

WESLEY COUNTRY HOUSING INCORPORATED

FINANCIAL REPORT

30 JUNE 2014

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Wesley Country Housing Incorporated

Board Members Report 30 June 2014

The Board members present their report on the financial statements of the organisation for the year ended 30 June 2014.

Board Members

The names of the Board Members in office at any time during or since the end of the year are:

Ms Anthea Pavy

Mr Andrew Cockington

Mr Ian Eberhard

Ms Elizabeth Malcolm resigned 23/10/2013

Ms Dianne Patterson resigned 30/04/2014

Mr Sean Manfield

Rev Edward White

Ms Maria Palumbo

Mr Mark Miller appointed 23/10/2013

Dr Andrew Johnson appointed 23/10/2013

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

Activities

The principal continuing activities of the organisation during the financial year were the provision of housing accommodation at low cost and appropriately accessible and secure.

The organisation's principle objective is not the generation of profit.

Operating Results

The organisations operating profit of the financial year amounted to \$129,901 (\$52,350 in 2013).

Total operating revenue for the financial year was \$720,748 (\$604,757 in 2013)

Wesley Country Housing Incorporated

Board Members Report 30 June 2014 (Continued)

State of Affairs

The organisation now owns 54 properties, controls 8 debentured properties and tenancy manages 28 properties for a total of 90 properties.


Environmental Regulation


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

Board Members Benefits

Other than disclosed in Notes, no officer of the organisation or firm in which an officer was a member or body corporate in which an officer has a substantial financial interest, has, during or since the end of the financial year, received or became entitled to receive a benefit as a result of a contract between the officer, a firm or a body corporate associated with an officer and the organisation, and no officer has received directly or indirectly from the organisation any payment or other benefit of a pecuniary value.

Signed at Port Pirie this 29th day of October in accordance with the resolution of the Board Members


..... Board member


..... Board member

Wesley Country Housing Incorporated

Statement of Board Members 30 June 2014


STATEMENT BY THE BOARD

1. In the opinion of the Board of the Wesley Country Housing Incorporated ("the Association"):
 - a) the financial statements and notes that are set out on pages 5 to 26, present fairly the results and cash flows of the Association for the financial year ended 30 June 2014 and the state of affairs of the Association as at that date; and
 - b) at the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.
2. Other than as disclosed in Note 12, since the end of the previous financial year, no Officer of the Association, no firm of which an Officer is a member and no body corporate in which an Officer has a substantial financial interest, has received a benefit as a result of a contract between the Officer, firm or body corporate and the Association.
3. The financial statements have been made out in accordance with the accounting standards and disclosure requirements of the Australian accounting bodies, the provisions of the Associations Incorporation Act 1985 and other requirements of the law.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:

Signed at Port Pirie this 29th day of October in accordance with a resolution of the Board Members.


..... Board member


..... Board member

Wesley Country Housing Incorporated

Financial Report for the Year Ended 30 June 2014

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
Revenue	2	720,748	604,757
Other expenses	3	(590,847)	(552,407)
Profit/(Loss) for the year		<u>129,901</u>	<u>52,350</u>

The accompanying notes form part of these financial statements.

Wesley Country Housing Incorporated

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		\$	\$
Profit/(Loss) for the year		129,901	52,350
Total comprehensive income for the year		<u>129,901</u>	<u>52,350</u>
Total comprehensive income attributable to members of the entity		<u>129,901</u>	<u>52,350</u>

The accompanying notes form part of these financial statements.

Wesley Country Housing Incorporated

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	265,287	86,824
Trade and Other Receivables	6	33,645	6,353
Other Current Assets	7	-	8,502
TOTAL CURRENT ASSETS		298,932	101,679
NON-CURRENT ASSETS			
Property, plant and equipment	8	168,375	170,875
Intangible Assets	9	1,831,500	1,881,000
TOTAL NON-CURRENT ASSETS		1,999,875	2,051,875
TOTAL ASSETS		2,298,807	2,153,554
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	51,332	51,064
Provisions	11	15,084	-
TOTAL CURRENT LIABILITIES		66,416	51,064
TOTAL LIABILITIES		66,416	51,064
NET ASSETS		2,232,391	2,102,490
EQUITY			
Retained earnings		2,232,391	2,102,490
TOTAL EQUITY		2,232,391	2,102,490

The accompanying notes form part of these financial statements.

Wesley Country Housing Incorporated

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Retained Earnings \$	Capital Grants \$	Total \$
Balance at 30 June 2012	70,140	1,980,000	2,050,140
Profit attributable to members	52,350	-	52,350
Balance at 30 June 2013	122,490	1,980,000	2,102,490
Profit attributable to members	129,901	-	129,901
Balance at 30 June 2014	252,391	1,980,000	2,232,391

The accompanying notes form part of these financial statements.

Wesley Country Housing Incorporated

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Rents and Recoveries		598,369	554,171
Other Income		89,506	40,904
Payments to suppliers		(514,993)	(836,440)
Interest received		5,581	10,511
Net cash provided by operating activities	13	178,463	(230,854)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for capital additions		-	(172,125)
Net cash used in investing activities		-	(172,125)
Net increase / (decrease) in cash held		178,463	(402,979)
Cash and cash equivalents at beginning of financial year		86,824	489,803
Cash and cash equivalents at end of financial year	5	265,287	86,824

The accompanying notes form part of these financial statements.

Wesley Country Housing Incorporated

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Wesley Country Housing applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010–2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* and other applicable Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Associations Incorporation Act 1985*. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

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

The financial statements were authorised for issue on 29th of October by the committee.

a. Income Tax

The Association has been endorsed as an Income Tax Exempt Charity by the Australian Taxation Office and Board Members are therefore of the opinion that there is no liability for the payment of income tax.

b. Inventories

Inventories are measured at the lower of cost and net realisable value.

c. Fair Value of Assets and Liabilities

The association measures some of its assets at fair value on a recurring basis.

Fair value is the price the association would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at reporting date (ie the market that maximises the receipts from the sale of the asset or minimises the payment made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use, or to sell it to another market participant that would use the asset in its highest and best use.

The entity does not measure any of its assets at fair value on a recurring basis.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements

Wesley Country Housing Incorporated

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

d. Property, Plant and Equipment

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

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arms length transaction.

Revaluation

It is the entity's policy to have a rolling independent valuation over a 5 years period. Any revaluation surplus is credited to the asset revaluation reserve and all revaluations relating to a particular class of assets are offset.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

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

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

e. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

Wesley Country Housing Incorporated

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The association does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

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

(iii) *Held-to-maturity investments*

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

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

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

(iv) *Available-for-sale financial assets*

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

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

(v) *Financial liabilities*

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

Fair value

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

Impairment

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

Wesley Country Housing Incorporated

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Derecognition

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

f. Impairment of Assets

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

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

g. Cash and Cash Equivalents

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

h. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

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

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

i. Goods and Services Tax (GST)

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

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

Wesley Country Housing Incorporated

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

j. Comparative Figures

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

Where the association has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

k. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

l. Intangible Assets

Intangible assets have been recognised at fair value using a discounted net present value model of the cash inflows and outflows of the right from the right of use of the 52 properties donated by the South Australian Housing Trust. The intangible asset is carried at its fair value less accumulated amortisation and impairment losses. The intangible asset is amortised over its useful life of 40 years, which is consistent with the agreement with the South Australian Housing Trust of the right to use the 52 properties.

m. Provisions

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

n. New and Amended Accounting Policies Adopted by the Association

Employee benefits

During the year, the association adopted AASB 119: *Employee Benefits* (September 2011) and the relevant consequential amendments arising from the related Amending Standards. As a result, the association early adopted AASB 2011-11: *Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements* because the association's financial statements are prepared under Australian Accounting Standards – Reduced Disclosure Requirements. The association has applied AASB 119 (September 2011) and the relevant consequential amendments arising from the related Amending Standards from 1 January 2013.

For the purpose of measurement, AASB 119 (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled *wholly* within 12 months after the end of the annual reporting period in which the employees render the related services. In accordance with AASB 119 (September 2011), provisions for short-term employee benefits are measured at the (undiscounted) amounts expected to be paid to employees when the obligation is settled, whereas provisions that do not meet the criteria for classification as short-term (other long-term employee benefits) are measured at the present value of the expected future payments to be made to employees. Previously, the association had separated provisions for benefits with similar characteristics, such as annual leave and sick leave, into short- and long-term portions, and applied the relevant measurement approach under AASB 119 to the respective portions.

As the association expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, adoption of AASB 119 (September 2011) did not have a material impact on the amounts recognised in respect of the association's employee provisions. Note also that adoption of AASB 119 (September 2011) did not impact the classification of leave entitlements between current and non-current liabilities in the association's financial statements.

AASB 119 (September 2011) also introduced changes to the recognition and measurement requirements applicable to termination benefits and defined benefit plans. As the association did not have any of these types of obligations in the current or previous reporting period, these changes did not impact the association's financial statements.

Wesley Country Housing Incorporated

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fair value measurement

During the year, the association adopted AASB 13: *Fair Value Measurement* and the relevant consequential amendments arising from the related Amending Standards. As a result, the association early adopted AASB 2012-1: *Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements* because the association's financial statements are prepared under Australian Accounting Standards – Reduced Disclosure Requirements. The association has applied AASB 13 and the relevant consequential amendments arising from the related Amending Standards from 1 January 2013.

No material adjustments to the carrying amounts of any of the association's assets or liabilities were required as a consequence of applying AASB 13. Nevertheless, AASB 13 requires enhanced disclosures regarding assets and liabilities that are measured at fair value and fair values disclosed in the association's financial statements. These enhanced disclosures are provided in Note 22.

The disclosure requirements in AASB 13 need not be applied by the association in the comparative information provided for periods before initial application of AASB 13 (that is, periods beginning before 1 January 2013). However, as some of the disclosures now required under AASB 13 were previously required under other Australian Accounting Standards, such as AASB 7: *Financial Instruments: Disclosures*, the association has provided this previously provided information as comparatives in the current reporting period.

o. Key Judgments

(i) *Provision for impairment of receivables*

Included in trade receivables and other receivables at the end of the reporting period are amounts receivable for which a provision for impairment of \$22,140 (2013: \$15,660) has been made.

(ii) Intangible Assets

The association has measured the value of the intangible assets using a discounted net present value model of cash flows to be generated from the right to providing housing assistance from the 52 properties donated from the South Australian Housing Trust in 2012. This model currently includes assumptions relating to cash inflows and outflows to be generated from the use of the properties. These key judgements were reviewed during the year and no changes to the model were made.

Wesley Country Housing Incorporated

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 2: REVENUE AND OTHER INCOME

	2014	2013
	\$	\$
Revenue		
Operating Activities		
Rents & Recoveries	625,661	553,342
Client Fees	52,182	30,741
Other Income	37,324	10,163
Non Operating Activities		
Interest & Investment Income	5,581	10,511
Total revenue	720,748	604,757

NOTE 3: OTHER EXPENSES

	2014	2013
	\$	\$
Other Expenses		
Telecommunications	2,210	2,054
Electricity	2,474	4,335
Council Rates	35,979	33,634
Water	41,081	62,496
Repairs & Maintenance	62,782	69,343
Damages	47,105	15,369
Other Property Expenses	19,247	13,101
Depreciation	52,000	50,750
Equipment Purchases	2,664	3,785
Office Expenses	26,386	13,956
Motor Expenses	13,406	10,746
Insurance	27,647	20,000
Legal Expenses	1,440	(59)
Client Expenses	233	1,000
Consultants	238,884	241,461
Other	17,309	10,436
Total Expense	590,847	552,407

Wesley Country Housing Incorporated

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

Employees of UnitingCare Wesley Country SA Incorporated are used as consultants/contractors to carryout administrative and tenancy functions for Wesley Country Housing therefore no employees benefits are recorded as payable.

Other KMP transactions

For details of other transactions with KMP, refer to Note 12: Related Party Transactions.

NOTE 5: CASH AND CASH EQUIVALENTS

	Note	2014	2013
		\$	\$
Cash at bank		265,287	86,824
	15	265,287	86,824

NOTE 6: TRADE AND OTHER RECEIVABLES

	Note	2014	2013
		\$	\$
CURRENT			
Trade Receivables		55,785	22,013
Provision for doubtful debts		(22,140)	(15,660)
Total current trade and other receivables	15	33,645	6,353

Current trade receivables are non-interest bearing receivables for rent and are generally receivable within 30 days.

	Note	2014	2013
		\$	\$
Financial assets classified as loans and receivables			
Trade and other receivables:			
— total current	15	33,645	6,353

Wesley Country Housing Incorporated

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
NOTE 7: OTHER CURRENT ASSETS		
Prepayments	-	8,502

	2014	2013
	\$	\$
NOTE 8: PROPERTY, PLANT AND EQUIPMENT		
Buildings at Cost	172,125	172,125
Accumulated depreciation	(3,750)	(1,250)
	168,375	170,875

	Balance at the beginning of Year	Additions	Disposals	Depreciation	Carrying Amount at end of Year
	\$	\$	\$	\$	\$
Buildings at Cost	170,875	-	-	(1,250)	168,375
	170,875	-	-	(1,250)	168,375

	2014	2013
	\$	\$
NOTE 9: INTANGIBLE ASSETS		
Buildings At Net Present Value of Cash Flow	1,980,000	1,980,000
Accumulated amortisation	(148,500)	(99,000)
	1,831,500	1,881,000

During the year ended 30 June 2012, Wesley Country Housing Inc. entered into a Project Agreement with the South Australian Housing Trust ("SAHT"). This agreement and the associated Master Deed and Deed of Statutory Charge ("the agreements") provided for the SAHT support of the Association through a real property contribution of 52 properties to enable the Association to provide not for profit social and affordable housing assistance. The arrangement represents a right of use grant to the Association in relation to the use of these properties for the purposes allowed.

In accordance with Australian Accounting Standards, the fair value of the consideration received has been brought to account as grant revenue with a corresponding intangible asset to be amortised over its useful life, which has been assumed to be 40 years.

The agreements establish the rights and obligations of the parties as well as containing conditions that govern the circumstance of a breach of the agreements due to default or an insolvency event. Were a breach to occur due to default or insolvency, the association would be required to repay to SAHT the repayment contribution amount. As at the date of this financial report, the board has determined that no event or circumstance has occurred that would represent a breach and accordingly no amount has been recognised in the financial report.

Wesley Country Housing Incorporated

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 10: TRADE AND OTHER PAYABLES	Note	2014	2013
		\$	\$
CURRENT - Unsecured liabilities:			
Accruals		10,838	-
Other payables		40,494	51,064
		51,332	51,064
Financial liabilities at amortised cost classified as other payables			
Other payables:			
— total current		51,332	51,064
Financial liabilities as other payables	15	51,332	51,064

Collateral pledged

No collateral has been pledged for any of the other payable balances.

NOTE 11: PROVISIONS

	2014	2013
	\$	\$
Provision for maintenance	15,084	-

NOTE 12: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at the date of signing the accounts the organisation does not have any contingent liabilities.

NOTE 13: EVENTS AFTER THE REPORTING PERIOD

Wesley Country Housing was successful in winning the tender for the leases and management of 30 Housing SA properties (Transitional Properties) in Port Augusta and took control during August 2014. Wesley Country Housing was also successful in its tender for the provision of Tenancy Management Services for 6 properties in Whyalla for Country Health Services.

NOTE 14: RELATED PARTY TRANSACTIONS

During the year ended 30 June 2014 no officer of the organisation or firm in which an officer was a member or body corporate in which an officer has a substantial financial interest, has, during or since the end of the financial year, received or became entitled to receive a benefit as a result of a contract between the officer, a firm or a body corporate associated with an officer and the organisation, and no officer has received directly or indirectly from the organisation any payment or other benefit of a pecuniary value.

Wesley Country Housing Incorporated

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 15: FINANCIAL RISK MANAGEMENT

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

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

	Note	2014 \$	2013 \$
Financial assets			
Cash and cash equivalents	5	265,287	86,824
Loans and receivables	6	33,645	6,353
Total financial assets		<u>298,932</u>	<u>93,177</u>
Financial liabilities			
Financial liabilities at amortised cost:			
— other payables	10	51,332	51,064
Total financial liabilities		<u>51,332</u>	<u>51,064</u>

Financial Risk Management Policies

The association's treasurer is responsible for, among other issues, monitoring and managing financial risk exposures of the association. The treasurer monitors the association's transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. Discussions on monitoring and managing financial risk exposures are held bi-monthly and minuted by the committee of management.

The treasurer's overall risk management strategy seeks to ensure that the association meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

Specific Financial Risk Exposures and Management

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

NOTE 16: ASSOCIATION DETAILS

The registered office of the association is:

60 Florence Street
Port Pirie
South Australia 5540

The principal places of business is:

60 Florence Street
Port Pirie
South Australia 5540



WESLEY COUNTRY HOUSING INC

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WESLEY COUNTRY HOUSING INC**

Report on the Financial Report

We have audited the accompanying financial report, of Wesley Country Housing ('the Association'), which comprises the statement of financial position as at 30 June 2014, statement of 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, other explanatory information, and the statement by the Board.

Board Members' Responsibility for the Financial Report

The Board of the Association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Associations Incorporation Act 1985*. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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



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a worldwide network of independent accounting and consulting firms.*



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Edwards Marshall

WESLEY COUNTRY HOUSING INC

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WESLEY COUNTRY HOUSING INC (CONT)

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Wesley Country Housing as at 30 June 2014, and its financial performance for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Associations Incorporation Act 1985*.

We have obtained all of the information and explanations required from the Association.

Edwards Marshall

Edwards Marshall
Chartered Accountants

Brett Morkunas

Brett Morkunas
Partner

Adelaide
South Australia

29 October 2014



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