

AUSTRALASIAN HOUSING INSTITUTE LIMITED

ACN: 097 565 387

**Financial Report For The Year Ended
30 June 2010**

Australasian Housing Institute Limited

ACN: 097 565 387

Financial Report For The Year Ended 30 June 2010

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AUSTRALASIAN HOUSING INSTITUTE LIMITED
ACN: 097 565 387
DIRECTORS' REPORT

Your directors present this report on the entity for the financial year ended 30 June 2010.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Lynden Pennicott
Garry Gardiner
Roger Jameson
Andrew Macgregor
Shirley Trebilcock
Jennifer Clark
Joan Ferguson
David Matthews appointed (8/04/2010)
Unis Goh appointed (26/11/2009)
Shane Edmonds resigned (26/11/2009)
Neil Sandall resigned (26/11/2009)
Terry Daly resigned (26/11/2009)
Anthony Rantell resigned (26/11/2009)
Matthew Woodward resigned (26/11/2009)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of entity secretary at the end of the financial year: Joan Ferguson.

Principal Activities

The principal activities of the entity during the financial year were to provide support and services for its members working in the social housing sector throughout Australia and New Zealand.

No significant changes in the nature of the entity's activity occurred during the financial year.

Operating Results

The profit of the entity amounted to \$-8,305 (2009: \$47,075).

Dividends Paid or Recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Review of Operations

A review of the operations of the entity during the financial year and the results of those operations show total revenue decreased by 6.15% to \$621,379, expenses increased by 2.22% to \$637,758 resulting in the loss.

Significant Changes in State of Affairs

No significant changes in the entity's state of affairs occurred during the financial year.

After Balance Date Events

No 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 financial years.

Future Developments

The entity expects to maintain the present status and level of operations.

Environmental Issues

The entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Options

No options over issued shares or interests in the entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Information on Directors

Lynden Pennicott	—	President
Qualifications	—	Grad Certificate in Social Science (Housing Management & Policy), and member of the Australian Institute of Management.
Experience	—	Worked in banking and finance and project management and has extensive experience in leading change process both in Australia and overseas.
Special Responsibilities	—	Awards, Finance & Risk Management Committee, and Governance Review Committee.
Garry Gardiner	—	
Qualifications	—	Extensive social housing experience
Experience	—	Served on the Board since January 2004 and possesses 9 years experience in social housing.
Special Responsibilities	—	

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DIRECTORS' REPORT

Roger Jameson		
Qualifications	—	Fellow UK Chartered Institute of Housing and member of NZ & British Computer Societies.
Experience	—	More than 30 years experience in providing services to the social housing sector in the UK, Australia, New Zealand, Hong Kong and the Netherlands.
Special Responsibilities	—	Awards, and Education & Practice.
Andrew Macgregor		
Qualifications	—	Bachelor of Arts, Grad Dip in Social Science
Experience	—	Worked in a range of positions including regional operational and central office based project management roles.
Special Responsibilities	—	Finance & Risk Management Committee
Shirley Trebilcock		
Qualifications	—	Graduate Diploma in Management & Business, Australian Institute of Company Directors, Property Investment and Finance, and member of Australian Institute of Management
Experience	—	Over 30 years experience in the management and development of maintenance programs, technical services, asset management and quality management systems and processes. She also has experience in the homelessness, special needs and supported accommodation areas, and assisting other housing workers in growing the skills and capacity to support them in the challenges of dealing with vulnerable customers.
Special Responsibilities	—	Education & Practice, and Membership.
Jennifer Clark		
Qualifications	—	BA (Hons), MBA, and Fellow of Institute of Company Directors
Experience	—	Experience in public, community and affordable housing as well as funding and program management of home ownership programs.
Special Responsibilities	—	Governance Review Committee and International.
Joan Ferguson		
Qualifications	—	Secretary
Experience	—	Grad Certificate in Housing Management & Policy, and member of the Institute of Company Directors.
Special Responsibilities	—	30 years experience in social housing. Previously executive director of Housing Services (NSW Department of Housing) and NSW Federation of Housing Associations Inc.
David Matthews		
Qualifications	—	Awards, Finance & Risk Management Committee, Education & Practice, and Governance Review Committee.
Experience	—	Grad Diploma in Public Admin (Flinders Uni), and Advance Diploma in Government.
Special Responsibilities	—	Experience in public housing service delivery, homelessness policy and funding, funding and regulation of community, affordable housing, children's, youth and family policy and program management.
Unis Goh		
Qualifications	—	PSM (Public Service Medal 2009), BA (UNSW), MA (Housing Studies), and
Experience	—	Extensive experience in human services in NSW government agencies, DOCS & Housing NSW and in the Not-For-Profit sector.
Special Responsibilities	—	Finance & Risk Management Committee, Education & Practice, Membership, and Governance Review Committee.

Meetings of Directors

During the financial year, 7 meetings of directors were held. Attendees by each director were as follows:

	Directors' Meetings	
	No. eligible to attend	No. attended
Lynden Pennicott	7	7
Gary Gardiner	7	4
Roger Jameson	4	3
Andrew Macgregor	7	6
Shirley Trebilcock	7	6
Jennifer Clark	7	6
Joan Ferguson	7	7
David Matthews	2	2
Unis Goh	3	3
Shane Edmonds	4	4
Neil Sandall	4	1
Terry Daly	4	-
Anthony Rantell	4	1
Mathew Woodward	4	4

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DIRECTORS' REPORT

Indemnifying Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the entity.

Proceedings on Behalf of the Entity

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

The entity was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2010 has been received and can be found on page 4 of the directors' report.

Signed in accordance with a resolution of the Board of Directors.

Director



Lynden Pennicott

Dated this


23rd day of September 2010

AUSTRALASIAN HOUSING INSTITUTE LIMITED
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AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF
THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm Haywards Accountants


Name of Partner John Newton

Date 23/09/2010

Address Level 8, 19-31 Pitt Street

SYDNEY NSW 2000

AUSTRALASIAN HOUSING INSTITUTE LIMITED
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INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010	2009
		\$	\$
Revenue	2	621,379	662,120
Other income	2	8,074	8,859
Seminar & conference expenses		(169,115)	(185,355)
Employee benefits expenses		(320,718)	(281,470)
Depreciation and amortisation expenses	3	(2,486)	(2,983)
Doubtful debts expenses	3	(259)	(391)
Property expenses		(13,562)	(11,062)
Consultancy fees		(25,460)	(40,133)
Printing, postage & stationery		(24,857)	(22,766)
Telephone, faxes & internet		(9,747)	(8,759)
Travelling & accommodation		(36,412)	(43,271)
Other expenses		(35,142)	(27,714)
Profit before income tax	3	(8,305)	47,075
Income tax expense			
Profit for the year		<u>(8,305)</u>	<u>47,075</u>
Profit attributable to members of the entity		<u>(8,305)</u>	<u>47,075</u>

The accompanying notes form part of these financial statements.

AUSTRALASIAN HOUSING INSTITUTE LIMITED

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010	2009
Profit for the year		\$	\$
Other comprehensive income for the year, net of tax		(8,305)	47,075
Total comprehensive income for the year		<u>(8,305)</u>	<u>47,075</u>
Total comprehensive income attributable to members of the entity		<u>(8,305)</u>	<u>47,075</u>

The accompanying notes form part of these financial statements.

AUSTRALASIAN HOUSING INSTITUTE LIMITED
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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	2010 \$	2009 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	112,616	78,635
Trade and other receivables	5	284,397	246,416
Financial assets	7	140	105
Other assets	6	18,015	2,081
TOTAL CURRENT ASSETS		<u>415,168</u>	<u>327,237</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	6,199	6,651
Intangible assets	9	270	450
TOTAL NON-CURRENT ASSETS		<u>6,469</u>	<u>7,101</u>
TOTAL ASSETS		<u>421,637</u>	<u>334,338</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	155,976	116,372
Income in advance		265,000	209,000
TOTAL CURRENT LIABILITIES		<u>420,976</u>	<u>325,372</u>
TOTAL LIABILITIES		<u>420,976</u>	<u>325,372</u>
NET ASSETS		<u>661</u>	<u>8,966</u>
EQUITY			
Retained earnings		661	8,966
TOTAL EQUITY		<u>661</u>	<u>8,966</u>

The accompanying notes form part of these financial statements.

AUSTRALASIAN HOUSING INSTITUTE LIMITED
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2008	(38,109)	(38,109)
Profit attributable to the entity	47,075	47,075
Balance at 30 June 2009	8,966	8,966
Profit attributable to the entity	(8,305)	(8,305)
Balance at 30 June 2010	661	661

The accompanying notes form part of these financial statements.

AUSTRALASIAN HOUSING INSTITUTE LIMITED
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipt of Grants		364,400	458,789
Receipts from membership fees and other income		349,123	214,789
Payments to suppliers and employees		(679,336)	(700,526)
Interest received		1,957	1,931
(Unrealised loss/(gain) on exchange)		(137)	(372)
Net cash provided by/(used in) operating activities	13(b)	<u>36,007</u>	<u>(25,389)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		<u>(1,854)</u>	<u>(2,625)</u>
Net cash provided by/(used in) investing activities		<u>(1,854)</u>	<u>(2,625)</u>
Net increase/(decrease) in cash held		34,153	(28,014)
Cash and cash equivalents at the beginning of the financial year		78,740	107,126
Effect of exchange rate loss		(137)	(372)
Cash and cash equivalents at the end of the financial year	13(a)	<u><u>112,756</u></u>	<u><u>78,740</u></u>

AUSTRALASIAN HOUSING INSTITUTE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the *Corporations Act 2001*.

The financial report has been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows:

Accounting Policies

(a) Revenue

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and sponsorship are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair values as indicated, less, where applicable, accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity 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 useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20% to 50%
Low value asset pool	100%

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

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(d) Financial Instruments

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 purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions 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.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as

- (i) the amount at which the financial asset or financial liability is measured at initial recognition
- (ii) less principal repayments
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) 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, or where they are derivatives not held for hedging purposes, 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 value being included in profit or loss.

(ii) 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 subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investment would be tainted and reclassified as available-for-sale.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

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.

Impairment

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

(e) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. 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 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.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(f) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. 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. 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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(h) 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 Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

(i) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(j) Intangibles

Trademark

Trademark is recorded at cost. Trademark has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of 5 years. It is assessed annually for impairment.

(k) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

(l) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year. When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

(n) 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.

(o) Critical accounting estimates and judgments

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

(p) Economic Dependence

Australasian Housing Institute Limited is dependent on the State Government Housing Departments for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the State Government Housing Departments will not continue to support Australasian Housing Institute Limited.

AUSTRALASIAN HOUSING INSTITUTE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

Note 2 Revenue and Other Income

	Note	2010 \$	2009 \$
Revenue			
— Seed funding		280,364	301,630
— Membership fees		59,230	56,652
— Seminar and conference fees		253,482	212,725
— Project and consulting fees		26,346	89,182
		<u>619,422</u>	<u>660,189</u>
Other Revenue			
— Interest received		1,957	1,931
		<u>1,957</u>	<u>1,931</u>
Total Revenue		<u>621,379</u>	<u>662,120</u>
Other Income			
Unrealised (loss)/gain on exchange		(137)	(372)
Rental income		5,082	6,145
Journal subscriptions		308	673
Miscellaneous income		2,821	2,413
Total Other Income		<u>8,074</u>	<u>8,859</u>
Total Revenue and Other Income		<u>629,453</u>	<u>670,979</u>

Note 3 Profit for the Year

		2010 \$	2009 \$
(a) Expenses			
Depreciation and Amortisation			
— furniture and equipment		2,306	2,983
— trademark		180	
Total Depreciation and Amortisation		<u>2,486</u>	<u>2,983</u>
Bad and doubtful debts expense		259	391
Auditor Remuneration			
— audit services		5,800	5,600
Total Audit Remuneration		<u>5,800</u>	<u>5,600</u>

Note 4 Cash and Cash Equivalents

	2010 \$	2009 \$
CURRENT		
Cash at bank	112,592	78,531
Cash on hand	24	104
	<u>112,616</u>	<u>78,635</u>

Note 5 Trade and Other Receivables

	Note	2010 \$	2009 \$
CURRENT			
Trade receivables		284,452	247,016
Less: Memberships not considered collectible	5(i)	(155)	(700)
		<u>284,297</u>	<u>246,316</u>
Financial assets		100	100
Total current trade and other receivables	14	<u>284,397</u>	<u>246,416</u>

(i) Provision for impairment of Receivables

Current trade receivables are generally on 30 day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in doubtful debt expenses. Movement in the provision for impairment of receivables is as follows:

	\$
Provision for impairment as at 30 June 2008	357
— Charge for year	700
— Written off	(357)
Provision for impairment as at 30 June 2009	<u>700</u>
— Charge for year	155
— Written off	(700)
Provision for impairment as at 30 June 2010	<u>155</u>

Credit risk - Trade and Other Receivables

The company does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			<30 \$	31 – 60 \$	61 – 90 \$	>90 \$	
2010							
Trade and term receivables	284,452	284,297	253,894	10,585	16,358	3,615	253,894
Total	284,452	284,297	253,894	10,585	16,358	3,615	253,894
	Gross Amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			<30 \$	31 – 60 \$	61 – 90 \$	>90 \$	
2009							
Trade and term receivables	247,016	246,316	241,187	1,075	2,829	1,925	241,187
Total	247,016	246,316	241,187	1,075	2,829	1,925	241,187

There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

Note 6 Other Assets

	2010 \$	2009 \$
CURRENT		
Prepayments	18,015	2,081
	<u>18,015</u>	<u>2,081</u>

Note 7 Financial Assets

	Note	2010 \$	2009 \$
CURRENT			
Financial assets at cost	7a	140	105
a. Financial assets at fair value through profit or loss			
— Held-for-trading-Australian listed shares	14	140	105
Securities in listed corporations held for trading purposes to generate income through the receipt of dividends and capital gains.			

Note 8 Property, Plant and Equipment

	2010 \$	2009 \$
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	26,849	24,995
Less accumulated depreciation	(20,863)	(18,610)
	<u>5,986</u>	<u>6,385</u>
Low value asset pool		
At cost	2,630	2,630
Less accumulated depreciation	(2,417)	(2,364)
	<u>213</u>	<u>266</u>
Total plant and equipment	<u>6,199</u>	<u>6,651</u>
Total property, plant and equipment	<u>6,199</u>	<u>6,651</u>

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Movements in Carrying Amounts

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

	Low value asset pool \$	Plant and Equipment \$	Total \$
2009			
Balance at the beginning of the year			
Additions at cost	341	6,668	7,009
Depreciation expense	-	2,625	2,625
Carrying amount at end of year	<u>(75)</u>	<u>(2,908)</u>	<u>(2,983)</u>
	<u>266</u>	<u>6,385</u>	<u>6,651</u>
2010			
Balance at the beginning of the year			
Additions at cost	266	6,385	6,651
Depreciation expense	-	1,854	1,854
Carrying amount at end of year	<u>(53)</u>	<u>(2,253)</u>	<u>(2,306)</u>
	<u>213</u>	<u>5,986</u>	<u>6,199</u>

Note 9 Intangible Assets

	2010 \$	2009 \$
Trademark		
Accumulated amortisation	450	450
Net carrying value	<u>(180)</u>	<u>-</u>
	<u>270</u>	<u>450</u>
	Trademark	
	\$	
2009		
Balance at the beginning of the year	450	
Amortisation charge	<u>(90)</u>	
	<u>360</u>	
2010		
Balance at the beginning of the year	360	
Amortisation charge	<u>(90)</u>	
	<u>270</u>	

Note 10 Trade and Other Payables

	2010 \$	2009 \$
CURRENT		
Trade payables	13,693	1,005
Employee benefits	29,516	34,855
Membership fees in advance	38,682	30,585
Seminar fees in advance	26,536	5,059
Sponsorship in advance	-	3,500
Other payables	4,624	3,121
GST payables	42,925	38,247
	<u>155,976</u>	<u>116,372</u>

	2010 \$	2009 \$
(a) Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables		
— Total Current	<u>155,976</u>	<u>116,372</u>
Less annual leave entitlements	<u>155,976</u>	<u>116,372</u>
Financial liabilities as trade and other payables	<u>(29,516)</u>	<u>(34,855)</u>
	<u>126,460</u>	<u>81,517</u>

Note 11 Events After the Reporting Period

No 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 financial years.

Note 12 Key Management Personnel Compensation

	Short-term benefits \$	Post employment benefits \$	Other long-term benefits \$	Total \$
2010				
Total compensation	110,709	10,202	-	120,911
2009				
Total compensation	110,779	10,202	-	120,981

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Note 13 Cash Flow Information

	Note	2010 \$	2009 \$
(a) Reconciliation of cash			
Cash at bank		112,592	78,531
Other cash		24	104
Term Deposit		140	105
		<u>112,756</u>	<u>78,740</u>
(b) Reconciliation of cash flow from operations with profit after income tax			
Profit after income tax		(8,305)	47,075
Non cash flows			
Depreciation		2,306	2,083
Amortisation		180	90
Unrealised loss/(gain) on exchange		137	372
Change in assets and liabilities			
(Increase)/decrease in trade and other receivables		(53,370)	(181,837)
Increase in provisions for uncollectible fees		(545)	343
Increase/(decrease) in trade and other payables		100,943	97,054
Decrease in provisions		(5,339)	8,531
		<u>36,007</u>	<u>(25,389)</u>

Note 14 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, accounts receivable and payable and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2010 \$	2009 \$
Financial Assets			
Cash and cash equivalents	4	112,616	78,635
Loans and receivables	5	284,397	246,416
Financial assets at fair value through profit or loss			
— Held for trading	7(a)	140	105
Total Financial Assets		<u>397,153</u>	<u>325,156</u>
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	10(a)	126,460	81,517
Total Financial Liabilities		<u>126,460</u>	<u>81,517</u>

Financial Risk Management Policies

Consisting of senior committee members, the finance committee's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include the credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and equity price risk.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the company.

The company does not have any material credit risk exposure as its major source of revenue is the receipt of grants. Credit risk is further mitigated as over 100% of the grants being received from state and federal governments are in accordance with funding agreements which ensure regular funding for a period of 1 year.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 5.

The Company has no significant concentration of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables is provided in Note 5.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	Note	2010 \$	2009 \$
Cash and cash equivalents			
- AA Rated		112,616	78,635

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112,616

78,635

b. Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The company manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

The company's policy is to ensure no more than [insert percentage]% of borrowings should mature in any 12 month period.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables (excl. est. annual leave and deferred income)	126,460	81,517	-	-	-	-	126,460	81,517
Total expected outflows	126,460	81,517	-	-	-	-	126,460	81,517
Financial Assets - cash flows realisable								
Cash and cash equivalents	112,616	78,635					112,616	78,635
Trade, term and loans receivables	284,397	246,416					284,397	246,416
Other investments	140	105					140	105
Total anticipated inflows	397,153	325,156	-	-	-	-	397,153	325,156
Net (outflow) / inflow on financial instruments	270,693	243,639	-	-	-	-	270,693	243,639

c. Market Risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments.

At 30 June 2010 approximately 100% of company debt is fixed rate.

ii. Price risk

The entity is not exposed to any material commodity price risk.

Sensitivity Analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

Year ended 30 June 2010	Profit	Equity
	\$	\$
+/- 2% in interest rates	2,189	2,189
Year ended 30 June 2009	Profit	Equity
+/- 2% in interest rates	1,450	1,450

No sensitivity analysis has been performed on foreign exchange risk as the company is not exposed to foreign currency fluctuations.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Company. Most of these instruments which are carried at amortised cost (i.e. trade receivables, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the company.

	Footnote	2010		2009	
		Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Financial assets					
Cash and cash equivalents	(i)	112,616	112,616	78,635	78,635
Trade and other receivables	(i)	284,397	284,397	246,416	246,416
<i>Held-for-trading financial assets</i>					
— at fair value					
— listed investments	(ii)	140	140	105	105
Total financial assets		397,153	397,153	325,156	325,156
Financial liabilities					
Trade and other payables	(i)	126,460	126,460	81,517	81,517
Total financial liabilities		126,460	126,460	81,517	81,517

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is not considered a financial instrument.
- (ii) For listed available-for-sale and held-for-trading financial assets, closing quoted bid prices at the end of the reporting period are used. In determining the fair values of the unlisted available-for-sale financial assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).
- (iii) Fair values of held-to-maturity investments are based on quoted market prices at the end of the reporting period.
- (iv) Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates. The fair value of fixed rate debt will differ to carrying values.

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1)
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1	Level 2	Level 3	Total
2010				
Financial assets				
Held-for-trading financial assets		140	-	140
		140	-	140
2009				
Financial assets				
Held-for-trading financial assets		105	-	105
		105	-	105

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets have been based on the closing quoted bid prices at the end of the reporting period, excluding transaction costs.

In valuing unlisted investments, included in Level 2 of the hierarchy, valuation techniques such as those using comparisons to similar investments for which market observable prices are available have been adopted to determine the fair values of these investments.

AUSTRALASIAN HOUSING INSTITUTE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

Note 15 Capital Management

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund its mentoring programs and that returns from investments are maximised. The finance committee ensures that the overall risk management strategy is in line with this objective.

The finance committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The entity's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year.

The gearing ratios for the years ended 30 June 2010 and 30 June 2009 are as follows:

	Note	2010 \$	2009 \$
Total borrowings		-	-
Less cash and cash equivalents	4	(112,616)	(78,635)
Net debt		(112,616)	(78,635)
Total equity (reserves + retained earnings)		661	8,966
Total capital		<u>(111,955)</u>	<u>(69,669)</u>
Gearing ratio		N/A	N/A

Note 16 Entity Details

The registered office of the entity is:
 Australasian Housing Institute Limited
 Suite 4/187 Carp Street
 BEGA NSW 2550

The principal place of business is:
 Australasian Housing Institute Limited
 Suite 4/187 Carp Street
 BEGA NSW 2550

Note 17 Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of the entity. At 30 June 2010 the number of members was 767.

AUSTRALASIAN HOUSING INSTITUTE LIMITED
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DIRECTORS' DECLARATION

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 3 to 19, are in accordance with the Corporations Act 2001:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the entity.
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.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



Lynden Pennicott

Dated this

23rd day of September

2010

AUSTRALASIAN HOUSING INSTITUTE LIMITED
ACN: 097 565 387
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALASIAN HOUSING INSTITUTE LIMITED

We have audited the accompanying financial statements, being a special purpose financial report, of Australasian Housing Institute Limited, which comprises the statement of financial position as at 30 June 2010 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

The Responsibility of the Directors for the Financial Statements

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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 statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing 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 statements are free from material misstatement.

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Australasian Housing Institute Limited on 30 June 2010, would be in the same terms if provided to the directors as at the date of this auditor's report.

Qualification

As is common for organisations of this type, it is not practicable for Australasian Housing Institute Limited to maintain an effective system of internal control over hire and other income, until their initial entry in the accounting records. Accordingly, our audit in relation to these items was limited to amounts recorded.

Qualified Auditor's Opinion

In our opinion, the financial report of Australasian Housing Institute Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent in Note 1, and the *Corporations Regulations 2001*.

Basis of Accounting

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

Name of Firm: Haywards Accountants

Name of Partner: John Newton

Address: Level 8, 19-31 Pitt Street
SYDNEY NSW 2000

Dated this 23rd day of September 2010