



# TURNING HOUSES INTO HOMES, LINKING HOMES WITH COMMUNITIES

**2014 Annual Report**



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**Acknowledgements.** Wentworth would like to thank the Department of Family and Community Services – Housing NSW (particularly the Community and Private Market Housing Directorate), the Department of Family and Community Services – Community Services and the Department of Family and Community Services – Ageing, Disability and Home Care for their continued contribution to Wentworth's activities.





Access to affordable housing is essential to the health and well-being of all people. With the increasing urbanisation of our cities the challenge to provide the right assistance in the right way has never been greater. In the 18 years since Wentworth Community Housing was founded, we have seen a fundamental shift in the services we provide.

Gone are the days of just providing and maintaining a limited range of houses and apartments. In 2014, our housing programs and services need to be comprehensive to address the complex social, health and economic issues that our tenants sometimes face. We recognise that Wentworth is the public face of many of the services our tenants need. Our focus is on creating and delivering innovative solutions for all our tenants.



# CHAIR PERSON'S REPORT



Wentworth Community Housing understands how important housing is in providing a stable foundation to the life and livelihood of every individual. A stable house means individuals and families can turn a house into a home, and so connect with the services and opportunities that they need to participate in their communities.

For Wentworth, we see the construction, maintenance and the tenancy management of houses and apartments as a means to this end.

Our role as a leading community housing organisation in western Sydney is to work with the people who need our houses and apartments. Our goal is to ensure our clients can sustain long-term tenancies and can access the services, the businesses and community activities that will make being connected and participating in their communities a reality.

## The growing crisis in Australia with affordable housing

In spite of the many efficiencies that better management and technology have brought to our country in the last 25 years, the on-going decline in the affordability of housing is now severely affecting the functioning of our society. The increasing cost of housing has a very serious impact on the ability of many Australians to benefit from the material wealth that this country generates.

Yet not too long ago the picture was far better. In the 45 years between the end of the Second World War and 1990, Australia's total housing stock increased at a rate significantly faster than the rate of population growth. Home ownership by Australian

families rose from below 60% to over 70% in that period and the number of occupants per dwelling declined from 3.75 to 3 persons. This really outstanding community and policy outcome matched and supported many of the emerging social trends of that period.

However the 25 years since 1990 has seen a material change in housing standards. Despite record low interest rates for most of that period, high levels of direct financial support for first time home buyers and important capital stimulus grants for new homes, housing stock growth has slowed significantly.

- › Home ownership has dropped from 72% to 67%, with a particularly sharp drops in younger aged groups and every indication that this percentage will continue to decline in the next decade;
- › There have been significant increases in the number of households paying more than 30% of their income for housing and an alarming increase in the number of households paying more than 50% of their income for housing;

- › The ratio of median house price to median income has risen alarmingly particularly in Sydney and Melbourne from around 4x (i.e. 4 years of income will buy your home), which should be seen as a norm in a society like ours that is based on large levels of home ownership, to nearly 9x.

To compound the problems, since 2001 Australia's housing stock has not kept pace with the rate of growth in population, and since 2006 we have seen an increase, albeit small, in the average number of people per dwelling. This is the first such increase since 1911. With all these trends, the National Housing Supply Council estimates that current shortfall in Australia's housing stock is over 200,000 housing units.

### Our relationship with Government

In the last decade, important and exciting changes have been made by all Australian governments, in varying degrees, to the potential role that independent community housing providers (CHPs) can play in addressing these problems.

In the long run we believe it is very good policy to have a larger share of social housing managed by such organisations. Well run community housing agencies like Wentworth should be able to manage the tenancy and maintenance of social

housing more effectively than State Government departments. We are closer to the tenants; we can interpret their needs more quickly and can be more entrepreneurial with client solutions.

Given the right capital support either via direct grants, property vesting or other housing policy, the largest CHPs should also be able to reduce the shortage of the housing stock, particularly affordable dwellings. Currently the Community Housing Sector does not have the resources to make a meaningful contribution to the shortfall of the 200,000 dwellings. Nor do the existing Government capital policies exist to foster the CPH sector's capacity to fill the CHP gap.

For long-term policy success this requires urgent attention. Governments should be vitally interested in how they can influence the rate of growth of capacity that is occurring within the largest CHPs. Within 10 to 15 years the Community Housing Sector should be a meaningful and efficient contributor to the stock of affordable housing in Australia, particularly social housing. As it stands today the sector is not able to take that path. We will continue to advocate for change to ensure the best path is realised.

### Our brief extends beyond bricks and mortar

Wentworth also recognises that its potential as a community-based agency should extend beyond managing tenancies and building homes. While these are the bases on which our work commences it is vitally important to us we look beyond the bricks and mortar, and tenancy contracts to see how our tenants can participate in their communities. Whether it is finding a job or feeling safe and supported, our role is to provide our tenants with the services and tools needed to make the decisions that are right for them.

Success with this is the special element that ensures our houses are more than just shelter for our tenants. Housing that becomes a home allows whole communities that are less advantaged to thrive and so begin a meaningful journey to address that disadvantage. Wentworth understands the power of working within defined geographies. By getting to know the regionally based local and Government agencies, forming appropriate partnerships with those agencies and collectively targeting and measuring the needs we are all seeking to address, we can change lives.

Wentworth's particular interest has been to understand and help resolve homelessness in our community; homeless persons are invariably the most disadvantaged. We first and foremost set out to build the links between their needs and the support that the whole community is able to provide to help alleviate or remove this problem. This often means defining pathways to partnerships in training and employment, or better health and well being.

**With all these trends, the National Housing Supply Council estimates that current shortfall in Australia's housing stock is over 200,000 housing units.**



The current fiscal challenges that the Commonwealth and State Governments are seeking to address is a real challenge for all community housing providers, our clients and our communities. Blunt reduction in government funding will do little to address the fundamental causes of our social and health problems.

Indeed much of the tightening, and the 'efficiency' philosophy that goes with it, gives health and welfare agencies little room to experiment with smarter, more innovative approaches. Innovation in how all health and welfare agencies work is the key that will lead to better community outcomes at a significantly lower government cost. Governments do not appreciate nor invest in the significant budgetary savings that can come from better integrated community welfare and health services.

Wentworth remains committed to ground-breaking approaches to solving these problems. This means while we look to governments for a lead we must also look beyond for support in implementing new ways of thinking and acting. In the end we have sufficient faith in our model that the results should speak for themselves and that the support from Government, individual community members and the private sector will be justified.

### Thank you to Board and staff

2014 has seen major changes to the Board of Wentworth Community Housing, mostly through the expiration of a number of Director's terms of office. At the November 2013 AGM, Shirlene Bennett, Susan Palmer and Pat Smith retired. All were long term Directors of Wentworth who made important contributions to what we have achieved and have become today. In February we also accepted, with much regret, the resignation of Estelle Ehmann from her role as Chairperson and from the Board. While her time at the helm of Wentworth was short, her contribution to the development of Wentworth was significant and will be seen in many of the services the organisation has started to develop. Let me formally thank Shirlene, Susan, Pat and Estelle.

At last year's AGM Brodie Druett was elected to join the Board. Brodie's experience with Housing NSW and the Department of Family and Community Services has brought new insights into the issues we face in our region.

In my short time as Chairperson of Wentworth Community Housing it has been a privilege to work with the Board, the Senior Management Team and the staff of Wentworth. We could not achieve what we do without their expertise, their approach to their work and their commitment to making a real and sustained change to the lives of our tenants and the communities we work in. On behalf of the Board I acknowledge and thank all our staff, our volunteers and the many others that support us.

### Looking forward

The past two years have been a period of consolidation for Wentworth. While the number of properties under management has changed little, the new development projects at Rouse Hill, Springwood and Derby Street show our intent to responsibly contribute to the shortage of affordable housing in western Sydney.

We continue to find ways to build our capacity so we can do more, not just in housing construction but also in community building. We look to influencing the Government agenda around how best to do that. We are under no doubt that we will achieve more by working locally, knowing our locality well, and partnering in constructive ways with like minded community agencies, government agencies and businesses that seek similar outcomes. We remain very positive about our future in spite of the many challenges.



**Keith Bryant**  
Chairperson

# CEO'S REPORT



2014 has been a transformative year for Wentworth Community Housing. The year has seen our organisation take a new look at the community housing landscape and realise we needed to be more than just a housing provider. Not that we have ever just been this – however we recognised that we needed to confront the constantly changing economic environment that surrounds us and find new ways of assisting our tenants.

We know change is always with us. We also recognise that how we meet those changes affects not only our staff but our services, partners and our tenants.

## 2014 financial highlights

Financially Wentworth is in a very strong position; the hard work undertaken in the budgeting processes and the systems implemented have contributed to an operating surplus of \$3.57 million. This was a good result in a year that had many demands on our services where we were actively developing new properties. In the past financial year, our property maintenance reserves grew by \$3.1 million to \$11.7 million. These reserves ensure we can meet the maintenance plans for our 1,600 capital properties. Our plans centre on setting high standards for all of our properties, to achieve our goals we need proactive maintenance schedules.

Besides government capital grants of \$8.44 million for our Derby Street and Springwood developments, we have an additional \$4.24 million in reserves for specific purpose acquisitions and developments. Much

of this reserve will be used in the coming year to fund Wentworth's equity contributions for its Rouse Hill and Penrith affordable housing projects. However with the rising land prices in Penrith and surrounding areas, finding suitable land at the right price is becoming increasingly difficult.

## Going Home, Staying Home

Much of first part of the 2014 calendar year was focussed on preparing tenders for the new NSW Government's homelessness reform initiative – "Going Home, Staying Home". This key priority of the NSW Department of Family and Community Services is centred on finding new ways of addressing the issues around homeless people and those at risk of homelessness. With over 53,000 people requiring help each year, the focus has been on making it easier for those in need to access the services they require.

Kerry Dolaghan and her team worked tirelessly to prepare the tenders and their many hours of hard work resulted in Wentworth being the lead agency in two major projects in our Nepean Blue Mountains area – the

Adult Homelessness and Housing Support Service and Tenancy Support Services. The funding for these projects is for the next three years.

Besides these two projects, Wentworth was also a key partner with Penrith Domestic Violence Services as part of their successful Family Violence, Homelessness, Accommodation and Support Service tender. These three tenders allowed Wentworth to demonstrate both its capability and capacity to provide effective services for people who are homeless or at risk of becoming homeless. Our significant experience, resources and ability to provide value for money were contributors to our success in these very competitive tenders.

### National Regulatory System

It seemed that 2014 was a year devoted to regulatory matters and tenders. While the NSW FACS reforms are important, just as important was the introduction of a new National Regulatory System for Community Housing. Under the new accreditation system Wentworth was rated Tier 1. This reflects that we as a provider are involved in activities that necessitate a higher level of risk. It is also tangible recognition of the work Wentworth does and the high level of service standards we provide to residents, and our service partners.

Additionally in 2014, Wentworth was re-accredited for next three years by the National Community Housing Standards. First developed in the late 1990s these standards establish the good practices required in the community housing sector.

### Houses to homes

Managing a diverse property portfolio of over 2,000 houses and apartments will always have its issues and concerns. We need to balance a proactive building maintenance program with the recognition that very few houses have been designed to last a life time. What were acceptable living standards even twenty years ago now no longer meet the needs of the modern Australian family – local transport, broadband, number of bedrooms, location to schools, employment.

In 2014 we continued to review our properties and to seek new ways of adding to our property mix. We were successful in winning the tender for the management of the Parker Street development in Penrith. This is a 28 unit development that has been purpose built to house people aged over 55. The layout of the units and the flexibility in design will ensure the apartments can be modified if a tenant's mobility or other health issues dictate. We do this because we recognise moving can create disruption and disconnect people from their communities.

Alongside this new project we completed the maintenance and upgrades to those last tranche of 900 houses transferred to Wentworth under Housing NSW Property Transfer Program. Maintenance continues to be our biggest cost. We have invested well to create a sound maintenance program to ensure that our houses and apartments exceed government required standards.

On the property development front, 2014 was a year of mixed results. Rouse Hill (28 unit affordable and social housing development) has been tracking well. Our development application had a smooth path through council and we have recently selected a builder. Derby Street (61 unit development) is in its final phase and we anticipate the first tenants in late November. The delays in this project while regrettable have provided valuable insights into the issues involved in managing a large development.

We have also made substantial progress on the Springwood group home for people with disabilities. This project has now had its development application accepted, the builder has been selected and work will commence shortly. This project demonstrates how diverse are the housing needs of our residents. The group home will cater for people with a range of disabilities and be flexible in its design so that all residents can be easily and safely supported.

In light of the challenges that are inherent in any property development the Board decided that it would be prudent for us to undertake further research into how Wentworth could best use its resources and skills. To this end we have created a time limited Strategic Asset Development Committee and commissioned Social Ventures Australia to look at how Wentworth should best undertake its property development activities.

**We were successful in winning the tender for the management of the Parker Street development in Penrith. This is a 28 unit development that has been purpose built to house people aged over 55.**





### Homes into communities

International evidence shows that people who are homeless have a greater chance of success when they have a home before anything else. It is this philosophy which underpins Wentworth's Project 40 program and helps end chronic homelessness by providing a home first, then practical support to build a new life.

As an example of proactive collaboration between more than 80 service providers including, churches, charities, families and children support agencies, local councils, and employment agencies, Project 40 has been an outstanding success. By assessing applicants against a recognised vulnerability index, we can allocate the most appropriate supportive housing packages and services. In 2014 we provided 14 new housing and support packages to bring the total number of packages across our four local government areas to 76.

By wrapping a range of services around the provision of a home, we can actively assist these people reconnect with their community and to build new friendships and a new sense of self. It is not an easy task and the mental, physical and social issues are at times daunting. However the rewards of seeing people make substantive and long-term changes is reward in its on right.

Along with this intensive support we have developed a raft of other community building services to ensure all our residents feel connected to others in their community. We have introduced the Tenant Engagement Advisory Member committee to regularly meet across the four LGAs to ensure our residents have a forum to discuss their issues and to learn about other community activities. We have appointed a Sustainable Communities Project Officer to work specifically with our communities to further develop these services.

### Our people are our strength

The success of Wentworth is built on the skills and talents of our staff. They have to face many demanding circumstances and their ability to do this with a smile is a testimony to their commitment to the work we do. Whether it was setting up an immediate call centre to contact all residents affected by the October 2013 bushfires, or simply lending a sympathetic ear, our staff are our best advocates.

To assist our staff develop their potential, we welcomed, in May, Denise Hartman as Wentworth's first Human Resources Manager. Denise's appointment has allowed us to put

much needed structure around the strong collegiate culture we have within Wentworth.

We have continued to incorporate feedback from our annual staff survey into our business protocols and practices. In the past year we undertook a complete review of all our policies and procedures to ensure that it supported the work we were doing and did not add levels of unnecessary complexity.

### 2015 and beyond

The provision of housing to meet the needs of individuals and families with low to moderate income will continue to lag the demand. As an organisation we wish it were different. We realise that solving the housing concerns of those in need does not stop with the provision of a door key. It is only the start.

Our focus over the next few years will be to complete our existing development projects which will add around 65 affordable housing properties and to implement the programs we outlined in our "Going Home Staying Home" tenders. The success of these will ensure we are effectively addressing the issue of homelessness in our region.

Our deep experience at the coalface of the provision of housing in all its shapes and forms means we are well placed to develop the right services to support our tenants. We are always looking to build strong and innovative partnerships with other human service agencies to collectively make a difference to the communities in which we work.

**Nick Sabel**  
Chief Executive Officer

A person wearing a white t-shirt is holding a large, solid orange sign in the shape of a house. The sign has a gabled roof and a small chimney on the right side. The text "A DAY IN THE LIFE OF WENTWORTH COMMUNITY HOUSING" is printed in white, bold, sans-serif capital letters across the middle of the sign. The person's arms are visible at the bottom of the frame, holding the sign.

# A DAY IN THE LIFE OF WENTWORTH COMMUNITY HOUSING



## HOUSES

The 2,000+ dwellings we manage and own are the foundation of all our services and programs. Our ability to manage well is at the heart of our continued growth as a community housing and services provider.

## HOMES

Making a house a home does not happen overnight. It is a gentle process of feeling safe, and getting to know your neighbourhood. A home is place from which our tenants can build a new life.

## COMMUNITIES

Crafting a sense of belonging and being connected is central to the services and programs Wentworth develops. We know the power of combined action to create better lives.





**8:00 am**

Teamwork is central to the way we run Wentworth. We recognise that it takes a range of skills and experience to assist our tenants, applicants and homeless. We take a holistic approach in working with those who need our assistance. Rarely does a medical, social or economic issue occur in isolation. With our deep experience in assisting those in need and a strong network of partnerships with local agencies we are well placed to provide the right assistance at the right time.



**8:30 am**

Employing where possible local repairers and maintenance contractors, our call centre handles thousands of calls every year. From the small to the big repair jobs we have a 24/7 call centre to assist our tenants in solving their issues. Our tenant handbook provided to all our tenants gives detailed instructions on how to report electrical, gas and water issues. Our role is to make the handling of such typical household issues as easy as possible.



**9:00 am.**

Our commitment to social inclusion and diversity is shown in the continual change in the mix of properties and tenants. Whether it is an increasing number of tenants who are ageing, have a disability, or the increasing demand for one bedroom homes, our aim is to find the right solution for each applicant. Our Parker Street, complex is devoted to people aged over 55. Attached to this project is an Assistive Technology Support Program where staff can access products and services to assist our tenants to continue to live in the same home. The layouts of the homes take into consideration future needs and have met with wide approval.



**9:30 am**

The role of Wentworth has changed markedly over the years, with governments now recognising that community housing organisations who are deeply embedded in their community are the best groups to create new housing. By developing our own projects we can ensure dwellings are purpose-built to suit both the current and future needs of our tenants. Our goal is to provide housing that can be adapted to meet the changing needs of our tenants.



### 10.00 am

Moving day: With over 2,000 properties under management, one of the challenges is to match the tenant to the right property. We recognise that our tenants welfare is of paramount importance. With more multi-resident apartments coming into our mix we work to create the right mix of tenants, encouraging tenants to relocate into more appropriate and suitable accommodation allowing families access to larger houses. We take into consideration access to public transport, commercial centres for work and play as well as education.



### 10.30 am

The "Just Because" morning tea is a new initiative organised by our Housing Services team. We want tenants to have a regular event where they can meet with other people in their community with a dish of food that they have prepared. The morning teas take place "just because" it is a nice day to share a cup of coffee and to have chat about anything. By not having a specific focus, those attending "Just Because", get to know each other and chat about topics that matter to them, have a laugh, share recipes and just being amongst people who care.



### 11.00 am

Assisting tenants and members of communities break the cycle of unemployment is part of our integrated focus. A partnership co-funded by Wentworth and the Riverstone Neighbourhood Centre has created an employment and training pathway to give practical work experience. Amanda who lives in Riverstone is completing her Certificate IV in Community Welfare. Both agencies are supporting Amanda as the Aboriginal Engagement Worker while giving her valuable work experience. In return she is making a major difference to the community in which she lives and works.



### 11.30 am

While managing properties is still our major focus, the way we provide community services and support has changed. Tendering for government contracts is now a major part of our daily life. 2014 called for Wentworth to complete a range of accreditation programs and apply for "Going Home, Staying Home" tenders. None of these tenders are solo projects. We need to work with a range of local agencies to ensure we deliver the best range of services.



### 12.30pm

We recognise that moving into a home is only part of the process. As part of our agreement with our tenants Wentworth organises a range of meetings and property inspections. From a settling-in visit that gives tenants an opportunity to ask further questions about our services to annual client visits that allow tenants to discuss if they need additional support. Our tenant-centred approach ensures tenants feel comfortable to ask for support.



### 1.00 pm

Our successful Project 40 program is an approach to addressing chronic homelessness for individuals and families that encompasses a range of sustainable responses. It is a solution for people who have been homeless for a long period of time (eg. over twelve months), not a preventative or early intervention approach. The key principle is the provision of long term stable housing as a first step, complemented by the coordinated provision of services to manage their often complex needs.



### 1.30 pm

Another initiative of Wentworth is our Tenant Engagement and Advisory Members (T.E.A.M.) program. Consisting of tenants from the different suburbs to provide input into our planning. Tenant feedback allows us to better evaluate how we can assist people and how they can assist others in the same situation in their neighbourhood. These meetings held locally are open to all tenants and provides an opportunity to be involved in their community.



**International evidence shows that people who are homeless have a greater chance of success when they have a home before anything else**





**2.00 pm.**

Creating a home is more than just providing a house. When we plan our new developments we pay as much attention to the surrounds, the gardens and the closeness to shops, transport and schools. By providing open space areas within our apartments we encourage tenants to enjoy the garden and to connect with their neighbours.



**2.30 pm**

Being aware of the changing needs of our tenants is central to our planning process. Our properties are predominately located in the Hawkesbury, Blue Mountains, Penrith and Blacktown local council areas. This spread allows us to find the best fit for each of tenants. This new 3 bedroom house in St Marys demonstrates the quality of housing now being developed for Wentworth's tenants. While there has been an increasing demand for single people requiring support, we still need to build and manage for growing families.



**3.00 pm**

We really walk the talk when it comes to listening to the needs of our tenants. Wentworth actively engages with its communities, its members and agencies to deliver programs that encourage learning, pride and ownership and creating a sense of belonging. We draw on the strength of people wanting to give back to their community, who want to participate and have insights to offer. Wentworth has skilled staff that work closely in our communities to assist where possible.



**4.30 pm**

Wentworth went from a Service Delivery Team to a Contact Centre during the Blue Mountains/ Hawkesbury fires in October 2013. We rang over 1,300 tenants to check if they needed any assistance. Standby transport was arranged for the disabled and aged who were vulnerable. Messages were relayed back to friends and relatives where tenants were separated from their families by the fires and road closures. Moreover, a number of staff whose properties were under threat stayed to staff the phones.



# SENIOR MANAGEMENT TEAM



**Nick Sabel** Chief Executive Officer

As CEO, Nick has led Wentworth for over 15 years building the organisation to be an innovative and dynamic provider of housing and community services in Western Sydney. Nick holds qualifications in Social Work, Policy Studies and is a Graduate of the Institute of Company Directors. He was previously a Director on the Board of the NSW Federation of Housing Associations and from 2005 – 2009 held the position of Chairperson.



**Kathryn Williams, PSM** Manager, Housing Services

Kathryn has been part of the Senior Management Team since February 2013. Her 25 years in the Social Housing sector provides her with vast skills and experience in setting the strategic and operational direction for staff and the community. Kathryn's Public Sector Medal, together with her Diploma's in Management and Natural Therapies helps her to achieve her passions and vision of helping the disadvantaged and making a difference in peoples lives.



**Greg Oong** Manager, Finance and Corporate Services  
and Company Secretary

Greg has been part of the Senior Management Team since July 2010. He has a Bachelor of Commerce with a major in Finance and was a member of the Institute of Chartered Accountants of Australia from 1987 to 2008. Greg has worked within the not for profit sector for over twenty five years and with various community housing providers for over twenty years. He has also consulted to Government in the community housing area.



### **Kerry Dolaghan** Acting Manager Community Services

Kerry has been a member of the Senior Management Team since January 2013. Kerry has over 18 years in the Public Service and 12 years in the human services industry and this has enabled her to develop a wide range of skills, experience and knowledge that allows her to provide leadership and strategic direction to the Community Services Team.



### **Denise Hartman** Manager, Human Resources

Denise has worked in Human Resources for the last 20 years, primarily for financial services institutions including Westpac (Institutional Banking) and Rothschild Australia. Prior to joining Wentworth, Denise held for ten years the role of Human Resources/ Learning and Development Manager for BNP Paribas. Denise is passionate about supporting staff to be able to do their jobs effectively. She has a particular interest in performance planning and management, organisational development, leadership and management development and career planning.



### **Jitender Balani** Acting Manager, Asset and Development Services

Prior to joining Wentworth in July 2014, Jitender has been responsible for managing the Community Housing asset portfolio and asset system, including portfolio supply and realignment, asset management planning, standards formulation, asset strategies, contracts, QA and major asset improvement initiatives. Jitender has over 30 years experience in a range of asset management roles both in Australia and overseas. In Australia, Jitender has worked in various roles in the private, government and NGO sectors since 1992.



### **Jenny Ranft** Manager, Community Services (New appointment)

Jenny joined Wentworth Community Housing as the Manager, Community Services in October 2014. Person centred service is at the heart of Jenny's work to strengthen families and individuals and to build community. She has led teams and managed programs to deliver prevention, early intervention and intensive support services to people in Western Sydney from within government and non-government organisations for over 30 years.



# BOARD OF DIRECTORS



**Keith Bryant**

**Chairperson**

Appointed February 2014. Joined the Board February 2012.

Keith manages a social impact consultancy business. Prior to this, he worked as the Chief Operating Officer and held other management roles with the Benevolent Society and as an investment banker in Australia and overseas.

**Special Responsibilities:** Chairperson of the Board and member of the Finance, Risk and Audit committee.



**Ken Gilbert**

**Vice Chairperson**

Appointed February 2014. Joined the Board February 2013.

Ken is currently a senior manager in Sydney University's Campus & Infrastructure Services division. His experience in leading teams provides Wentworth with specific expertise in the areas of human resources management, strategy development and community networks.

**Special Responsibilities:** Vice Chairperson of the Board and Chairperson of the Finance, Risk and Audit Committee.



**Joseph Litwin**

Joined the Board February 2007.

Joseph is the Executive Manager, Community Partnerships with Hawkesbury City Council. He has over 26 years experience in both the public and local government sectors, community engagement and service commissioning.

**Special Responsibilities:** Member of the Asset Development Committee.



### Ron Coskerie

Joined the Board February 2013.

Ron has been a senior banking executive for over twenty years. He has extensive experience across the banking and finance industry with particular reference to property funding and development and aged health care in the not for profit sector.



### Cameron Lamb

Joined the Board February 2013.

Cameron has very broad experience in property development. The majority of his work has been focussed around the planning, development and construction of large master planned and medium density residential developments.

**Special Responsibilities:** Chairperson of the Asset and Development Committee.



### Ashleigh O'Brien

Joined the Board February 2013.

Ashleigh is a senior executive with an international building materials company. She has worked extensively in the corporate world and provides expertise to both the Board and Wentworth in the areas of strategic business planning, communications and marketing.

**Special Responsibilities:** Member of the Finance, Risk and Audit Committee.



### Brodie Druett

Joined the Board November 2013.

Brodie is a recently retired senior public servant formerly with Housing NSW and Family and Community Services (FACS). His last role was as the Interim District Director FACS Nepean/Blue Mountains. Brodie holds a number of voluntary roles in the Penrith/Blue Mountains area.

**Special Responsibilities:** Member of the Asset and Development Committee.

# STATEMENT OF CORPORATE GOVERNANCE

Wentworth Community Housing Limited is committed to maintaining high standards of corporate governance to ensure the organisation achieves its stated objectives in ways that are transparent, accountable and effective. Corporate governance arrangements are reviewed annually by the Board. The Board's conduct is governed by Wentworth's constitution.

The Board is responsible for:

- › Setting and monitoring the strategic direction of the organisation
- › Approving and monitoring financial reporting including financial budgeting and forecasting
- › Establishing policies and guidelines to ensure accurate and timely financial and operational reporting
- › Establishing policies on risk oversight and management
- › Establishing guidelines for levels of delegation of authority
- › Promoting ethical and responsible decision-making
- › Appointing and measuring the performance of the Chief Executive Officer and the organisation
- › Ensuring that the Board is and remains appropriately skilled to discharge its responsibilities and duties, and to meet the changing needs of the organisation and sector
- › Ensuring that Wentworth complies with Corporations Law, Australian Charities and Not for Profits Commission and all other relevant legislation

- › Providing guidance on and overseeing the performance of other key aspects of Wentworth's operation

## Committees

The Board has established the following committees to assist the Board with governance:

- › Finance, Risk and Audit
- › Asset and Development

Each committee has terms of reference that set out its role, responsibilities, composition and structure. The terms of reference are reviewed annually. Committees report regularly to the Board and minutes of meetings are provided.

## Ethical standards

The Board promotes practices that are transparent and uphold the principles of good citizenship. All Directors and staff sign a code of ethical conduct and register of interests. Directors are required to disclose any potential conflict of interest at the start of all Board meetings, when the Board determines an appropriate response which may require a Director to remove themselves from discussions, decisions or votes. In the case of staff, any actual or perceived conflict of interest must be declared to management in accordance with policy. The Board has a policy and a code of conduct to guide compliance with legal, statutory and other obligations to all stakeholders.

## Board performance review

The performance of the Board and its committees and Directors is reviewed regularly to ensure that Directors and the Board work effectively and efficiently to maintain high standards of governance and fulfil their functions set out in the Board charter. The performance review covers areas including the Board's role, strategic directions, oversight of service delivery, legal and regulatory framework, financial and risk management, knowledge of the community housing sector and relationship with the Chief Executive Officer.

## Board composition and renewal

The Board considers that individually and collectively the Directors bring an appropriate mix of skills, experience and expertise. Information about Directors and their skills and experience can be found in this report. The Board regularly reviews and evaluates its succession planning process. A Board skills matrix identifies the skills and experience of current Directors and the skills and experience that the Board considers necessary and desirable for the future. This matrix helps guide renewal and recruitment.



# FINANCIAL REPORT

For the year ended 30 June 2014

Wentworth Community Housing Limited  
A.B.N. 50 003 076 337



# DIRECTORS' REPORT

Your Directors present this report on the company for the financial year ended 30 June 2014.

## Directors

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

- › Keith Bryant
- › Ken Gilbert
- › Shirlene Bennett  
(resigned November 2013)
- › Ron Coskerie
- › Brodie Druett  
(appointed November 2013)
- › Estelle Ehmann  
(resigned February 2014)
- › Cameron Lamb
- › Joseph Litwin
- › Ashleigh O'Brien
- › Susan Palmer  
(resigned November 2013)
- › Pat Smith  
(resigned November 2013)

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

## Principal activity

The principal activity of the Company during the course of the year was the provision of housing to very low to moderate income earners and the homeless. There was no significant change in the nature of this activity during the year.

## Operating result

The surplus of the company for the financial year amounted to:

Year ended 30 June 2014	Year ended 30 June 2013
\$12,021,664.92	\$4,668,978.41

## Review of operations

This year has been challenging with the changes in Government structures and processes together with changes in the community housing and more generally in the not for profit sector. Wentworth has continued to evolve as an organisation to meet these challenges with improvements internally and endeavoured to position ourselves to meet the demands of Government at all levels in order that an improved service can be delivered to those who are most needy in our community.

The Company's operating result for the year was a total surplus of \$12.021 million which included capital grants received in respect of the Derby Street and Springwood projects of \$8.448 million. These grants are committed to existing developments. Excluding these capital grants results in an operating surplus of \$3.573 million. This is another strong financial performance with an aggregate surplus over 4 years from 2011/2012 of \$15.468 million and these surplus results have enabled the Company to maintain a strong and viable financial position.

The operating surpluses have been used to accumulate specific purpose reserves to maintain Wentworth's strong financial position. As at June 2014, the reserve for future

maintenance was \$11.7 million (2013 \$8.6 million). This maintenance reserve is crucial for long term viability as these funds will be used to fund long term planned maintenance costs of over 1,600 capital properties in some years when annual operating revenues will not meet all of these planned costs.

In addition, Wentworth has \$4.237 million in funds for the specific purpose Acquisition and Development Reserve. These funds will be used for equity contributions in the Rouse Hill and Penrith affordable housing projects which Wentworth is currently committed to developing. Further funds remain available for potential opportunities which arise in the development of more affordable and social housing. The Community Services special projects reserve has \$400,000 for projects as determined by the Board and the IT and computer reserve of \$946,000 will be used to fund the IT implementation that will take place during the 2014/2015 year.

These reserves provide a significant financial base across the key areas of the business to ensure long term financial viability.

This year saw the acquisition of Wentworth's first development project at Derby Street Penrith. This development was funded from Government contributions, Wentworth equity and debt funding. This was also the Company's first foray into debt funding however the strong financial position and continued strong operating results enabled the debt level to be manageable with a low risk level.

This year also saw the finalisation of the maintenance upgrade program to over 900 properties where the management rights were transferred from Housing NSW. Over the last four years, these properties have been scoped and upgraded to asset standard excluding a small number to be completed due to access issues.

This program of maintenance was funded by grants from Housing NSW however future maintenance will be required to be funded from Wentworth's revenues and reserves.

In the area of Community Services, changes in Government structures and funding will see the completion of Wentworth's three community services programs (Project 40, Nurreen and Housing Resource Worker) in October 2014. Wentworth participated in a rigorous State wide tender for the new Going Home Staying Home community services funded programs and was successful in two tenders as the lead agency and as a partner in a third. This outcome will enable Wentworth to continue to provide its homeless and domestic violence services and remain as one of the leaders for homelessness and community services delivery in Western Sydney.

The future for Wentworth continues to remain promising. The last 12 months has been a period of consolidation, with some small property growth, success in both housing and community services tenders and an increased focus on property acquisition and development.

The Board together with the senior management team and staff will continue to focus on reviewing strategy and ensuring systems, processes and procedures maximize efficiencies and achieve economies of scale to ensure Wentworth continues to provide the excellent services to our tenants, service partners and stakeholders for the best outcomes into the future.

## Strategic priorities

The Company's strategic priorities as part of the Strategic Plan for the 2013/2014 year were:

- › Sustaining tenancies
- › Strengthening communities
- › Supporting practice excellence

## Strategic goals

To achieve the strategic priorities, the Company adopted seven primary goals as listed below. Significant achievements have been made against the strategic plan and some of these are listed under each of the strategic goals:

- a) Understand customer needs
  - Client service visits to tenants have improved engagement and service delivery outcomes including general and specific well being checks such as days of high temperatures and excessive heat.
  - Realigned Housing Services team structure to better manage tenant complexities and transactional work.
  - The Tenant Advisory and Engagement Members (TEAM) are meeting regularly, undertaking visits to complexes with staff (i.e. bus trips) and presenting at conferences and developing meeting skills.
- b) Deliver innovative housing solutions for solving homelessness
  - Achieved an additional 14 housing & support solutions for chronically homeless people under P40 with a successful retention rate of 89% over the four years of the program.
  - Ongoing facilitation and participation in the Homelessness Hubs to provide a contact point for the homeless to link them to housing and other community services.

- Undertook the Vulnerability Index Survey to identify the most at risk chronically homeless people – successfully housed 10 of the most vulnerable people.
- Successful in the Going Home Staying Home (GHS) Tenders for the Adult and Tenancy Support Services Programs, as a partner in the Domestic Violence Program.

- c) Deliver innovative and sustainable housing solutions
  - Successful in a Housing NSW (HNSW) tender for 28 units in Penrith that accommodates senior tenants which includes the innovative delivery of assistive technology that will see aged persons provided with mobility aids and products to assist tenants in their later period of life.
  - Additional six properties from HNSW in conjunction with the Department of Community Services under the "A Place To Call Home" program to support clients with complex needs.
  - Reviewed property portfolio for potential redevelopment sites and developed feasibility studies including approval for development of the Rouse Hill project.
  - On-going construction of Derby St project – 61 affordable housing units with completion due in November 2014.
  - Successful in obtaining funding from both Penrith City Council and Housing NSW for a 24 dwelling affordable housing project in the Penrith local government area.



d) Strengthen communities

- Employment of the Sustainable Communities Project Officer who will ensure implementation of 'Our Place' community engagement plan and other planning/delivery within priority locations identified as marginalised such as Riverstone, Shalvey, Cranebrook, Katoomba and senior complexes throughout the area.
- The Riverstone Community Connections Committee, led by Wentworth staff has seen partners join together to address issues affecting the community. Equally the partners are working together to ensure value adding to the broader community by creating vibrant neighbourhoods.
- Introduction of employment opportunities for tenants with contractors engaged by Wentworth.

e) Remain financially viable with a strong financial base

- Had an annual operating surplus in excess of \$3.5 million (excluding capital grant) with aggregate surpluses over \$15 million in four years.
- Generated prior and current year surpluses to accumulate reserves for long term future maintenance and special projects including property development in excess of \$17 million.
- Maintain corporate overhead costs at less than 15% of total expenditure.

f) Having a healthy and strong culture

- Developed a staff well being program including group activities for healthier lifestyles.
- Undertook group, team and individual staff training about working behaviours and working and respecting work colleagues.

- Development of the peer driven Rewards and Recognition program that ensures those staff who achieve significant outcomes are recognised accordingly.
- Created the role of HR Manager.

g) Being widely regarded as a centre of excellence

- Been recognised at both a National and State level and on an organisational and individual basis for work undertaken by Wentworth.
- Received Tier one registration under the National Regulatory System for Community Housing.
- Received three years Accreditation following an independent review of the Companies organisational structure, processes and policies against the National Community Housing Standards.
- Wentworth have been asked to present at a number of forums and including writing articles for the Parity Journal, the Media on success stories etc.

### Key performance measures

The Board meets monthly together with two committees which are Finance, Risk and Audit and Asset and Development to review the Company's progress against strategic objectives. During the year, the previous committees namely Corporate Governance, Finance and Audit, Community Advisory, Asset and Development and Organisational Health and Development were aggregated into the two current committees following an independent Governance review.

The Board receives key reports each month from the senior management team together with a balanced scorecard that summarises the key areas of the business and enables the Board to review the state and

health of the company. This scorecard enables the Board to check the organisational health of the company by reviewing financial and non financial key performance indicators against prior months and benchmark.

The Board will be implementing a program of internal audit for key risk areas of the business to complement the statutory external audit which is undertaken periodically during the year. In addition, a compliance intranet has been rolled out to Board and staff in the 2013/2014 year that will be used to improve user knowledge and acceptance of the Company's policies and procedures. The Board is also involved in the annual Registration undertaken by the National Registrar of Community Housing and Accreditation process which is undertaken every three years.

### Information on Directors

#### Keith Bryant

Appointed January 2012

#### Qualifications

Bachelor of Economics and Law (Syd), Masters of Business Administration (Macquarie Graduate School of Management) and Graduate member of the Institute of Company Directors (AICD).

#### Experience

Keith manages a social impact consultancy business. Prior to this, he worked as the Chief Operating Officer and other management roles with the Benevolent Society and as an investment banker in Australia and overseas.

#### Special Responsibilities

Chairperson of the Board and member of the Finance, Risk and Audit committee.

**Ken Gilbert**

Appointed February 2013

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**Qualifications**

Bachelor of Social Work (UNSW), Bachelor of Business (CSU) and Graduate member of the Australian Institute of Company Directors (AICD).

**Experience**

Ken has held senior positions leading Community Services teams in municipal Councils and senior human resources roles in organisations and consulting firms. He is currently a Senior Manager at Sydney University's Campus and Infrastructure division. His experience in the corporate and not for profit sectors is extensive and he provides specific expertise in the areas of human resources management, strategy development and community networks.

**Special Responsibilities**

Vice Chairperson of the Board and Chairperson of the Finance, Risk and Audit committee.

**Ron Coskerie**

Appointed February 2013

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**Qualifications**

Master of Business in Accounting and Finance (UTS), Graduate member of the Institute of Company Directors (AICD), Fellow of the Institute of Public Accountants and Fellow of the Financial Services Institute.

**Experience**

Ron has been a senior banking executive for over twenty years. He has extensive experience across the banking and finance industry with particular reference to property funding and development and aged health care in the not for profit sector. He provides expertise to Wentworth through his wealth of experience and expertise in finance and in particular funding of development projects.

**Brodie Druett**

Appointed November 2013

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**Qualifications**

Graduate Certificate in Housing Management and Policy (Swinburne University) and member of the Australasian Housing Institute (AHI).

**Experience**

Brodie is a recently retired senior public servant formerly with Housing NSW and Family and Community Services (FACS). He was General Manager for Southern and Western Region in Housing NSW for 6 years up to February 2013. His latest role prior to retirement was Interim District Director FACS Nepean/Blue Mountains. Brodie currently volunteers in a number of roles in the Penrith/Blue Mountains area.

**Special Responsibilities**

Member of the Asset and Development Committee.

**Cameron Lamb**

Appointed February 2013

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**Qualifications**

Bachelor of Engineering (Civil), Chartered Professional Engineer and Diploma of Youth and Development.

**Experience**

Cameron has very broad experience in property development; the majority of his work has been focussed around the planning, development and construction of large master planned and medium density residential developments however, he also has considerable experience in commercial developments and special projects including schools and parks. He has also worked in the community development sector on housing estate renewal enabling him to provide a unique perspective on achieving commercial and housing in the context of community housing.

**Special Responsibilities**

Chairperson of the Asset and Development committee.

**Joseph Litwin**

Appointed February 2007

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**Qualifications**

Masters in Development and Community Organisation.

**Experience**

Joseph is the Executive Manager, Community Partnerships with Hawkesbury City Council. He has over 26 years experience in both public sector and local government and community engagement and service commissioning.

**Special Responsibilities**

Member of the Asset and Development committee.

**Ashleigh O'Brien**

Appointed February 2013

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**Qualifications**

Bachelor of Arts in Communication and Media (UWS), Masters of Business Administration (SGSM), Masters of Business Marketing (SGSM) and Graduate Member of the Institute of Company Directors (AICD).

**Experience**

Ashleigh is a senior executive with an international building materials company. She has worked extensively in the corporate world and provides expertise to both the Board and Wentworth in the areas of strategic business planning, communications and marketing.

**Special Responsibilities**

Member of the Finance, Risk and Audit committee.

## Meetings of Directors

The number of meetings (including meetings of committees) held during the year and the numbers of meetings attended by each Director were as follows:

	No. of meetings held*	No. of meetings attended
Keith Bryant	14	13
Ken Gilbert	20	18
Shirlene Bennett	8	7
Ron Coskerie	12	9
Brodie Druett	11	11
Estelle Ehmann	12	8
Cameron Lamb	19	18
Joseph Litwin	18	14
Ashleigh O'Brien	11	8
Susan Palmer	9	9
Pat Smith	10	10

\*Indicates the number of meetings that each Director was available during the year. Ashleigh O'Brien and Keith Bryant had short leaves of absences approved by the Board during the year.

## Significant changes in the state of affairs

In addition to its primary purpose of providing social and affordable housing, the Company has won two tenders under the State Government Going Home Staying Home tender program. These two tenders are for three years with total funding of \$3.6 million for the period. In addition, the Company was successful in a third tender as a partner with another organisation with whom there has been strong working relationships in the past. Wentworth will also be undertaking two new developments during the year at Rouse Hill and Springwood.

## After balance date events

Since 30 June 2014, the sale of contract of land at Hazelbrook was exchanged in September 2014 at the written down cost as at balance date. Sites for an affordable housing development project in conjunction with Penrith Council are still being considered at this stage.

Other than the above, there are no other matters or circumstances have arisen since 30 June 2014 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 subsequent financial years.

## Future developments

The Company will continue to participate in the Housing NSW property stock transfer program where appropriate and continue with two development projects during the year. In addition, the Company will continue to source acquisition and property development opportunities in partnership with BlueCHP Limited.

## Contributions on winding up

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. In the event that the Company is wound up, the constitution states that each member is required to contribute a maximum of \$20.00 each towards meeting any outstanding obligations of the entity. At 30 June 2014, the total amount that members of the company are liable to contribute if the company is wound up is \$320.00 (2013:\$340.00).

## Auditor's independence declaration

The auditor's independence declaration in accordance with section 60–40 of the Australian Charities and Not-for-profits Commission Act 2012 has been received and can be found on page twenty five (25).

Signed in accordance with a resolution of the Directors of the Company:



**Keith Bryant**  
Director



**Ken Gilbert**  
Director

Dated the 17th day of October 2014



Grant Thornton

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**Auditor's Independence Declaration  
To the Directors of Wentworth Community Housing Limited**

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Wentworth Community Housing Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

James Winter  
Partner - Audit & Assurance

Sydney, 17 October, 2014

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# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2014

	Note	2014 \$	2013 \$
<b>REVENUE FROM ORDINARY ACTIVITIES</b>			
Government grants and subsidies	2	14,980,883.60	6,971,496.19
Tenant rents		20,121,977.96	18,878,336.85
Other revenues		3,516,418.59	986,219.62
Employee benefits expense		(4,073,725.53)	(3,960,535.02)
Property and lease expenses	5	(20,674,243.25)	(15,833,156.63)
Depreciation expenses	3	(139,548.00)	(161,681.17)
Other expenses from ordinary activities	6	(1,710,098.45)	(2,211,701.43)
<b>Net surplus for the year</b>		<b>12,021,664.92</b>	<b>4,668,978.41</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the year		–	–
<b>Total comprehensive income for the year</b>		<b>12,021,664.92</b>	<b>4,668,978.41</b>

# STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Note	2014 \$	2013 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	12,927,140.19	17,911,408.07
Accounts receivable and other debtors	9	1,613,089.83	2,435,532.75
Other current assets	10	10,246,114.16	612,359.67
<b>Total current assets</b>		<b>24,786,344.18</b>	<b>20,959,300.49</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	14,709,169.74	1,994,162.44
Other non-current assets	12	1,430,243.01	1,710,164.96
<b>Total non-current assets</b>		<b>16,139,412.75</b>	<b>3,704,327.40</b>
<b>Total assets</b>		<b>40,925,756.93</b>	<b>24,663,627.89</b>
<b>CURRENT LIABILITIES</b>			
Accounts and other payables	13	6,472,766.79	7,388,113.01
Borrowings	14	300,000.00	–
Current tax liabilities	15	33,692.00	–
Provisions	16	495,135.44	433,370.71
<b>Total current liabilities</b>		<b>7,301,594.23</b>	<b>7,821,483.72</b>
<b>NON-CURRENT LIABILITIES</b>			
Accounts and other payables	13	59,940.55	–
Borrowings	14	4,725,000.00	–
Provisions	16	142,705.66	167,292.60
<b>Total non-current liabilities</b>		<b>4,927,646.21</b>	<b>167,292.60</b>
<b>Total liabilities</b>		<b>12,229,240.44</b>	<b>7,988,776.32</b>
<b>Net assets</b>		<b>28,696,516.49</b>	<b>16,674,851.57</b>
<b>FUNDS</b>			
Reserves	7	17,971,000.00	14,421,000.00
Accumulated funds		10,725,516.49	2,253,851.57
<b>Total funds</b>		<b>28,696,516.49</b>	<b>16,674,851.57</b>

# STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2014

	Accumulated Funds \$	Reserves \$	Total Funds \$
<b>Balance at 1 July 2012</b>	<b>1,017,873.16</b>	<b>10,988,000.00</b>	<b>12,005,873.16</b>
<b>Comprehensive income</b>			
Surplus for the year	4,668,978.41	–	4,668,978.41
Other comprehensive income for the year	–	–	–
<b>Total comprehensive income</b>	<b>4,668,978.41</b>	<b>–</b>	<b>4,668,978.41</b>
Transfer to/from reserves	(3,433,000.00)	3,433,000.00	–
<b>Balance at 30 June 2013</b>	<b>2,253,851.57</b>	<b>14,421,000.00</b>	<b>16,674,851.57</b>
<b>Comprehensive income</b>			
Surplus for the year	12,021,664.92	–	12,021,664.92
Other comprehensive income for the year	–	–	–
<b>Total comprehensive income</b>	<b>12,021,664.92</b>	<b>–</b>	<b>12,021,664.92</b>
Transfer to/from reserves	(3,550,000.00)	3,550,000.00	–
<b>Balance at 30 June 2014</b>	<b>10,725,516.49</b>	<b>17,971,000.00</b>	<b>28,696,516.49</b>

# STATEMENT OF CASH FLOWS

For the year ended 30 June 2014

	Note	2014 \$	2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Tenant rents received		19,847,672.56	18,696,830.38
Sundry income		60,850.84	186,823.60
Government grants and subsidies		16,889,385.46	6,115,540.98
Payments to suppliers and employees		(26,043,242.90)	(21,547,814.80)
Interest received		817,063.29	799,396.02
Net cash from operating activities	19	11,571,729.25	4,250,776.18
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(12,254,367.26)	(1,390,275.32)
Payment for Investment		(9,300,000.00)	–
Payment for debt borrowings		–	–
Payment for BlueCHP loan		–	–
Net cash used in investing activities		(21,554,367.26)	(1,390,275.32)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net increase in bank loan		5,025,000.00	–
Payment for borrowing expenses and property bonds		(26,629.87)	–
Net cash from financing activities		4,998,370.13	–
Net increase in cash held		(4,984,267.88)	2,860,500.86
Cash at the beginning of the financial year		17,911,408.07	15,050,907.21
Cash at the end of the financial year	8	12,927,140.19	17,911,408.07



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

## Note 1: Summary of significant accounting policies

### 1. Nature of operations

Wentworth Community Housing Limited's principal activities were to provide social and affordable housing to very low to moderate income earners and the homeless and provide community services to the disadvantaged in the community in Western Sydney.

### 2. General information and statement of compliance

The general purpose financial statements of the Company have been prepared in accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012, Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements for the year ended 30 June 2014 were approved and authorised for issue by the Board of Directors of Wentworth Community Housing Limited on the 17th of October 2014.

### 3. Revenue recognition

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

### Rental Income

Rental Income is recognised as income in the period within which it is earned.

### Government grants

Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Revenue from non-reciprocal grants is recognised when the company obtains control of the funds.

### Rendering of services

Revenue from fees received for services and management fees is recognised when the service is provided.

### Interest

Revenue is recognised as interest accrues using the effective interest method.

### 4. Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and at bank, deposits held at call with financial institutions, other short term, highly liquid investments with 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.

### 5. Current and other receivables

#### Current receivables

Current receivables are recognised at original invoice amounts less an allowance for uncollectible amounts. Collectability of receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence that the company will not be able to collect all amounts due according to the original terms. On confirmation that the receivable will not be collectible, the gross carrying value of the asset is written off against the associated provision.

#### Non-current receivables

Non-current receivables include loans due from related parties. These are accounted for on an amortised cost basis using the effective interest method. For non-interest bearing loans, fair value at initial recognition requires an adjustment to discount these loans using a market-rate of interest for a similar instrument with a similar credit rating. The discount is debited on initial recognition to the statement of comprehensive income. The amortised cost is subsequently measured as the fair value amount initially recognised, plus interest accrued using the effective interest method, less any principal repayments.

### Available-for-sale financial assets

Available-for-sale financial assets comprise investments in listed and unlisted entities and any non-derivatives that are not classified as any other category of financial assets, and are classified as non-current assets (unless management intends to dispose of the investment within 12 months of the end of the reporting period). Available-for-sale financial assets are measured at fair value, with changes in fair value recognised in other comprehensive income.

### 6. Fair values

Fair values may be used for financial asset and liability measurement as well as for sundry disclosures. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

### 7. Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Plant and equipment is recognised at historic cost, including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, less depreciation and any impairment. Land and buildings transferred to the company for nil consideration are measured at the fair value of the contribution received. This takes into account any restrictions on use imposed by the transferor. Land is not depreciated.

Depreciation on other assets is calculated on a straight-line method so as to write off the net cost of the assets over their estimated useful lives, as follows:

Motor Vehicles	4.5 years
Leasehold improvements	6 years
Office furniture	5 to 10 years
Computer equipment	3 years
Buildings	30–40 years

The asset's residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount are included in profit or loss in the year that the item is derecognised.

### 8. Leases

Leases of property, plant and equipment where the company has substantially all the risks and rewards of ownership are classified as finance leases and capitalised at inception of the lease at the fair value of the leased property, or if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Leases where the lessor retains substantially all the risks and rewards of ownership of the net asset are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

### 9. Impairment of assets

At the end of each reporting period, the company assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Depreciated replacement cost is the current replacement cost of an item of plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost. Value in use for all other assets is a discounted cash flow calculation.

### 10. Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the company prior to the year end and which are unpaid. These amounts are unsecured and have 7 to 90 day payment terms. The carrying amount of the creditors and payables is deemed to reflect fair value.

### 11. Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**12. Employee benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee entitlements arising from wages, salaries, annual leave and personal leave have been calculated based on current remuneration rates. The entitlements which are payable later than one year are not materially different from the liability measured at the present value of the estimated future cash outflows to be made for those benefits. The Long Service Leave Liability has been calculated based on current remuneration rates for all employees which provides an estimate of the long service leave not materially different from the liability measured at the present value of the estimated future cash outflows to be made for those benefits.

**13. Income Tax**

The Company is exempted from income tax under section 23(e) of the Income Tax Assessment Act and it is registered under the Australian Charities and Not-for-profits Commission Act 2012.

**14. Goods and Services Tax**

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the statement of financial position.

**15. Significant accounting estimates and judgements**

The Directors evaluate estimates and judgements incorporated into the financial report based on historic 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. The Directors have assessed the likely timing of the repayment of the loan to BlueCHP Limited and this timing has been incorporated into the measurement of the loan on an amortised cost basis using the effective interest method.

**16. New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods. The impact of these new standards and interpretations is not expected to be significant.

**Note 2: Revenue**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue from operating activities:</b>		
Tenant rents and utilities received	20,121,977.96	18,878,336.85
Government funded subsidies	14,980,883.60	6,971,496.19
Management fees	2,797,080.78	135,161.29
Insurance recoveries	–	3,385.67
Profit on sale of non-current assets	24,794.39	–
Other income	77,429.30	48,276.64
	<b>38,002,166.03</b>	<b>26,036,656.64</b>
<b>Revenue from non-operating activities:</b>		
Interest revenue	617,114.12	799,396.02
	<b>38,619,280.15</b>	<b>26,836,052.66</b>

**Note 3: Surplus from ordinary activities**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Surplus from ordinary activities been determined after:</b>		
Charging as expense:		
Bad and doubtful debts	611,845.43	206,614.61
Depreciation	139,548.00	161,681.17
Loss on disposal of assets	2,779.00	–
Provision for employee entitlements	37,177.79	5,081.92

**Note 4: Income Tax**

The Company is a public benevolent institution, is registered with the Australian Charities and Not-for-profits Commission and is exempt from income tax under Division 50 of the Income Tax Assessment Act of 1997.

**Note 5: Tenancy and property expenses**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Bad and doubtful debts	611,845.43	127,143.74
Insurance	459,914.70	436,440.42
Interest to ADHC	–	170,632.55
Property leases	5,740,726.58	5,387,502.22
Property acquisition and development costs	125,556.18	91,901.38
Rates (council and water)	2,998,439.38	2,693,896.77
Repairs and maintenance	9,663,878.06	6,576,033.90
Return of unexpended funds	195,989.54	289,504.40
Sundry expenses	877,893.38	60,101.25
	<b>20,674,243.25</b>	<b>15,833,156.63</b>

**Note 6: Other expenses**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Office expenses	601,831.12	839,038.70
Program expenses	235,082.19	343,966.88
Rent	276,614.07	269,071.89
Finance charge on receivable	290,968.00	–
Loss on impairment	54,347.93	–
Sundry expenses	251,255.14	759,623.96
	<b>1,710,098.45</b>	<b>2,211,701.43</b>



**Note 7: Reserves**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at the beginning of the reporting period:</b>		
General reserve	8,600,000.00	7,000,000.00
BlueCHP consortium reserve	575,000.00	575,000.00
Asset revaluation reserve	113,000.00	113,000.00
Acquisition and development reserve	3,987,000.00	2,500,000.00
Community services projects reserve	200,000.00	–
Computer and IT reserve	946,000.00	800,000.00
	<b>14,421,000.00</b>	<b>10,988,000.00</b>
<b>Increase (decrease) in reserves during the reporting period:</b>		
General reserve	3,100,000.00	1,600,000.00
BlueCHP consortium reserve	–	–
Asset revaluation reserve	–	–
Acquisition and development reserve	250,000.00	1,487,000.00
Community special projects reserve	200,000.00	200,000.00
Computer and IT reserve	–	146,000.00
	<b>3,550,000.00</b>	<b>3,433,000.00</b>
<b>Balance at the reporting date</b>		
General reserve	11,700,000.00	8,600,000.00
BlueCHP consortium reserve	575,000.00	575,000.00
Asset revaluation reserve	113,000.00	113,000.00
Acquisition and development reserve	4,237,000.00	3,987,000.00
Community services special projects	400,000.00	200,000.00
Computer and IT reserve	946,000.00	946,000.00
	<b>17,971,000.00</b>	<b>14,421,000.00</b>

## Nature and purpose of each class of reserve:

### General reserve

The general reserve is maintained for the purpose of funding future maintenance of the Company's capital and capital stock transfer properties.

### BlueCHP consortium reserve

The BlueCHP consortium reserve are funds set aside for possible future contributions to a consortium joint venture with four other housing associations in New South Wales for the purpose of the development of housing projects and opportunities under the company structure of BlueCHP Limited from July 2008.

### Asset revaluation reserve

The asset revaluation reserve is derived from the increase in value of the proportional share of property owned by Wentworth Community Housing Limited with Housing NSW based on an external independent valuation as at 30 June 2009.

### Acquisition and development reserve

These are funds from operating surpluses which have been specifically identified for future equity contributions and financing of future property acquisitions and developments.

### Community services special projects reserve

These are funds for specific projects for the community services team as determined by the Board and management.

### Computer and IT reserve

These are funds from the operating surplus that are for the specific purpose of a new integrated IT system and implementation phase during 2014/2015 year.

## Note 8: Cash assets

	2014 \$	2013 \$
Cash at bank – CBA	2,869,557.30	441,747.48
Cash at bank – NAB	84,990.90	1,026,216.74
Cash at bank – Westpac	52,391.74	–
Cash management and short term deposits	9,918,750.25	16,442,243.85
Cash on hand and float	1,450.00	1,200.00
<b>Cash at bank</b>	<b>12,927,140.19</b>	<b>17,911,408.07</b>

### Reconciliation of cash:

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash	12,927,140.19	17,911,408.07
	<b>12,927,140.19</b>	<b>17,911,408.07</b>

**Note 9: Receivables**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Sundry debtors and accrued income	920,765.84	1,857,096.70
Tenant rental arrears	466,094.94	280,092.10
Tenant debts – Water	294,537.80	259,010.48
Tenant debts – Other	501,663.01	221,323.05
Provision for doubtful debts	(569,971.76)	(181,989.58)
	<b>1,613,089.83</b>	<b>2,435,532.75</b>

**Note 10. Other assets**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Prepayments	491,408.36	494,176.33
GST receivable	182,507.87	75,985.41
Security bonds and deposits	42,197.93	42,197.93
Term Deposit – Westpac	9,300,000.00	–
Land held for resale – Hazelbrook	230,000.00	–
	<b>10,246,114.16</b>	<b>612,359.67</b>

**Note 11: Property, plant and equipment**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Land and buildings – Richmond</b>		
At cost	155,000.00	155,000.00
	<b>155,000.00</b>	<b>155,000.00</b>
<b>Land and Buildings – Derby Street, Penrith</b>		
At cost	13,717,205.99	731,815.00
	<b>13,717,205.99</b>	<b>731,815.00</b>
<b>Land – Alexander Street, Hazelbrook</b>		
At cost	–	283,455.35
	<b>–</b>	<b>283,455.35</b>
<b>Land and buildings – Macquarie Street, Springwood</b>		
At cost	491,234.86	480,134.86
	<b>491,234.86</b>	<b>480,134.86</b>
<b>Leasehold improvements:</b>		
At cost	371,871.16	349,082.04
Less: Accumulated depreciation	(251,521.00)	(185,013.00)
	<b>120,350.16</b>	<b>164,069.04</b>
<b>Office furniture and equipment:</b>		
At cost	509,605.26	514,223.44
Less: Accumulated depreciation	(416,188.24)	(346,561.24)
	<b>93,417.02</b>	<b>167,662.20</b>
<b>Plant and equipment:</b>		
At cost	826.04	826.04
Less: Accumulated depreciation	(720.05)	(684.05)
	<b>105.99</b>	<b>141.99</b>
<b>Motor vehicles:</b>		
At cost	132,342.72	38,739.00
Less: Accumulated depreciation	(487.00)	(26,855.00)
	<b>131,855.72</b>	<b>11,884.00</b>
	<b>14,709,169.74</b>	<b>1,994,162.44</b>



**Note 11: Property, plant and equipment (cont'd)**

Movements in carrying amounts for each class of property and equipment:

<b>2014</b>	<b>Freehold land and buildings \$</b>	<b>Leasehold Improvements \$</b>	<b>Office Furniture and Equipment \$</b>	<b>Motor Vehicles \$</b>	<b>Total \$</b>
Balance at the beginning of the year	1,650,405.21	164,069.04	167,804.19	11,884.00	1,994,162.44
Reclassification and transfer to held for sale	(283,455.35)	22,789.12	(22,789.12)	–	(283,455.35)
Additions	12,996,490.99	–	18,170.94	144,333.00	13,158,994.93
Disposals	–	–	–	(20,984.28)	(20,984.28)
Depreciation	–	(66,508.00)	(69,663.00)	(3,377.00)	(139,548.00)
<b>Balance at the end of the year</b>	<b>14,363,440.85</b>	<b>120,350.16</b>	<b>93,523.01</b>	<b>131,855.72</b>	<b>14,709,169.74</b>

  

<b>2013</b>					
Balance at the beginning of the year	334,750.00	220,960.24	169,796.11	34,274.20	759,780.55
Additions	1,315,655.21	9,412.80	70,995.05	–	1,396,063.06
Disposals	–	–	–	–	–
Depreciation	–	(66,304.00)	(72,986.97)	(22,390.20)	(161,681.17)
<b>Balance at the end of the year</b>	<b>1,650,405.21</b>	<b>164,069.04</b>	<b>167,804.19</b>	<b>11,884.00</b>	<b>1,994,162.44</b>

**Note 12: Non-current – other assets**

	<b>2014 \$</b>	<b>2013 \$</b>
Loan to BlueCHP Limited	1,053,156.00	1,344,124.00
Security bonds and deposits	367,087.01	362,040.96
Other	10,000.00	4,000.00
	<b>1,430,243.01</b>	<b>1,710,164.96</b>

In August 2008, Wentworth, together with four other community housing associations entered into a Members' Agreement to establish BlueCHP Limited for the purpose of assisting in the growth of community housing by providing affordable and subsidised housing solutions to low and moderate income households. BlueCHP achieves this aim by the securitisation of finance and government grants to purchase and/or construct dwellings that are then leased to members to provide appropriate long term management of these properties to tenants as social or affordable housing.

In the event of the winding up of BlueCHP Limited every member of the company undertakes to contribute to the assets of the company, while they are a member, or within one year after they cease to be a member, for the payment of the debts and liabilities of the company (contracted before they cease to be a member) and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributions among themselves such as any be required, the amount undertaken by each member not exceeding \$10 or any unpaid membership subscription fee whichever is the larger.

Wentworth Community Housing Limited has signed a Membership Agreement and at the end of the financial year had made unsecured non-interest loans totalling \$1,344,124.00. These loans are not expected to be repaid within the next twelve months so they have been classified as non-current loans.

The receivable is carried at a discounted amount in accordance with the Australian Accounting Standard 139 'Financial Instruments' (AASB 139).

If Wentworth Community Housing Limited decides to terminate its association with BlueCHP Limited, upon termination or resignation becoming effective, any loan made by the company to BlueCHP Limited will become repayable within twelve months, provided that BlueCHP Limited is not required to repay any amount if to do so would render BlueCHP unable to pay its debts as and when they fall due.

## Note 13: Payables

	2014 \$	2013 \$
<b>Current</b>		
Trade creditors and accrued expenses	2,923,180.60	2,793,900.87
Tenant rents in advance	715,268.67	666,408.06
Government subsidies in advance	2,767,733.14	3,889,947.94
Tenant bonds not remitted	22,272.32	37,856.14
Superannuation payable	1,886.06	—
Lease liability – Westpac	42,426.00	—
	<b>6,472,766.79</b>	<b>7,388,113.01</b>
<b>Non-current</b>		
Lease liability – Westpac	59,940.55	—
	<b>59,940.55</b>	<b>—</b>

**Note 14: Borrowings**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Bank loan (secured) – Westpac	300,000.00	–
	<b>300,000.00</b>	<b>–</b>
<b>Non-current</b>		
Bank loan (secured) – Westpac	4,725,000.00	–
	<b>4,725,000.00</b>	<b>–</b>

The bank loan is secured against the company's land and buildings at Derby Street, Penrith and a deed of priority between the company, Westpac Banking Corporation and the Director-General of the NSW Department of Family and Community Services.

**Note 15: Tax liabilities**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
PAYG tax payable	33,692.00	–
	<b>33,692.00</b>	<b>–</b>

**Note 16: Provisions**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Employee entitlements*	495,135.44	433,370.71
	<b>495,135.44</b>	<b>433,370.71</b>
<b>Non-current</b>		
Employee entitlements*	142,705.66	167,292.60
	<b>142,705.66</b>	<b>167,292.60</b>
<b>*Aggregate employee entitlements liability</b>	<b>637,841.10</b>	<b>600,663.31</b>

**Provision for employee entitlements**

A provision has been recognised for employee entitlements relating to annual leave, long service leave and personal leave for employees.

**Note 17: Auditors' remuneration**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Audit and review of financial Statements</b>		
Auditors of Wentworth Community Housing (Grant Thornton current year – Other prior year)	27,500.00	23,000.00
Other services		
Auditors of Wentworth Community Housing	–	–
Taxation compliance	–	–
<b>Total Auditor's remuneration</b>	<b>27,500.00</b>	<b>23,000.00</b>

**Note 18: Leasing commitments****Operating Lease Commitments**

The Company's future minimum operating lease payments are as follows:

Future minimum commitments payable at 30 June 2014:

Not later than 1 year \$667,661.98

More than 1 year but not greater than 5 years \$240,728.90

The leased assets are as follows:

<b>Type</b>	<b>Term</b>	<b>Expiry</b>
Office leases	1 to 3 years	March 2016 to June 2017
Property leases	1 year	July 2014 to June 2015
Motor vehicles	1 year	July 2014 to October 2015
Equipment leasing	2 to 3 years	October 2014 to September 2015

The property lease commitments are non-cancellable operating leases within lease terms between one month and 12 months. Increases in lease commitments may occur in line with CPI or market rent reviews in accordance with the agreements.

All commitments are exclusive of GST.

**Note 19: Reconciliation of net cash provided by/used in operating activities to net profit**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Operating surplus	12,021,664.92	4,668,978.41
Bad debts	223,683.25	127,143.74
Depreciation	139,548.00	161,681.17
Doubtful debts	387,982.18	79,470.87
Employee entitlements	37,177.79	(94,918.08)
Interest due to ADHC	–	170,632.55
Loss on disposal of assets	2,779.00	–
Profit on sale of assets	(24,794.39)	–
Adjustment for non cash income and expenses	(551,821.22)	–
<b>Other changes in assets and liabilities</b>		
(Increase) decrease in sundry debtors	347,760.61	(1,434,339.34)
(Increase) decrease in prepayments	2,767.97	(92,323.24)
Increase (decrease) in trade creditors and accruals	(1,015,018.86)	664,450.10
<b>Net cash provided by operating activities</b>	<b>11,571,729.25</b>	<b>4,250,776.18</b>

**Note 20: Reconciliation of cash**

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows and excludes the term deposit in Note 10:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on call	5,425,690.19	1,467,964.22
Short term bank deposits	7,500,000.00	16,442,243.85
Cash on hand	1,450.00	1,200.00
	<b>12,927,140.19</b>	<b>17,911,708.07</b>

**Note 21: Directors remuneration benefits**

The names of Directors of the Company who have held office during the financial year were:

- |                    |                  |                    |
|--------------------|------------------|--------------------|
| › Keith Bryant     | › Brodie Druett  | › Ashleigh O'Brien |
| › Ken Gilbert      | › Estelle Ehmann | › Susan Palmer     |
| › Shirlene Bennett | › Cameron Lamb   | › Pat Smith        |
| › Ron Coskerie     | › Joseph Litwin  |                    |

Directors were paid honorariums for undertaking duties to ensure effective governance of the Company during the year totalling \$19,144 (2013 \$32,694).

The tenant board members were eligible for housing and are provided with subsidised housing under the guidelines used by the Company for tenants of Wentworth Community Housing Limited.



**Note 22: Transactions with key management personnel**

Key management of the company are the members of Wentworth Community Housing's Board of Responsible Entities (Directors) and members of the executive council.

Key management personnel are those having authority for planning, directing and controlling the company's activities, directly or indirectly, include the Chief Executive

Officer, Finance and Corporate Services Manager, Asset Services Manager, Housing Services Manager, Community Services Manager and Human Resources Manager.

	2014 \$	2013 \$
Key Management Personnel remuneration (excluding directors honorariums disclosed at Note 21)	630,185.58	651,951.79

**Note 23: Related parties**

In August 2008, Wentworth Community Housing joined four other large Housing Associations – Argyle Community Housing, Hume Community Housing, Southern Cross Community Housing and Women's Housing Company (collectively "Members") – and entered into a Members' Agreement to establish BlueCHP Limited, for the purpose of

assisting in the growth of community housing by providing affordable and subsidised housing solutions to low and moderate income households. BlueCHP achieves this aim by the securitisation of finance and government grants to purchase and/or construct dwellings that are then leased to Members to manage as social or affordable housing.

Wentworth leases properties from BlueCHP Limited at market rates and sub leases these properties to tenants and engages BlueCHP Limited on a consultancy basis for sourcing of properties and potential development of these properties.

	2014 \$	2013 \$
<b>a. Transactions with other related parties</b>		
Rent paid to BlueCHP Ltd (from which management fee revenue was deducted)	1,072,910.10	779,862.36
<b>b. Outstanding balances with other related parties</b>		
Other current receivables – BlueCHP Limited	113,792.22	1,253,620.66
Current other creditors – BlueCHP Limited	1,829.99	53,047.80
Loan to BlueCHP Limited – at amortised cost	1,053,156.00	1,344,124.00
Loan to BlueCHP Limited – contracted amount	1,344,124.00	1,344,124.00

**Note 24: Contingent liabilities**

There were no contingent liabilities as at 30 June 2014. (2013 – Nil)

**Note 25: Capital commitments**

Capital commitments are for estimated construction costs on the Rouse Hill project and Springwood group home that will occur in the 2014/2015 year. The estimated total capital commitment is approximately \$5,930,000.00.

**Note 26: Equity**

The Company has no issued capital and is a Company limited by guarantee. Accordingly, pursuant to the Memorandum of Association of the Company, each member has undertaken, in the event of a winding up, to contribute for the payment of the Company's debts an amount not exceeding twenty dollars (\$20.00).

### **Note 27: Events subsequent to reporting date**

Since 30 June 2014, the Sale of Contract of land at Hazelbrook was exchanged in September 2014 at the written down cost as at June 30 2014. Sites for an affordable housing development project in conjunction with Penrith Council are still being considered at this stage.

Apart from the event noted above, there have been no other matters or circumstances, other than that referred to in the financial statements or notes thereto, that have arisen since the end of the financial year, that have significantly affected or may significantly affect, the operations of the entity, the results of those operations, or the state of affairs of the entity in future years.

### **Note 28: Economic dependency**

Wentworth Community Housing Limited is involved with Federal and State Government departments. Any change in the policies of these Governments may impact on the Company's ability to achieve its principal objectives.

### **Note 29: Registered office and principal place of business**

The address of the Company's registered office and principal place of business is Suite 1002, Level 1, 29–57 Station St Penrith NSW 2750.

# RESPONSIBLE ENTITIES' DECLARATION

In the opinion of the Responsible Entities of Wentworth Community Housing Limited:

a. The financial statements and notes of Wentworth Community Housing Limited are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

i. Giving a true and fair view of its financial position as at 30 June 2014 and of its performance for the financial year ended on that date; and

ii. Complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013, and

b. There are reasonable grounds to believe that Wentworth Community Housing Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Responsible Entities of the Company:



**Keith Bryant**

Director



**Ken Gilbert**

Director

Dated the 17th day of October 2014

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### **Independent Auditor's Report To the Members of Wentworth Community Housing Limited**

We have audited the accompanying financial report of Wentworth Community Housing Limited (the "Company"), which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Responsible Entities' declaration of the company.

#### **Responsible Entities' responsibility for the financial report**

The Responsible Entities of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards—Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012. The Responsible Entities' responsibility also includes such internal control as the Responsible Entities determine is necessary to enable the preparation of the financial report that gives a true and fair view and 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 us to 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.

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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 of the financial report that gives a true and fair view 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 Responsible Entities, as well as evaluating the overall presentation of the financial report.

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

#### **Independence**

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

#### **Auditor's opinion**

In our opinion the financial report of Wentworth Community Housing Limited is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

- 1) giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- 2) complying with Australian Accounting Standards-Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



James Winter  
Partner - Audit & Assurance  
Sydney, 17 October, 2014







## WENTWORTH COMMUNITY HOUSING LIMITED

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