capital \$	Property Reserve \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2015	207,253	8	-	-	207,261
Share Issue		-			-
Transfers (to) and from reserves	(62,930)	-	62,930	-	-
Surplus/(Deficit) for the year	86,285	-	-	-	86,285
Other comprehensive income for the year	-	-	-	-	-
Balance at 30 June 2016	<u>230,608</u>	<u>8</u>	<u>62,930</u>	<u>-</u>	<u>293,546</u>

The accompanying notes form part of this financial report.

Common Equity Housing SA Ltd
ACN: 146 523 453

Statement of Cash Flows

for the Year Ended 30 June 2017

	Note	2017	2016
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from operating activities		1,266,355	1,203,435
Other income		49,729	-
Interest received		14,362	5,604
Payments to suppliers and employees		<u>(1,052,404)</u>	<u>(1,102,911)</u>
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		<u>278,042</u>	<u>106,128</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant & equipment		(15,391)	-
Proceeds on sale of property, plant & equipment		<u>22,373</u>	<u>-</u>
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		<u>6,982</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	-
Payments for financing activities		<u>-</u>	<u>-</u>
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		<u>-</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		285,024	106,128
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		<u>688,955</u>	<u>582,827</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		<u>973,979</u>	<u>688,955</u>
RECONCILIATION OF CASH FLOW		2017	2016
		\$	\$
Net Surplus/(Deficit)		68,511	86,285
Depreciation		6,352	6,231
Fair value (gains)/ Losses		13,103	(757)
(Profit)/ Loss on disposal of housing assets		-	-
(Profit)/ Loss on disposal of other fixed assets		(3,596)	-
Adjustment for Non cash income		-	-
Adjustment for other non-cash items		8,193	(62,858)
Movement in Receivables and other debtors		32,537	(19,269)
Movement in Other current assets		(11,152)	(19,562)
Movement in Payables		125,346	1,248
Movement in Provisions		(75,462)	90,062
Movement in Unspent capital grants (received in advanced)		-	-
Movement in Other current liabilities		-	-
Movement in Provisions (Non current)		121,192	24,748
Movement in Unspent capital grants (received in adv) (Non current)		-	-
Movement in Other non-current liabilities		<u>-</u>	<u>-</u>
Cash flow from Operating Activities		<u>285,024</u>	<u>106,128</u>

The accompanying notes form part of this financial report.

Notes to the Financial Statements

for the Year Ended 30 June 2017

Corporate Information

The financial statements of CEHSA Ltd for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the Directors on 21st September 2017.

The report is for the company operations for the financial year ended 30 June 2017, a public unlisted company limited by shares, incorporated in Australia, based on operations entirely within Australia for the full period.

CEHSA Ltd is a company domiciled in Australia, its registered office is situated at 32 West Thebarton Road, Thebarton, SA.

1. Summary of Significant Accounting Policies

CEHSA 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 and the 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 Community Housing Provider 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.

a) 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 2017. The directors have yet to finalise their assessment of the impact of these new standards and interpretation. The Company has adopted all the amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board, which are relevant to and effective for the Company's financial statements for the annual period beginning 1 July 2016. None of the amendments have had a significant impact on the Company.

b) 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.

c) Comparative Figures

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

Notes to the Accounts
for the Year Ended 30 June 2017

1. Summary of Accounting Policies

Financial Reporting Framework

The Common Equity Housing SA 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 to satisfy specifically all their information needs. Accordingly, this is a “special purpose financial report”. The accounting policies used in the preparation of this report, as described below, are consistent with, and except where stated, with previous years.

Revenue

The Company accounts 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.

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

Provisions, contingent liabilities and 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.

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.

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.

Common Equity Housing South Australia Ltd is a not-for-profit entity for the purpose of preparing financial statements under Australian Accounting Standards.

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 Statement of Profit or Loss and other Comprehensive income 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:

Common Equity Housing SA Ltd
ACN: 146 523 453

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.

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instrument classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Effective interest rate method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

Classification and subsequent measurement

Financial assets at fair value through profit or loss.

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

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

Common Equity Housing SA Ltd
ACN: 146 523 453

Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income. The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss using an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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 Community Housing Providers (National Law) (SA) Act 2013 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.

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 a future economic benefit 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.

Common Equity Housing SA Ltd
ACN: 146 523 453

Income Tax

The Community Housing Provider (CHP) 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 CHP 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 Statement of Financial position are shown inclusive of GST.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Operating leases

Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

2. Share Capital

At start/end of year, 8 shares were listed as issued to member shareholders at one unpaid \$1.00 share each.

3. Events post balance sheet date

Nil - Except "GST only" invoice for new property still to come from Renewal SA.

Common Equity Housing SA Ltd
ACN: 146 523 453

4. Reconciliation: Rental Income	2017	2016
Funding Agreement requires Community Housing Providers 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:		
For CEHSA, Debtors and Advance relate to member entity balances since joining date, EXCEPT for direct managed tenants		
Actual Rent Received	1,206,396	1,124,273
<i>add:</i> Accounts Receivable - Rental Debtors (end of year)	19,867	31,941
Rent in Advance (beginning of year)	7,344	3,435
Rent Arrears Written Off	0	0
Rent Adjustments (if applicable)	19,721	627
	<u>46,932</u>	<u>36,003</u>
<i>less:</i> Account Receivables - Rental Debtors (beginning of year)	31,941	34,021
Rent in Advance (end of year)	28,578	7,344
Rent Adjustments (if applicable)	5,866	5,892
	<u>66,385</u>	<u>47,257</u>
Rental Income - Debentured properties	<u>1,186,943</u>	<u>1,113,019</u>
Other Income	2017	2016
Interest	18,352	12,716
Dividends	5,128	2,336
Recoupment	8,436	12,366
Other/Sundry Income	49,729	32,587
Total Other Income	<u>81,645</u>	<u>60,004</u>
5. Administration Expenses	2017	2016
Accounting Fees	0	0
Advertising & Promotion	5,965	589
Audit Fees	15,000	15,749
Bank Charges	221	158
Bad Debt	0	27
Centrelink Fees	587	627
Computer Expenses	7,329	3,299
Legal Fees	11,256	1,523
Membership Fees Paid	897	992
Minor equipment	1,426	325
Motor Vehicle Expenses	3,354	3,004
Office Rent	17,178	16,800
Postage, Freight and Courier	2,046	1,784
Printing & Stationery	5,557	3,647
Staff Amenities	0	201
Strata fees - admin	2,758	2,164
Sundry/other	929	2,259
Telephone, Fax and Internet Charges	4,961	3,666
Tenancy, Property Supplies - (Member allowances - oper/location)	48,689	49,240
Training & Development (Staff)	1,238	1,007
Travel and Accommodation	4,865	4,074
Utilities	1,000	1,000
Total Administration Expenses:	<u>135,256</u>	<u>112,135</u>

Common Equity Housing SA Ltd
ACN: 146 523 453

	2017	2016
6. Rates & Taxes - Rental Properties		
Council Rates	50,802	47,984
SA Water	61,400	62,667
Emergency Services Levy	22,668	18,651
Utilities	278	275
Total Rates & Taxes - Rental Properties - Debentured Properties	<u>135,148</u>	<u>129,577</u>
7. Salaries & Wages		
S&W Annual Leave Expenses	(12,710)	3,450
S&W Fringe Benefit Tax	0	0
S&W Long Service Leave Expenses	(3,676)	3,820
S&W Recruitment Expenses	0	0
S&W Superannuation	24,098	16,870
S&W Termination Payments	0	0
S&W Workers' Compensation	4,732	3,287
S&W Salaries and Wages	258,574	179,593
S&W Salaries - Others	2,198	3,626
S&W Fees Paid	0	0
S&W Cost Recovery	0	0
Total Salaries/Wages Expenses:	<u>273,216</u>	<u>210,645</u>
8. Cash		
Petty Cash	300	300
Undeposited Funds	0	0
Total Cash on Hand	<u>300</u>	<u>300</u>
Maintenance Funds	489,412	423,573
Additional Service Levies	0	0
Other restricted funds	0	0
Cash at Bank - Restricted	<u>489,412</u>	<u>423,573</u>
Cash at Bank - Unrestricted	484,267	265,082
Total Cash:	<u>973,979</u>	<u>688,955</u>
9. Accounts Receivable		
Accounts Receivable - Excess water Debtors	2,242	6,859
Accounts Receivable - other Debtors	5,063	20,909
Accounts Receivable - Rental Debtors	19,867	31,941
(less: Provision for Doubtful Debts - Rental Debtors)	0	0
Total Trade Receivables	<u>27,172</u>	<u>59,709</u>
10. Other Current Assets		
GST Receivable	4,484	2,133
Deposits to suppliers	120	120
Workcover refundable	0	100
Other	0	0
Investment Shares - at fair value	50,513	63,615
Total Other Current Assets:	<u>55,117</u>	<u>65,969</u>
11. Other Financial Assets		
None	0	0
Total Other Financial Assets:	<u>0</u>	<u>0</u>

Common Equity Housing SA Ltd
ACN: 146 523 453

13. Other Non-Current Assets (if required)	2017	2016
Investment Shares	0	0
Shares on Call - own	8	8
Total Other Non-Current Assets:	8	8
14. Trade and Other Payables	2017	2016
Accounts Payable	17,531	9,442
Accrued Expenses	27,518	18,467
Loans Payable	0	0
GST Payable	2,258	26
ABN Withholding Tax Payable	0	0
Superannuation Payable	8,908	0
Lease Liability	0	0
Other Current Liabilities	11,972	7,611
Capital Contribution Payable to Housing SA	<u>21</u> 107,515	36,352
<i>Customer deposits/adjustments</i>	671	362
Total Trade and Other Payables:	176,373	72,261
15. Funding Received in Advance	2017	2016
Revenue Received in Advance	28,578	7,344
Grant Received in Advance	0	0
Grant Repayable	0	0
Total Funding Received in Advance:	28,578	7,344
16. Provisions - Current	2017	2016
Employee Benefits/Employee Provisions	15,072	27,781
Maintenance Provision	<u>19</u> 53,594	112,624
Housing Improvement Fund	28,860	32,582
<i>Doubtful Debts</i>	0	0
Total Provisions - Current:	97,526	172,988
17. Provisions - Non-Current	2017	2016
Employee Benefits/Employee Provisions	6,322	9,999
Maintenance Provision	<u>19</u> 435,818	310,949
Additional Services Levy Provision	<u>20</u> 0	0
Total Provisions - Non-current:	442,140	320,948
18. Other Non-Current Liabilities	2017	2016
Lease Liability	0	0
Total Other Non-Current Liabilities:	0	0
19. Maintenance Provision	2017	2016
Opening Balance	423,573	311,323
<i>add:</i> Maintenance Allowance	165,244	170,732
Interest on Maintenance Account	13,038	8,366
Other (as appropriate)	0	20,013
Maintenance Funds Available:	601,855	510,434

Common Equity Housing SA Ltd
ACN: 146 523 453

	Actual Maintenance Expenses Incurred on Debentured Properties for		
<i>less:</i>	Financial Year	70,033	40,645
	Member CHP provision allowance transfer	42,410	46,216
	Maintenance Provision:	<u><u>489,412</u></u>	<u><u>423,573</u></u>
	Represented By:		
	Maintenance Bank Account (including Maintenance Investment Account)	489,412	423,573
	Funds Held in Separate Accounts	<u><u>489,412</u></u>	<u><u>423,573</u></u>
	Excess / (Shortfall) of Funds to Provision:	<u><u>0</u></u>	<u><u>0</u></u>
20.	Additional Services Levy Provision	2017	2016
	Opening Balance	0	0
<i>add:</i>	Additional Services Levy Collected	0	0
	Other (as appropriate)	0	0
	Additional Services Funds Available:	<u>0</u>	<u>0</u>
<i>less:</i>	Additional Services Funds Used/Drawn (as approved by Housing SA)	<u>0</u>	<u>0</u>
	Closing Balance:	<u><u>0</u></u>	<u><u>0</u></u>
21.	Capital Contribution Payable to Housing SA	2017	2016
	Amount Owing (beginning of year)	36,352	35,511
<i>add:</i>	Capital Contributions Payable to Housing SA	432,345	418,461
<i>less:</i>	Deficit Funding Receivable from Housing SA (if applicable)	0	0
	Total Capital Contributions/-Deficit Funding:	468,697	453,972
<i>less:</i>	Current Year Quarterly Remittances to Housing SA	361,182	417,621
<i>add:</i>	Current Year Receipts from Housing SA (if applicable)	<u>0</u>	<u>0</u>
	Capital Contributions Payable/-Receivable (end of year):	<u><u>107,515</u></u>	<u><u>36,352</u></u>
<i>less:</i>	Capital Contributions paid post-June	107,515	36,352
<i>add:</i>	Deficit Funding received post-June (if applicable)	0	0
	Total Underpaid/-Overpaid Capital Contributions:	<u><u>0</u></u>	<u><u>0</u></u>

Common Equity Housing SA Ltd
ACN: 146 523 453

Notes to the Accounts
for the Year Ended 30 June 2017

12. **Property, Plant and Equipment**

	Motor Vehicle	Plant and Equipment	Total
Closing Value (30 June 2015)			
Acquisition Cost	28,686	13,673	42,359
Accumulated Depreciation (-)	-3,635	-9,057	-12,691
Written-Down Value	<u>25,051</u>	<u>4,616</u>	<u>29,668</u>
Acquisition/Addition During the Period			0
Disposal During the Period			
Acquisition Cost	0	119	119
Accumulated Depreciation (-)	0	-119	-119
Written-Down Value	<u>0</u>	<u>0</u>	<u>0</u>
Depreciation During the Period (-)	-3,586	-2,645	-6,231
Closing Value (30 June 2016)			
Acquisition Cost	28,686	13,554	42,240
Accumulated Depreciation (-)	-7,221	-11,583	-18,803
Written-down Value	<u>21,465</u>	<u>1,971</u>	<u>23,437</u>
Acquisition/Addition During the Period		14,176	14,176
Disposal During the Period			
Acquisition Cost	28,686	772	29,458
Accumulated Depreciation (-)	-9,913	-772	-10,685
Written-Down Value	<u>18,773</u>	<u>-0</u>	<u>18,773</u>
Depreciation During the Period (-)	-2,692	-3,660	-6,352
Closing Value (30 June 2017)			
Acquisition Cost	0	26,958	26,958
Accumulated Depreciation (-)	0	-14,471	-14,471
Written-down Value	<u>0</u>	<u>12,488</u>	<u>12,488</u>

Independent Auditor's Report To the Members of Common Equity Housing SA Ltd

Report on the audit of the financial report

Opinion

We have audited the accompanying financial report of Common Equity Housing SA Ltd (the "Company") which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the financial report of Common Equity Housing SA Ltd has been prepared in accordance with the Corporations Act 2001 and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards, Corporations Regulations 2001 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Auditor's Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our 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 audit opinion.

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purposes of fulfilling the Director's financial reporting responsibilities under the Corporations Act 2001 and ACNC Act. As a result the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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, 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 the Directors for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the Corporations Act 2001 and the ACNC Act. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that is from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company'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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Adelaide, 21 September 2017

Grant Thornton House
Level 3
170 Frome Street
Adelaide, SA 5000
Correspondence to:
GPO Box 1270
Adelaide SA 5001

T 61 8 8372 6666
F 61 8 8372 6677
E info.sa@au.gt.com
W www.grantthornton.com.au

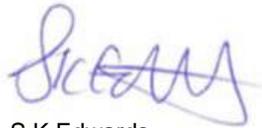
Auditor's Independence Declaration To the Directors Common Equity Housing SA Ltd

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Common Equity Housing SA Ltd for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD

Chartered Accountants



S K Edwards

Partner – Audit & Assurance

Adelaide, 21 September 2017

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.



**COMMON
EQUITY HOUSING**

South Australia

Common Equity Housing SA Ltd

Business address 32 West Thebarton Road, Thebarton SA 5031

Postal address PO Box 382, Torrensville Plaza SA 5031

Telephone 08 8354 2790

Facsimile 08 8354 1127

Email info@cehsa.com.au

Website www.cehsa.com.au

ABN 82 146 523 453