



Thomas Noble & Russell
Accountants | Auditors | Business Advisers

THE NORTH COAST COMMUNITY HOUSING COMPANY LIMITED

ABN 97 002 685 761

FINANCIAL REPORT

YEAR ENDED 30 JUNE 2016

INDEPENDENT AUDITOR'S REPORT

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STATEMENT OF CASH FLOWS

STATEMENT OF CHANGES IN EQUITY

NOTES TO THE FINANCIAL STATEMENTS

DIRECTORS' REPORT

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THE NORTH COAST COMMUNITY HOUSING COMPANY LIMITED
A.B.N. 97 002 685 761
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2016

To the members of The North Coast Community Housing Company Limited

Report on the Financial Report

We have audited the accompanying financial report of The North Coast Community Housing Company Limited (the company), which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the company.

Directors' Responsibility 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 – Reduced Disclosure Requirements, the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. 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 company'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 company'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.

Our audit did not involve an analysis of the prudence of business decisions made by the directors or management.

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Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion, the financial report of The North Coast Community Housing Company Limited has been prepared in accordance with 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 2016 and of its performance and cashflows for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This Auditor's Report relates to the financial report of The North Coast Community Housing Company Limited (the company) for the financial year ended 30 June 2016 published in the annual report and included on the company's website. The company's Board Members are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of this website. The auditor's report refers only to the financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

Dated at Lismore this 28th day of September 2016.

THOMAS NOBLE & RUSSELL CHARTERED ACCOUNTANTS

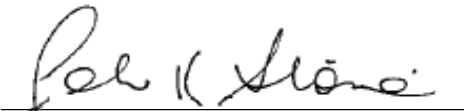
K R FRANEY (Partner)
Registered Company Auditor

THE NORTH COAST COMMUNITY HOUSING COMPANY LIMITED
A.B.N. 97 002 685 761
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2016

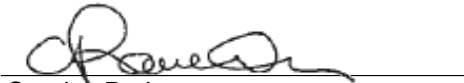
In accordance with a resolution of the directors of The North Coast Community Housing Company Limited, the directors declare that:

1. The financial statements and notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and
 - (a) comply with Australian Accounting Standards-Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
 - (b) give a true and fair view of the financial position of the company as at 30 June 2016 and of its performance and cashflows for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

Dated at Lismore this 28th day of September 2016.



John Stone
Director



Carolyn Parker
Director

THE NORTH COAST COMMUNITY HOUSING COMPANY LIMITED
A.B.N. 97 002 685 761
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Revenue	(2)	11,208,177	12,133,803
Tenancy and Property Management Expenses	(3)	(7,056,947)	(6,743,911)
Administration Expenses	(3)	<u>(3,565,662)</u>	<u>(3,180,270)</u>
Surplus Before Income Tax		<u>585,568</u>	<u>2,209,622</u>
Income Tax Expense		<u>-</u>	<u>-</u>
Surplus After Income Tax Expense		<u><u>585,568</u></u>	<u><u>2,209,622</u></u>
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		<u>-</u>	<u>-</u>
Total Comprehensive Income for the Year		<u><u>585,568</u></u>	<u><u>2,209,622</u></u>

This Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

THE NORTH COAST COMMUNITY HOUSING COMPANY LIMITED
A.B.N. 97 002 685 761
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash and Cash Equivalents	(5)	1,097,922	201,824
Trade and Other Receivables	(6)	871,934	819,544
Other Financial Assets	(7)	-	20
Other Assets	(8)	<u>143,223</u>	<u>278,719</u>
TOTAL CURRENT ASSETS		<u>2,113,079</u>	<u>1,300,108</u>
NON-CURRENT ASSETS			
Other Financial Assets	(7)	1,455,430	1,383,536
Property, Plant and Equipment	(9)	15,716,398	14,245,500
Intangibles	(10)	174,724	-
Investment Property	(11)	<u>1,488,327</u>	<u>-</u>
TOTAL NON-CURRENT ASSETS		<u>18,834,879</u>	<u>15,629,036</u>
TOTAL ASSETS		<u>20,947,958</u>	<u>16,929,143</u>
CURRENT LIABILITIES			
Trade and Other Payables	(12)	840,147	323,696
Borrowings	(13)	353,892	128,790
Employee Benefits	(14)	140,391	117,087
Other Liabilities	(15)	<u>428,581</u>	<u>266,304</u>
TOTAL CURRENT LIABILITIES		<u>1,763,011</u>	<u>835,878</u>
NON-CURRENT LIABILITIES			
Borrowings	(13)	3,407,579	894,951
Employee Benefits	(14)	<u>62,206</u>	<u>68,719</u>
TOTAL NON-CURRENT LIABILITIES		<u>3,469,785</u>	<u>963,670</u>
TOTAL LIABILITIES		<u>5,232,796</u>	<u>1,799,547</u>
NET ASSETS		<u>15,715,162</u>	<u>15,129,595</u>
EQUITY			
Retained Earnings		<u>15,715,162</u>	<u>15,129,595</u>
TOTAL EQUITY		<u>15,715,162</u>	<u>15,129,595</u>

This Statement of Financial Position should be read in conjunction with the accompanying notes

THE NORTH COAST COMMUNITY HOUSING COMPANY LIMITED
A.B.N. 97 002 685 761
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
i) Cash Flows From Operating Activities			
Receipts from clients & others		9,519,615	9,332,213
Government grants received		1,622,792	1,381,793
Interest Received		2,702	9,650
Payments to Suppliers and Employees		(9,679,904)	(9,941,717)
Interest and Other Costs of Finance		(107,887)	(92,497)
Net Cash Provided By Operating Activities		<u>1,357,318</u>	<u>689,442</u>
ii) Cash Flows From Investing Activities			
Movement in deposits		(11,640)	94,146
Purchase of financial assets		(71,894)	-
Payments for Property, Plant & Equipment		(1,444,501)	(364,499)
Payment for Investment Properties		(1,488,327)	-
Purchase of Intangibles		(182,588)	-
Proceeds on Disposal of Property, Plant & Equipment		-	10,000
Net Cash Used in Investing Activities		<u>(3,198,950)</u>	<u>(260,353)</u>
iii) Cash Flows From Financing Activities			
Proceeds from Borrowings		2,969,700	-
Repayment of Borrowings		(231,970)	(1,439,548)
Net Cash Provided by/(Used) in Financing Activities		<u>2,737,730</u>	<u>(1,439,548)</u>
Net Decrease in Cash & Cash Equivalents Held		896,098	(1,010,459)
Cash and Cash Equivalents at the Beginning of the Financial Year		<u>201,824</u>	<u>1,212,283</u>
Cash and Cash Equivalents at the End of the Financial Year	(5)	<u><u>1,097,922</u></u>	<u><u>201,824</u></u>

This Statement of Cash Flows should be read in conjunction with the accompanying notes

THE NORTH COAST COMMUNITY HOUSING COMPANY LIMITED
A.B.N. 97 685 761
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

Notes	Retained Earnings \$	Total Equity \$
Balance at 1 July 2014	12,919,972	12,919,972
Total Comprehensive Income	<u>2,209,622</u>	<u>2,209,622</u>
Balance at 30 June 2015	15,129,594	15,129,594
Total Comprehensive Income	<u>585,568</u>	<u>585,568</u>
Balance at 30 June 2016	<u><u>15,715,162</u></u>	<u><u>15,715,162</u></u>

This Statement of Changes in Equity should be read in conjunction with the accompanying notes

THE NORTH COAST COMMUNITY HOUSING COMPANY LIMITED
A.B.N. 97 002 685 761
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is for The North Coast Community Housing Company Limited as an individual entity. The entity is a company limited by guarantee which is incorporated and domiciled in Australia.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-For-Profit Commission (ACNC) Act 2012*. The company is a not-for-profit entity for financial reporting purposes.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have consistently applied unless otherwise stated.

The financial report was authorised for issue by the directors on the 28th September 2016. The directors have the power to amend and reissue the financial statements.

Significant Accounting Policies

a) Property, Plant and Equipment

Each class of property, plant and equipment is carried at historical cost or less, where applicable, accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Assets acquired at no cost, or for nominal consideration, are recognised at fair value at the date the company obtains control of the asset. Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Depreciation

The depreciation amount of all property, plant & equipment, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's expected useful life to the company, commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated lives of the improvements.

The expected useful lives used for depreciable assets are as follows:

Buildings	50 years
Fencing, Flooring and Kitchen	10-20 years
Furniture, Fittings and Office Equipment	3-10 years
Motor Vehicles	4 years
Computer Equipment and Software	1-3 years

THE NORTH COAST COMMUNITY HOUSING COMPANY LIMITED
A.B.N. 97 002 685 761
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Property, Plant and Equipment (Cont'd)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment is derecognised upon disposal. Gains and losses between the carrying amount and the disposal proceeds are included in the statement of profit or loss and other comprehensive income.

b) Impairment of Assets

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that these assets have been impaired. Where it is not possible to estimate the recoverable amount of a class of assets, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset. Depreciated replacement cost is the current replacement cost of the item less, where applicable, accumulated depreciation to date, calculated on the basis of such cost.

c) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

d) Trade and Other Receivables

Trade and other receivables are recognised and carried at original charged amounts less an allowance for doubtful debts. The carrying amount of the receivable is deemed to reflect fair value. Collectability of receivables is assessed on an ongoing basis. Debts which are known to be uncollectable are written off. An allowance is made for doubtful debts where there is objective evidence that the company may not be able to collect the amounts due.

e) Other Financial Assets

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset. Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

THE NORTH COAST COMMUNITY HOUSING COMPANY LIMITED
A.B.N. 97 002 685 761
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e) Other Financial Assets (Cont'd)

Classification and subsequent measurement

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 or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

Investment - Property Portfolio

The company has an asset which comprises a share of a property portfolio controlled by the NSW Land & Housing Corporation. The company makes annual contributions toward this asset and its share of the total asset portfolio is determined in accordance with a formula documented in an agreement between the company and the NSW Land & Housing Corporation. Any movement in the fair value of the portfolio will be recognised at the end of each financial year through the profit and loss.

f) Revenue

Revenue is recognised at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

Rental Income

Rental revenue is recognised as income on a straight-line basis over the term of the lease.

Government Grants

Government Grants are recognised at fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Fees and charges for services

Revenue from fees and charges for services are recognised upon the provision of the service to the client.

Interest Revenue

Interest revenue is recognised as income as it accrues, using the effective interest rate method.

Donations

Donations and Gifts are recognised as revenue when received and where applicable, any obligations are met.

g) Expenses

All expenses are recognised in the statement of profit or loss and other comprehensive income on an accruals basis.

THE NORTH COAST COMMUNITY HOUSING COMPANY LIMITED
A.B.N. 97 002 685 761
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are stated inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis.

i) Investment Property

Investment property, comprising freehold office complexes, is held to generate long-term rental yields. All tenant leases are on an arm's length basis. Investment property is initially measured at cost and will be subsequently measured at fair value.

Fair value of investment properties are to be determined annually based on a valuation by an independent valuer who has recognised and appropriate professional qualifications and recent experience in the location and category of investment property being valued. Fair values are to be determined by the valuer using market information, including prices for similar properties in comparable locations.

Changes to fair values of investment properties are recognised in profit or loss in the period in which they occur.

j) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. The carrying amount of creditors and payables is deemed to reflect fair value.

k) Provisions

Provisions are recognised when the company has a present obligation, the future sacrifice of economic benefits is probable and the amount of the provision can be reliably measured. The amount recognised as a provision is the best estimate of the amount required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, the cash flows have been discounted to their present value as at the end of the reporting period.

Where some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised where it is probable the recovery will be received and the amount can be reliably measured.

l) Borrowings

Borrowings are carried at amortised cost. Interest is recognised as an expense as it accrues.

THE NORTH COAST COMMUNITY HOUSING COMPANY LIMITED
A.B.N. 97 002 685 761
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

m) Employee Benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, employee incentives and leave entitlements. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. Short term employee benefits are recognised as a current liability in payables and other liabilities on the statement of financial position.

No provision is made for personal leave entitlements.

Other long-term employee benefits

Provision is made for employees' long service leave and leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in the statement of profit or loss and other comprehensive income as a part of employee benefits expense. Long term employee benefits are disclosed as a non-current liability on the statement of financial position.

n) Income Tax

The company is a charitable institution for the purposes of Australian tax legislation and is exempt from income tax.

o) Comparative Figures

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

p) New and Amended Accounting Standards and Interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ending 30 June 2016. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

q) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the company.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent experience, the ageing of receivables, the level of amounts of receivables and historical collection information.

THE NORTH COAST COMMUNITY HOUSING COMPANY LIMITED
A.B.N. 97 002 685 761
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
NOTE 2 - REVENUE		
Operating Revenue		
i) Rental Income	<u>9,038,170</u>	<u>8,823,586</u>
ii) Government Grants		
Government Grants - Operational	1,404,420	1,320,980
Financial Interest in the Social Housing Subsidy Program	-	1,306,263
National Rental Affordability Scheme Subsidy	<u>218,372</u>	<u>214,056</u>
	<u>1,622,792</u>	<u>2,841,298</u>
iii) Other Revenue		
Interest Received	2,702	9,651
Fees and Charges	437,108	394,042
Gifts and Donations	-	1,266
Other Revenue	<u>107,405</u>	<u>63,960</u>
	<u>547,215</u>	<u>468,918</u>
Total Revenue	<u><u>11,208,177</u></u>	<u><u>12,133,803</u></u>

Significant Items

The significant items discussed below are relevant in explaining the financial performance of the company:

Financial Interest in the Social Housing Subsidy Program

The Financial Interest in the Social Housing Subsidy Program (SHSP) income reflects the company's asset as at 1 July 2014.

In 1996 the company entered an agreement with the NSW LAHC which determines that NCCH will accumulate a financial interest in a property portfolio used to deliver low cost housing solutions. NCCH's interest in the property portfolio is calculated in accordance with the agreement and is based on contributions to the NSW LAHC to assist it to acquire the property assets. The information to support the calculation of the interest was not available in prior years which has been the basis of recognising this financial interest as Operating Revenue in the current year.

- 1,306,263

THE NORTH COAST COMMUNITY HOUSING COMPANY LIMITED
A.B.N. 97 002 685 761
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
NOTE 3 - PROFIT BEFORE INCOME TAX		
Expenses - by nature:		
i) Tenancy and Property Management Expenses		
Bad & Doubtful Debts	193,055	174,303
Insurances	247,260	253,137
Interest and Other Cost of Finance	107,887	92,497
Leasehold Rent Expenses	2,588,137	2,492,353
Rates and Utility Charges	1,619,267	1,488,373
Repairs and Maintenance	2,215,111	2,108,797
Other Expenses	86,230	134,451
	<u>7,056,947</u>	<u>6,743,911</u>
ii) Administration Expenses		
Salaries, Fees and Oncost	2,214,318	1,947,031
Board Expenses	139,429	116,125
Office Rent	102,146	155,129
Audit Services	15,660	15,409
Depreciation and Amortisation	354,166	345,982
Other Expenditure	739,943	600,594
	<u>3,565,662</u>	<u>3,180,270</u>
Total Expenses	<u>10,622,609</u>	<u>9,924,181</u>

NOTE 4 - RELATED PARTY INFORMATION

Key Management Personnel Compensation

Total Key Management Personnel and Director Compensation	690,916	618,106
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Related Party Transactions

- a) Directors who held office during the course of the financial year are disclosed in the Directors' Report.
- b) From time to time directors of the company, or director-related entities, may purchase/supply goods or services from/to the company. The purchases/supplies are on the same terms and conditions as those entered into by other company employees, customers or suppliers. The company may pay for travel, accommodation, membership and personal development to directors in their position relating to company business however these payments are not classified as key management compensation.

THE NORTH COAST COMMUNITY HOUSING COMPANY LIMITED
A.B.N. 97 002 685 761
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
NOTE 5 - CASH AND CASH EQUIVALENTS		
Cash on Hand	600	600
Cash at Bank	<u>1,097,322</u>	<u>201,224</u>
	<u><u>1,097,922</u></u>	<u><u>201,824</u></u>

NOTE 6 - TRADE AND OTHER RECEIVABLES

Rent and Non-rent Debtors	437,793	396,091
Provision for doubtful debts - rent and non-rent	(221,518)	(179,808)
GST receivable	119,594	69,444
Leasehold bonds	173,613	161,953
Other Receivables	<u>362,452</u>	<u>371,864</u>
	<u><u>871,934</u></u>	<u><u>819,544</u></u>

The company has recognised a loss of \$193,055 (2015: loss of \$174,303) in respect of receivables for the year ended 30 June 2016.

The ageing of Rent and amounts of Non-rent Debtors provided for above are as follows:

Rent 0-27 Days	35,184	40,906
Rent >28 Days	96,846	80,436
Non-rent	305,763	274,749
Provision for Impairment	<u>(221,518)</u>	<u>(179,808)</u>
	<u><u>216,275</u></u>	<u><u>216,283</u></u>

Movements in the provision for impaired receivables for Rent and Non-rent are as follows:

Opening Balance	179,809	164,068
Additional Provisions Recognised	193,055	174,303
Receivables written off during the year as uncollectable	<u>(151,346)</u>	<u>(158,562)</u>
	<u><u>221,518</u></u>	<u><u>179,809</u></u>

NOTE 7 - OTHER FINANCIAL ASSETS

Current		
Available for sale	<u>-</u>	<u>20</u>
	<u><u>-</u></u>	<u><u>20</u></u>

Held to maturity assets comprise term deposits invested for a period greater than 3 months.

Non-current		
<i>At fair value through the profit & loss</i>		
Investment - NSW Land & Housing Corporation	<u>1,455,430</u>	<u>1,383,536</u>

THE NORTH COAST COMMUNITY HOUSING COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
NOTE 8 - OTHER ASSETS		
Current		
Borrowing Costs	1,626	5,460
Prepayments	141,597	273,260
	<u>143,223</u>	<u>278,719</u>
NOTE 9 - PROPERTY, PLANT AND EQUIPMENT		
Land & Buildings	15,140,184	14,628,183
Less: Accumulated Depreciation	(791,617)	(542,946)
	<u>14,348,567</u>	<u>14,085,237</u>
Equipment, Furniture & Fittings	196,100	199,298
Less: Accumulated Depreciation	(117,894)	(141,325)
	<u>78,205</u>	<u>57,973</u>
Motor Vehicles	250,751	219,243
Less: Accumulated Depreciation	(139,964)	(148,654)
	<u>110,787</u>	<u>70,589</u>
Leasehold Improvements	170,948	92,756
Less: Accumulated Depreciation	(91,434)	(61,055)
	<u>79,514</u>	<u>31,701</u>
Assets under construction	<u>1,099,325</u>	<u>-</u>
Total Property, Plant and Equipment	<u>15,716,398</u>	<u>14,245,500</u>

Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Freehold Land & Buildings*	Equipment, Furniture & Fittings	Motor Vehicles	Leasehold Improvements
	\$	\$	\$	\$
Balance at 30 June 2015	14,085,237	57,972	70,589	31,701
Additions	1,611,325	51,172	80,247	78,193
Disposals	-	(9,220)	(48,740)	-
Amortisation	-	-	-	(30,380)
Depreciation	(248,671)	(21,719)	8,691	-
Balance at 30 June 2016	<u>15,447,891</u>	<u>78,205</u>	<u>110,787</u>	<u>79,514</u>

* Includes assets under construction.

THE NORTH COAST COMMUNITY HOUSING COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (CONT'D)		
Purposes Deed Agreements		
<p>Properties held by the company at 8 Eagle Avenue, Ballina, 79 Coral Fern Circuit, Murwillumbah and 61C Teven Road, Alstonville are subject to Purposes Deeds executed with the Department of Social Services. These Purposes Deeds require the company to provide supported accommodation places for individuals with severe or profound disability at the sites for a period of 11 years commencing 1 June 2013 and expiring on 1 June 2024.</p> <p>If a breach of the Purposes Deed occurs within the first half of the 11 year period, 100% of the funding received is to be repaid. If a breach occurs within the second half of the 11 year period, the repayment amount is reduced in equal proportions of the total amount of funding for each completed year until the end of the period.</p>		
NOTE 10 - INTANGIBLES		
Software capitalised	219,864	-
Accumulated amortisation	<u>(45,140)</u>	<u>-</u>
	<u><u>174,724</u></u>	<u><u>-</u></u>
NOTE 11 - INVESTMENT PROPERTY		
Non-Current		
Balance at beginning of year	-	-
Acquisitions	<u>1,488,327</u>	<u>-</u>
Balance at end of year	<u><u>1,488,327</u></u>	<u><u>-</u></u>
NOTE 12 - TRADE AND OTHER PAYABLES		
Current		
Trade Creditors and other Payables	<u>840,147</u>	<u>323,696</u>
NOTE 13 - BORROWINGS		
Current		
<i>Secured</i>		
Bank Loans	<u>353,892</u>	<u>128,790</u>
Non-Current		
<i>Secured</i>		
Bank Loans	<u>3,407,579</u>	<u>894,951</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
NOTE 13 - BORROWINGS (CONT'D)		
Assets Pledged as Security		
The land and buildings at 495 Ballina Road, Goonellabah, 34 Dry Dock Road, Tweed Heads, 14 Bangalow Road, Byron Bay, 58 Moon Street, Ballina and 107-109 Molesworth Street, Lismore are subject to a mortgage held by Westpac Banking Corporation as security for the financing arrangements provided to purchase and construct the facilities at each site, and to finance future property acquisitions or developments.		
NOTE 14 - EMPLOYEE BENEFITS		
Current		
Employee Benefits - Annual Leave	139,421	109,114
Employee Benefits - Long Service Leave	970	7,973
	140,391	117,087
Non-Current		
Employee Benefits - Long Service Leave	62,206	68,719
Rollforward of Employee Benefits		
	Employee Benefits	
	\$	
Opening Balance	185,806	
Additional Provisions Raised During the Year	140,537	
Amounts Paid	(123,746)	
Closing Balance	202,597	
Employee Benefits Expected to be Paid in Less Than 12 Months	140,391	117,087
Employee Benefits Expected to be Paid After 12 Months	62,206	68,719
	202,597	185,806
NOTE 15 - OTHER LIABILITIES		
Current		
Rent paid in advance	428,581	266,304

THE NORTH COAST COMMUNITY HOUSING COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
NOTE 16 - CAPITAL AND LEASE COMMITMENTS		
Capital Commitments		
At balance date the company had not entered into any material capital expenditure contracts.		
Lease Commitments		
Within one year	278,722	393,792
One to five years	192,553	97,187
	471,275	120,460

The lease for the office at 2 Blundell Boulevard, Tweed Heads was renewed 13 April 2016 for a three year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by CPI annually.

The lease for the office at 22 King Street, Grafton ceased in June 2016 and a new lease at 119 Pound Street commenced 1st March 2016 for a three year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by CPI annually.

NOTE 17 - EVENTS AFTER THE REPORTING DATE

The directors are not aware of any matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future years.

NOTE 18 - FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, receivables, payables and loans.

The totals for each category of financial instruments, measured in accordance with AASB 139 are as follows:

Financial Assets

Cash and Cash Equivalents	(5) 1,097,922	201,824
Trade and Other Receivables	(6) 871,934	819,544
Other Financial Assets	(7) 1,455,430	1,383,556
	3,425,286	2,404,924

Financial Liabilities

Financial Liabilities at Amortised Cost:

- Trade and Other Payables	(13) 840,147	323,696
- Borrowings	(14) 3,761,471	1,023,741
	4,601,618	1,347,437

THE NORTH COAST COMMUNITY HOUSING COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 18 - FINANCIAL RISK MANAGEMENT (CONT'D)	2016	2015
	\$	\$

Fair Value Measurement

The company has the following assets, as set out in the table below, that are measured at fair value on a recurring basis. The company does not measure any other assets or liabilities at fair value on a recurring or non-recurring basis in the statement of financial position subsequent to initial recognition.

Recurring fair value measurements

Non-Current

Investment Property	<u>1,488,327</u>	<u>-</u>
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The investment property was purchased during the year and the carrying value represents fair value.

At balance date the company's Business Loans facility is \$3,761,471. At 30 June 2016 the company has access to unutilised borrowing facilities of \$862,812.

THE NORTH COAST COMMUNITY HOUSING COMPANY LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2016

The directors present their report together with the financial statements on The North Coast Community Housing Limited ('the company') for the year ended 30 June 2016.

1. Directors

The names of directors who held office at any time during, or since the end of the year are set out below together with the information on each director's qualifications and special responsibilities:

Names of Directors	Qualification / Experience	Special Responsibilities	Years as Director
John K Stone	Environmental, Health and Planning	Chair. CEO's Remuneration and Appraisal Committee. Strategic Planning & Registration Committee.	11
Carolyn Parker	Finance, Asset & Facilities Management	Vice Chair. Audit, Finance and Risk Management Committee. Strategic Planning & Registration Committee. CEO's Remuneration and Appraisal Committee.	7
Allan Johnson	Social Housing	Secretary, Policy & Risk Review Committee. CEO's Remuneration & Appraisal Committee.	11
Bruce Casselden	Planning, Building & Environmental, Health	Policy & Risk Review Committee. CEO's Remuneration and Appraisal Committee.	9
Anders Halvorsen	Finance & Company Director	Audit, Finance and Risk Management Committee. Policy & Risk Review Committee. CEO's Remuneration and Appraisal Committee.	11
Jan Mangleson	Real Estate, Public Health and Local Government	Audit, Finance and Risk Management Committee. CEO's Remuneration and Appraisal Committee. Strategic Planning & Registration Committee. Marketing & Media Committee.	4
Robyn Hordern	Local Government, Marketing, Tourism	Marketing & Media Committee. CEO's Remuneration and Appraisal Committee,	4

2. Principal Activities

North Coast Community Housing principal activities throughout the year were the provision of community housing to members of the regional community who are most in need of housing assistance, including the provision of housing to families, who were identified as homeless at the time of property allocation.

THE NORTH COAST COMMUNITY HOUSING COMPANY LIMITED
A.B.N. 97 002 685 761
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2016

3. Operating Results / Measurement of Performance

The Total Comprehensive Income for the year amounted to \$585,568.

The company measures its performance based on meeting the primary strategies established in the three year strategic plan, which are:

- Customer Service
- Organisation Sustainability
- Growth.

Significant factors reflecting the performance in the past financial year are:

4. Directors Attendances

During the year there were 11 ordinary board of director meetings, two Policy and Risk Review Committee meetings, six Audit, Finance & Risk Management Committee meetings, one Media and Marketing Committee meeting, one CEO Remuneration and Appraisal Committee meeting and one Directors Nominations Committee meeting held. Attendances by each director were as follows:

Directors

Board Meetings	Number attended	Number eligible to attend
J Stone	11	11
C Parker	10	11
A Johnson	10	11
B Casselden	9	11
A Halvorsen	10	11
R Hordern	10	11
J Mangleson	8	11

Audit, Finance and Risk Management Committee

	Number attended	Number eligible to attend
C Parker	6	6
A Halvorsen	6	6
J Mangleson	5	6

THE NORTH COAST COMMUNITY HOUSING COMPANY LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2016

4. Directors Attendances (Cont'd)

Policy and Risk Review Committee	Number attended	Number eligible to attend
A Johnson	2	2
B Casselden	1	2
A Halvorsen	2	2

Media and Marketing Committee	Number attended	Number eligible to attend
R Hordern	1	1
J Mangleson	1	1

CEO's Remuneration and Appraisal Committee	Number attended	Number eligible to attend
J Stone	2	2
C Parker	1	2
A Johnson	1	2
B Casselden	1	2
A Halvorsen	2	2
R Hordern	1	2
J Mangleson	1	2

Director's Nomination Committee	Number attended	Number eligible to attend
J Stone	1	1
C Parker	1	1
A Johnson	1	1
A Halvorsen	1	1

A number of strategic planning forums were held during the year with directors attending.

THE NORTH COAST COMMUNITY HOUSING COMPANY LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2016

5. Corporate Information

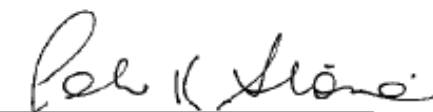
The company is a 'not-for-profit' entity, registered as a company limited by guarantee. It does not issue shares to its members nor have the capacity to issue dividends to members. Any surplus on winding up will be distributed to an organisation which has similar objects as dictated by the constitution. The Company is registered as a charity with the Australian Charities and Not-For-Profits Commission (ACNC). As a Public Benevolent Institution it is endorsed to access GST concession, FBT and Income tax exemptions. It is also endorsed as a Deductible Gift Recipient (DGR) covered by Item 1 of the table in section 30-15 of the Income Tax Assessment Act 1997.

If the company is wound up, the constitution states that each member of the company is liable to contribute a maximum of \$2 towards meeting any outstanding obligations of the company. At 30 June 2016, the maximum total amount that members of the company would be liable to contribute if the company is wound up is \$14.

6. Membership

The company is limited by guarantee without share capital. The number of members as at 30 June 2016 is 7 (2015: 512).

Signed in accordance with the resolution of directors.



J Stone (Chairperson)

Dated at Lismore this 28th day of September 2016.



AUDITOR'S INDEPENDENCE DECLARATION

This declaration is made in connection with our audit of the financial report of The North Coast Community Housing Company Limited for the year ended 30 June 2016.

I declare that, to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to this audit;
- No contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in Australia in relation to this audit.

THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS

K R FRANEY (Partner)
Registered Company Auditor

Dated at Lismore this 28th day of September 2016.