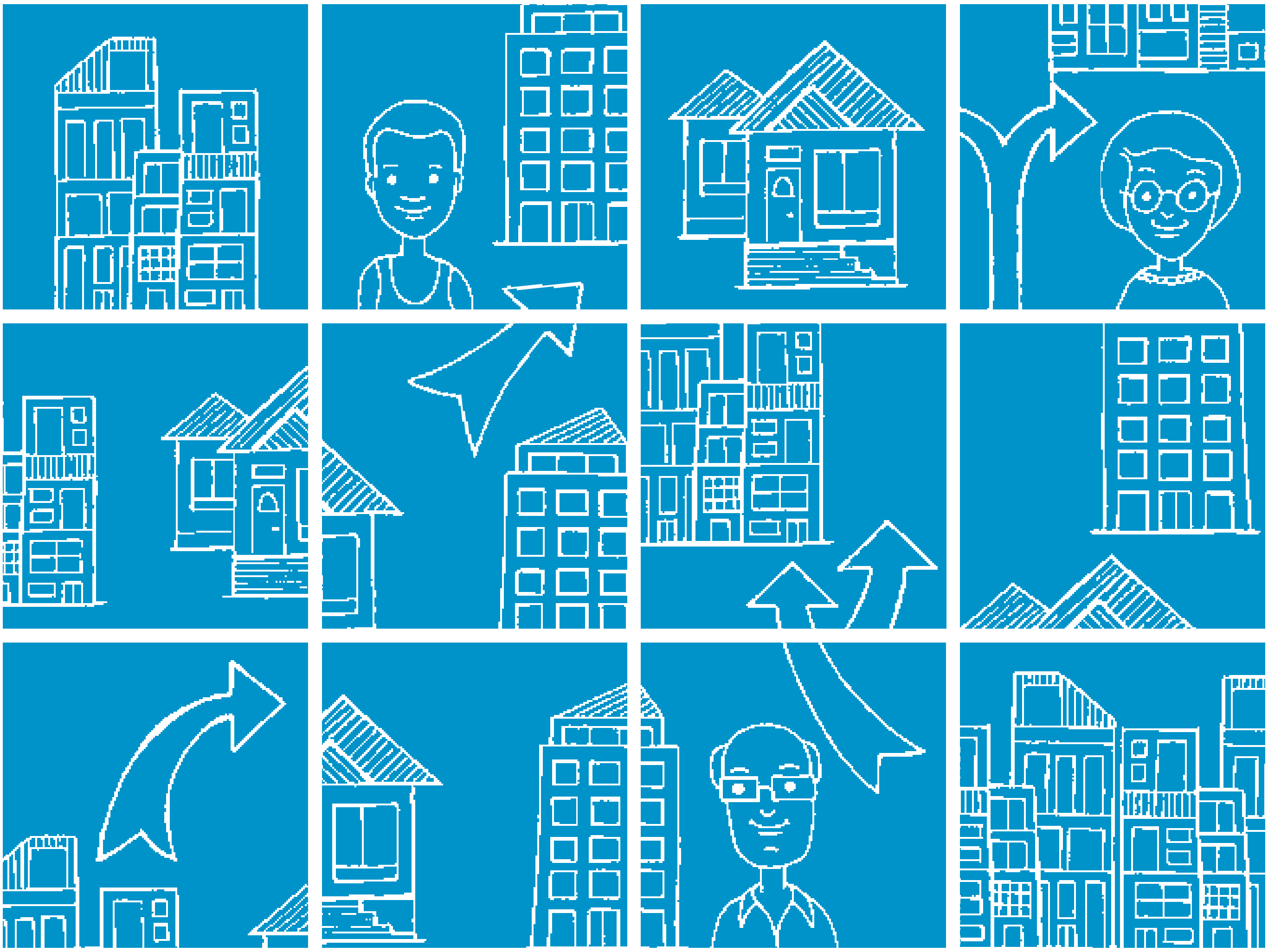
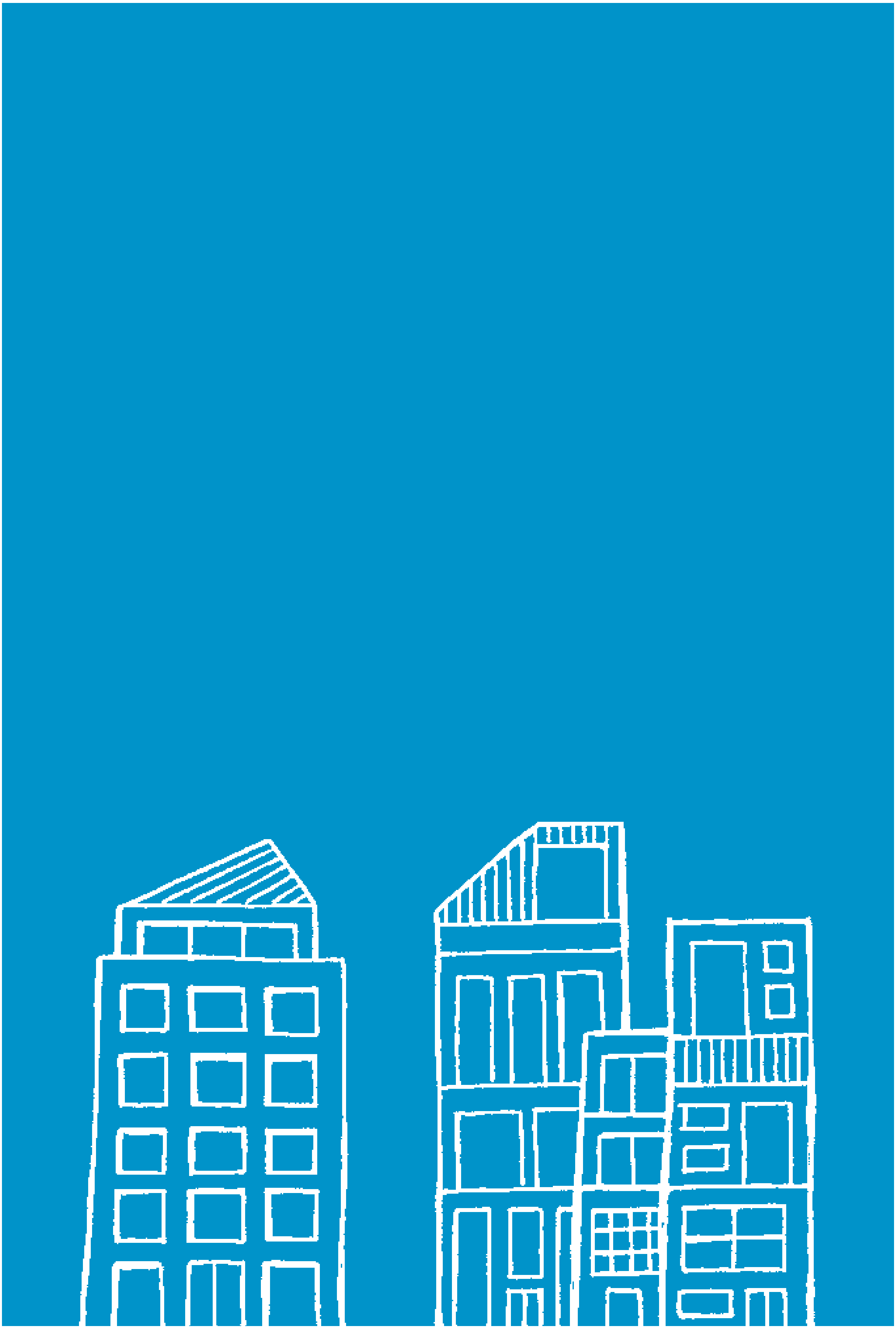
bridge housing

linking people to a better future



Financial Report 2016



FINANCIAL REPORT 2016

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Bridge Housing Limited

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Directors' Report

The Directors present their report together with the financial statements on Bridge Housing Limited ("the Company" or "Bridge Housing") for the year ended the 30 June 2016.

Directors

Information on Directors

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

Names of Directors	Qualification	Occupation	Special Responsibilities	Years as Director
Vicki Allen (1)	BBus, MBA, DFP, FAICD	Company Director	Human Resources	9
Gary Milligan	BSc BEng (Electrical) (Hons 1), Grad Cert Human Resource Development, MIVMA	Company Director	Asset Management	9
Helen Wood (4)	BSc (Hons) Psychology, MRICS, MAHI	Company Director	Social Housing and Development	14
Shirley Liew	BBus, MBA, Grad Dip Appl Finance, FCPA, FTIA, MIIA, FAICD	Company Director/ Business and Risk Advisor	Finance and Risk	7
Dick Persson AM	BA, FAIM, FAPI	Company Director	Human Resources	7
Alan Revell (2)	MBA (Syd), FCPA, FCIS, FAICD, FAIM, FAPI, SMP (Harv)	Principal Property and Corporate Advisor	Finance and Risk	4
Mark Turner	BSc MRICS	Strategic Adviser for Commercial Property	Property Development, Finance, Real Estate	2
Carolyn Scobie	M.A. (Japanese), B.A./ L.L.B. Grad Dip, CSP, GAICD	Lawyer	Legal	2
Graham Monk (3)	BComm (Hons), FCPA MAICD	Consultant and Company Director	Finance and Risk	1

1. Vicki Allen resigned as a Director 15 December 2015
2. Alan Revell resigned as a Director 26 April 2016
3. Graham Monk was appointed as a Director 1 April 2016
4. Helen Wood resigned as a Director 25 October 2016

Meetings of Directors

During the financial year, six Board meetings of directors were held in addition to subcommittee meetings shown below. Attendance by each director during the year was as follows:

	Board meetings		Human Resources and Nominations Committee		Assets and Procurement Committee		Finance, Risk and Audit	
	A	B	A	B	A	B	A	B
Vicki Allen	2	2	3	3	X	X	X	X
Shirley Liew	6	4	X	X	X	X	6	6
Gary Milligan	6	6	X	X	6	6	X	X
Dick Persson, AM	6	6	6	5	X	X	X	X
Alan Revell	4	2	X	X	X	X	4	3
Carolyn Scobie	6	6	6	5	X	X	X	X
Mark Turner	6	6	X	X	6	5	X	X
Helen Wood	6	6	X	X	6	6	X	X
Graham Monk	2	2	X	X	X	X	2	2

A: Number of Meetings Eligible to Attend

B: Number of Meetings Attended

X: Not a Member of the Committee

Chair of meeting   Eligible to attend

Company Secretary

John Nicolades was Company Secretary for the whole of the financial year and continues in office at the date of this report. John joined the Company as Executive Officer in 2005 and was appointed as Chief Executive Officer in 2010. He has been the Company Secretary since 2009. John has 36 years of experience in the not for profit industry.

Corporate Information

The Company is a 'not for profit' entity, registered as a Company limited by guarantee. It does not issue shares to its members. Under its constitution it does not have the capacity to issue dividends to its members. Any surplus on winding up will be distributed to an organisation which has similar objects as dictated by the Constitution.

It is registered as a charity with the Australian Charities and Not-for-profits Commission (ACNC) Charity ABN 55760055094. As a Public Benevolent Institution it is endorsed to access the following tax concessions: GST Concession and is FBT and Income Tax Exempt. It is also endorsed as a Deductible Gift Recipient (DGR) covered by Item 1 of the table in section 30-15 of the Income Tax Assessment Act 1997.

If the Company is wound up, the Constitution states that each member is required to contribute a maximum of $1 each towards any outstanding obligations of the Company.

Details on Members

At 30 June 2016 the number of ordinary members was 255 (2015: 303). There are no life members or honorary life members (2015: nil).

Short and Long Term Objectives of the Entity

The Company's mission is to improve lives and strengthen communities by providing housing and services for low to moderate income households.

Strategy for Achieving those Objectives

The Company achieves its medium and long term objectives through three year strategic plans and related short term objectives implemented through detailed annual business plans. The Company's growth has been driven by successive Strategic Plans since 2006. In 2016 the Company completed the first year of Strategic Plan 2015-2018. The Strategic Plan is operationalised through annual Business Plans. The Annual Report 2016 reports on the outcomes in the Business Plan 2015-16.

The strategic and business plans have 6 critical success factors as key performance drivers. These are:

1. Meeting affordable housing need by increasing our property portfolio
2. Delivering quality homes and housing services
3. Governing effectively
4. Managing the business sustainably
5. Supporting our people and improving our workplace
6. Enhancing our communication and increasing our profile.

Principal Activities

The principal activity of the Company in the course of the financial year was the provision of social and affordable housing to the local community. There was no significant change in the nature of this activity during the financial year.

How the Company's Activities Assisted in Achieving the Company's Objectives

The cash flows of the Company will continue to be employed to improve lives and strengthen communities through the provision of housing and services for low to moderate income households.

How the Company Measures its Performance

The Company measures its performance by meeting the objectives established in the annual business plan to deliver the three year strategic plan objectives. Our performance for 2015-16 is reported in the 2016 Annual Report.

Operating Results

The deficit before income tax expense for the year was $2,472,267 (2015: $1,814,322). In 2016, the Company recognised a one off fair value mark to market loss on an interest rate swap of $2,336,288 (2015: one off impairment charge of $1,340,625 due to the decline in the recoverable amount of 3 Pembroke Street Ashfield). As a result, our underlying operating earnings before interest, depreciation, impairment and fair value loss on derivative financial instruments in 2016 was $1,112,793 (2015: $535,497).

There was no income tax expense as the Company is tax exempt. A reconciliation of this result is shown below.

Significant factors affecting our performance were:

- Since 2011 the NSW Government has placed the Property Transfer Program on hold, the main growth driver for Bridge Housing and the community housing sector. This has delayed the opportunity for any significant growth over this period and the management transfer of the remaining 36 properties at the South Coogee and Balmain Estates.
- The Cowper St, Glebe redevelopment to deliver 158 seniors units with 153 NRAS subsidies was to be completed by December 2013. However, the NSW Government review of vesting from 2011 to 2013 has delayed project commencement and completion is now scheduled for June 2018.
- The loss of management and fee for service income from Millers Point properties as a result of the NSW Governments sale program of these properties.

Whilst this historical policy environment limited Bridge Housing's growth during 2015-16 the release of a policy framework (Future Directions) and the commitment from the Government to initiate the Property Transfer Program provides a clearer direction for Community Housing Providers moving forward. Regardless of the limitations during 2015-16, Bridge Housing's portfolio continued to grow whilst developing a pipeline of new properties to come on line in early 2016-17.

	2016	2015
	$	$
Deficit	(2,472,267)	(1,814,322)
Less:		
Interest income	160,171	307,998
Plus:		
Interest expense	90,247	46,603
Loss on derivative financial instrument	2,336,288	-
Impairment expense	-	1,340,625
Depreciation	1,318,696	1,270,589
Underlying operating profit (EBITDA)	**1,112,793**	**535,497**

Key highlights for 2015-16 include:

- The Company's portfolio increased by 51 properties to 1,767 properties. Our total properties include 124 affordable housing properties which we manage for a fee.
- Tenanted 24 properties in the Sydney Olympic Park Authority's Affordable Housing program after winning the management tender in December 2013.
- Secured the management of 19 dwellings for Caretaker Cottages which provides supported accommodation for young people.
- Completed the development of our Ashfield property which we acquired in March 2014, converting 4x2 bedrooms to 9 studio apartments.
- Continued to develop 65 affordable housing dwellings in the Bunya Estate, Bungarribee which was completed in July 2016. 34 of these dwellings have been sold to investors with the remaining 31 being retained by Bridge Housing. Bridge Housing will maintain management of all 65 dwellings as affordable housing for 10 years.
- Secured the Connect 100 program to house 15 homeless people through leasing properties in the private rental market and partnering with the support providers.
- Secured the Domestic Violence Response Enhancement Funding through the Specialist Homelessness Services and partnering with Aboriginal Women and Children's Crisis Service to house four households for women with or without children who are homeless or at risk of homelessness as a result of domestic and family violence.
- Secured the Domestic Violence Response Enhancement Funding through the Specialist Homelessness Services and partnering with St Vincent De Paul to house four households for women with or without children who are homeless or at risk of homelessness as a result of domestic and family violence.
- Continued to develop 38 units at Parramatta which are due for completion in November 2016.
- Continued to work with Land and Housing Corporation on the design and development of Cowper St, Glebe to deliver 158 seniors units by June 2018.
- Partnered with Waverley Council to purchase a block of 4x2 units in Randwick using ARHSEPP funding to provide additional affordable housing. The property was settled in July 2016.
- Negotiated the expansion of our debt facility from $18m to $25m to fund additional development commitments.

In the 2016-17 financial year, the Company intends to continue with the following development projects or tenders:

- Continue to partner with Land and Housing Corporation to develop Cowper St, Glebe by June 2018.
- Work with the Land and Housing Corporation in the Department of Family and Community Services to complete the transfer of the remaining 36 properties on the South Coogee and Balmain estate.
- Complete and tenant the 65 properties at Bungarribee.
- Complete and tenant the 38 dwellings in Parramatta.
- Settle the purchase of the 4 x 2 unit complex in Randwick.
- Pursue appropriate tender opportunities through the Communities Plus program.
- Pursue additional Fee for Service opportunities.
- Prepare to tender for the Property Transfer Program which will see the management transfer of up to 23,000 public housing dwellings to the Community Housing sector over the next 6 years.

The Company will continue to provide quality affordable housing to low and moderate income households.

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

On behalf of directors:

Mark Turner
Director

Shirley Liew
Director

Dated this 25th day of October 2016

Statement of profit or loss and other comprehensive income for the year ended 30 June 2016

	Notes	2016 $	2015 $
Revenue	2	29,891,230	29,248,340
Other income	3	445,987	555,379
Tenancy and property management expenses	4	(22,865,872)	(23,047,553)
Administration expenses	4	(7,607,324)	(7,229,863)
Deficit before fair value loss and impairment loss		**(135,979)**	**(473,697)**
Loss on derivative financial instrument	5	(2,336,288)	-
Impairment loss	6	-	(1,340,625)
Deficit before income tax expense		**(2,472,267)**	**(1,814,322)**
Income tax expense	1(1)	-	-
Deficit after income tax expense for the year attributable to the members of Bridge Housing Limited		**(2,472,267)**	**(1,814,322)**
Items that will not be reclassified subsequently to profit or loss			
Gain on the revaluation of land and buildings		6,459,180	12,499,062
Other comprehensive income for the year, net of tax		6,459,180	12,499,062
Total comprehensive income for the year attributable to the members of Bridge Housing Limited		**3,986,913**	**10,684,740**

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying note.

Statement of financial position as at 30 June 2016

	Notes	2016 $	2015 $
Assets			
Current assets			
Cash and cash equivalents	8	8,260,471	7,175,488
Trade and other receivables	9	1,997,909	2,738,742
Other assets	10	259,380	556,091
Investment property	12	4,220,057	4,126,865
Total current assets		**14,737,817**	**14,597,186**
Non-current assets			
Property, plant and equipment	11	115,556,501	95,049,884
Total non-current assets		**115,556,501**	**95,049,884**
Total assets		**130,294,318**	**109,647,070**
Liabilities			
Current liabilities			
Trade and other payables	13	1,276,297	1,253,633
Other liabilities	14	3,857,410	1,574,595
Employee benefits	15	412,728	369,483
Provisions	16	62,300	62,300
Total current liabilities		**5,608,735**	**3,260,011**
Non-current liabilities			
Employee benefits	15	94,760	79,996
Derivative financial liability	17	2,336,288	-
Borrowings	18	16,898,320	4,937,761
Total non-current liabilities		**19,329,368**	**5,017,757**
Total liabilities		**24,938,103**	**8,277,768**
Net assets		**105,356,215**	**101,369,302**
Equity			
Reserves	19	28,105,844	21,646,664
Accumulated surpluses		77,250,371	79,722,638
Total equity		**105,356,215**	**101,369,302**

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of cash flows for the year ended 30 June 2016

	Notes	2016 $	2015 $
Cash flows from operating activities			
Cash receipts from customers (inclusive of GST)		17,198,372	17,883,327
Cash paid to suppliers & employees (inclusive of GST)		(29,516,958)	(32,281,658)
Grants received (inclusive of GST)		16,447,015	13,622,611
Interest and other finance costs paid		(475,473)	(328,271)
Interest received		158,607	314,305
Net cash from/(used in) operating activities	**20**	**3,811,563**	**(789,686)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(14,427,760)	(8,079,915)
Deposit paid on land and buildings		(259,380)	(225,000)
Net cash outflow used in investing activities		**(14,687,140)**	**(8,304,915)**
Cash flows from financing activities			
Proceeds of borrowing		11,960,560	4,937,761
Net cash inflow from financing activities		**11,960,560**	**4,937,761**
Net increase/(decrease) in cash and cash equivalents		1,084,983	(4,156,840)
Cash and cash equivalents at the beginning of the year		7,175,488	11,332,328
Cash and cash equivalents at the end of the year	**8**	**8,260,471**	**7,175,488**

The above statement of cash flows should be read in conjunction with the accompanying notes.

Statement of changes in equity for the year ended 30 June 2016

	Accumulated surpluses	Reserves	Total equity
	$	**$**	**$**
Balance at 1 July 2013	**56,046,304**	**1,577,024**	**57,623,328**
Balance at 1 July 2014	**81,536,960**	**9,147,602**	**90,684,562**
Surplus after income tax expense for the year	(1,814,322)	-	(1,814,322)
Other comprehensive income for the year, net of tax	-	12,499,062	12,499,062
Total comprehensive income for the year	**(1,814,322)**	**12,499,062**	**10,684,740**
Balance at 30 June 2015	**79,722,638**	**21,646,664**	**101,369,302**
Surplus after income tax expense for the year	**(2,472,267)**	-	**(2,472,267)**
Other comprehensive income for the year, net of tax	-	6,459,180	6,459,180
Total comprehensive income for the year	**(2,472,267)**	**6,459,180**	**3,986,913**
Balance at 30 June 2016	**77,250,371**	**28,105,844**	**105,356,215**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the financial statements for the year ended 30 June 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Australian Charities and Not-for-profits Commission Act 2012, as appropriate for not-for-profit oriented entities.

The financial report was authorised for issue by the directors on the 25 October 2016. The directors have the power to amend and reissue the financial statements.

The financial report has also been prepared on a historical cost basis, except for land and buildings deemed to be at fair value.

The financial report covers the Company of Bridge Housing Limited as an individual entity. The financial report is presented in Australian dollars, which is Bridge Housing Limited's functional and presentation currency. Bridge Housing Limited is a not-for-profit unlisted public company limited by guarantee and it is incorporated and domiciled in Australia.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(b) Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Company and the revenue can reliably be measured. Revenue is recognised at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

Donation income

Donation income is recognised as revenue when the money is received and any obligations are met.

Rendering of services

Income from fees received for services is recognised when the service is provided.

Interest

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

Rental revenue

Rental revenue is recognised as income in the periods when they are earned.

Grants

Grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company has satisfied all the attached conditions.

(c) 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.

(d) Trade receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms between 30 and 90 days. Collectability of trade 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.

(e) Other assets

Payments made for deposits and costs for the development or construction of capital projects are recognised as other assets when the payments have been made but title has not transferred.

(f) Impairment of assets

At each reporting date the Company assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, the recoverable amount is determined and impairment losses are recognised in the income statement 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.

(g) Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuation by an external independent valuer, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. The most recent valuation was completed on 30 June 2016 by an independent assessment for one third of the portfolio. The average increase by location and property type was then applied to the remainder of the portfolio to estimate fair market value. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss. As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where the property is vested to the Company with an intention to hold the property as a long term asset for the provision of social housing, the asset is treated as property, plant and equipment.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

- Buildings	50 years
- Furniture, fittings and equipment	5 years
- Leasehold improvements	5 years
- Motor vehicles	5 years
- Computer equipment and software	1-5 years
- Office equipment	3-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Impairment of property, plant and equipment

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the statement of profit or loss and other comprehensive income.

(h) Investment property

Investment property principally comprises freehold land and buildings held for capital appreciation that are not occupied by the Company. Investment property is stated at historical cost less accumulated amortisation and impairment. Historical cost includes all costs to purchase and conversion of the property including labour, material, subcontractor expenses and direct contract expenses. On derecognition of the investment property, any gain or loss on disposal is recognised in the statement of profit or loss and other comprehensive income.

(i) 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 30-60 day payment terms. The carrying amount of the creditors and payables is deemed to reflect fair value.

(j) Provisions

Provisions for 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.
For service warranties, the likelihood that an outflow will be required to settle the obligation is determined by considering the class of obligations as a whole. Provisions are not recognised for future operating losses.

Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(k) Employee benefits

Liabilities for wages and salaries, including annual leave expected to be settled within 12 months of reporting date, are recognised in provisions in respect of employees' services rendered up to reporting date and are measured at amounts expected to be paid when the liabilities are settled. Liabilities are included as part of employee benefit provisions.

Liabilities for annual leave and long service leave not expected to be settled within 12 months from reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. Long service leave entitlements have been measured at the amount expected to be paid when the liability is settled, plus related on-costs, which provides an estimate of the amount not materially different from the liability measured at the present value of the estimated future cash outflows to be made for those benefits.

No provision is made for sick leave entitlements.

(l) Income tax

As the Company is the charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

(m) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(n) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including interest on long-term and short-term borrowings.

(o) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date with any movements shown in the statement of profit or loss and other comprehensive income.

(p) GST

Revenues and expenses are recognised net of GST, except where GST incurred is not recoverable from the taxation authority in which case the GST is recognised as part of the cost of the expense item. Receivables and payables are stated with the amount of GST included. The net amount of GST payable to the taxation authority is included in payables in the statement of financial position.

(q) New accounting standards and interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2016. Accounting standards issued that have not yet been early adopted are discussed below:

AASB 16: Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations.

AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

(q) New accounting standards and interpretations (Continued)

New, revised or amending Accounting Standards and Interpretations adopted

The Company has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

(r) Critical accounting estimates and judgements

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

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Land and building valuations

The directors engage an independent third party valuation company who hold recognised and relevant professional qualifications and have recent experience in the location and category of the property being valued. This valuation has been prepared in accordance with established valuation methodologies, international valuation standards and Australian Accounting Standards using the fair value model.

Estimation of useful lives of assets

The directors determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Fair value measurement hierarchy

The Company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Employee benefits provision

As discussed in note 1(k), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

NOTE 2: REVENUE

	2016	2015
	$	$
Rental income	16,984,033	16,261,254
Government grants	12,907,197	12,987,086
	29,891,230	**29,248,340**

Government grants

Government grants of $12,907,197 (2015: $12,987,086) were recognised by the Company during the financial year. There are no unfulfilled conditions or other contingencies attaching to these grants. The Company did not benefit directly from any other forms of government assistance.

NOTE 3: OTHER INCOME

	2016	2015
	$	$
Fees received – services	276,643	236,631
Interest income	160,171	307,998
Donations income	9,173	10,750
	445,987	**555,379**

NOTE 4: EXPENSES

	2016	2015
	$	$
Tenancy and property management expenses		
Rent paid	17,634,588	16,976,955
Bad and doubtful debt expense	163,810	169,878
Insurances	244,366	225,216
Rates and utility charges	1,482,824	1,569,134
Repairs and maintenance	3,303,724	4,007,347
Other	36,560	99,023
	22,865,872	**23,047,553**

	2016	2015
	$	$
Administration expenses		
Employee benefits	4,014,374	3,798,427
Superannuation expenses	357,597	321,683
Office rent	289,803	289,620
Office expenses	646,501	631,564
Consultant fees	425,653	389,132
Audit and accounting fees	81,655	63,717
Depreciation	1,318,696	1,270,589
Other expenses	423,598	411,012
Legal fees	49,447	54,119
	7,607,324	**7,229,863**

NOTE 5: LOSS ON DERIVATIVE FINANCIAL INSTRUMENT

	2016	2015
	$	$
Loss on derivative financial instrument	2,336,288	-
	2,336,288	**31,500**

A loss of $2,336,288 (2015: $nil) was recognised by the Company during the financial year as a result of the mark to market of the interest rate swap in place to hedge our variable interest rate on a proportion of the long term borrowings.

NOTE 6: IMPAIRMENT EXPENSE

	2016	2015
	$	$
Impairment expense	-	1,340,625
	-	**1,340,625**

Impairment of $nil (2015: $1,340,625) was recognised by the Company during the financial year. The impairment expense in the 2015 financial year was due to the reduction of the estimated recoverable amount of 3 Pembroke Street Ashfield NSW.

NOTE 7: AUDITOR'S REMUNERATION

During the financial year the following fees were paid or payable for services provided by the auditor (BDO East Coast Partnership) of the Company.

	2016	2015
	$	$
Audit of the financial statements	37,000	34,000
Other services – Indirect tax compliance services	25,866	-
	62,866	**34,000**

NOTE 8: CASH AND CASH EQUIVALENTS

	2016	2015
	$	$
Cash at bank and on hand	3,361,295	1,847,111
Cash on deposit	4,899,176	5,328,377
	8,260,471	**7,175,488**

Cash at bank and on hand is non-interest bearing. Deposits at call bear interest rates between 2.00% to 3.07% (2015: 2.4% to 3.6%).

NOTE 9: TRADE AND OTHER RECEIVABLES

	2016	2015
	$	$
Trade receivables	828,258	813,731
Property bonds	1,290,787	1,188,865
Sundry receivables	196,326	1,052,656
	2,315,371	3,055,252
Less: Provision for impairment of receivables	(317,462)	(316,510)
	1,997,909	**2,738,742**

The Company has recognised a loss of $163,810 (2015: $169,878) in the statement of profit or loss and other comprehensive income in respect of receivables for the year ended 30 June 2016.

The ageing of the receivables provided for above are as follows:

	2016	2015
	$	$
0 to 1 month overdue	15,321	24,503
1 to 2 months overdue	4,711	2,498
2 to 3 months overdue	5,723	3,836
Over 3 months overdue	291,707	285,673
	317,462	**316,510**

Movements in the doubtful debt provision for receivables are as follows:

	2016	2015
	$	$
Opening balance	316,510	315,316
Additional provisions recognised	163,810	169,878
Receivables written off during the year as uncollectable	(162,858)	(168,684)
Closing balance	**317,462**	**316,510**

Past due but not impaired:

Customers with balances past due (greater than 90 days) but without provision for doubtful debts amount to $128,575 as at 30 June 2016 ($nil as at 30 June 2015). This balance relates primarily to monies owing by NSW Land and Housing Corporation and is considered recoverable.

NOTE 10: OTHER ASSETS

	2016	2015
	$	$
Deposits	192,500	225,000
Prepayments	66,880	331,091
	259,380	**556,091**

Other assets of $259,380 (2015: $556,091) were recognised by the Company in the financial year. These are the deposits and expenses made towards the projects where title has not yet transferred.

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	Notes	2016	2015
		$	$
Furniture and fittings			
At cost		32,198	2,000
Less: Accumulated depreciation		(3,568)	(2,000)
		28,630	**-**
Motor vehicles			
At cost		30,960	30,960
Less: Accumulated depreciation		(29,535)	(26,562)
		1,425	**4,398**
Computer equipment			
At cost		741,145	682,374
Less: Accumulated depreciation		(475,805)	(329,740)
		265,340	**352,634**
Office equipment			
At cost		37,550	35,547
Less: Accumulated depreciation		(32,743)	(26,699)
		4,807	**8,848**
Land and buildings			
At fair value	(b)	93,066,037	90,335,414
		93,066,037	**90,335,414**
Leasehold improvements			
At cost		505,119	458,743
Less: Accumulated depreciation		(417,026)	(384,155)
		88,093	**74,588**
Construction in progress			
At cost		22,132,707	4,304,540
Less: Accumulated depreciation		(30,538)	(30,538)
		22,102,169	4,274,002
		115,556,501	**95,049,884**

Note 11: Property, Plant and Equipment (Continued)

Movements in carrying amounts

Movements in the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year is set out below:

	Furniture and fittings	Motor vehicle	Computer equipment	Office equipment	Land and buildings	Leasehold improve-ments	Construction in Progress	Total
	$	$	$	$	$	$	$	$
Balance at 1 July 2014	**-**	**9,807**	**423,938**	**11,557**	**80,228,299**	**74,178**	**-**	**80,747,779**
Revaluation	-	-	-	-	12,499,062	-	-	12,499,062
Amounts transferred from other assets	-	-	-	-	-	-	464,027	464,027
Additions	2,818	-	72,677	4,275	-	32,766	3,840,513	3,953,049
Disposals-Cost	(2,818)	-	-	-	-	-	-	(2,818)
Depreciation	-	(5,409)	(143,981)	(6,984)	(1,051,322)	(32,356)	(30,538)	(1,270,590)
Accumulated impairment	-	-	-	-	(1,340,625)	-	-	(1,340,625)
Balance at 30 June 2015	**-**	**4,398**	**352,634**	**8,848**	**90,335,414**	**74,588**	**4,274,002**	**95,049,884**
Revaluation	-	-	-	-	6,459,180	-	-	6,459,180
Amounts transferred from other assets	-	-	-	-	-	-	556,091	556,091
Amounts transferred from land and buildings to construction in progress	-	-	-	-	(2,600,000)	-	2,600,000	-
Additions	30,198	-	59,389	2,003	-	46,376	14,672,076	14,810,042
Disposals-Cost		-	(617)	-	-	-	-	(617)
Disposals – Accumulated Depreciation	-	-	617	-	-	-	-	617
Depreciation	(1,568)	(2,973)	(146,683)	(6,044)	(1,128,557)	(32,871)	-	(1,318,696)
Balance at 30 June 2016	**28,630**	**1,425**	**265,340**	**4,807**	**93,066,037**	**88,093**	**22,102,169**	**115,556,501**

(a) The Company acquired 10 super lots in Urban Growth's Bunya Estate, Bungarribee for $8,680,000 (excl. gst) to produce a minimum of 62 affordable housing dwellings. Settlement occurred on 17 June 2015 and Bridge Housing received a rebate of $20,000 per lot from the Federal Government Housing Affordability Fund. This rebate totalled $1,240,000, resulting in a net total purchase price of $7,440,000. $4,220,057 has been classified as investment property for the sale dwellings and the rest is included within the construction in progress.

(b) The fair value of the land and buildings at reporting date is assessed by a valuer who performed independent valuations in June 2016, to ensure that the carrying amount of land and buildings does not differ materially from its fair value at reporting date. On this basis, the directors assessed the fair value of land and buildings at 30 June 2016 to be $95,666,037. The resulting increase of $6,459,180 has been recognised as an asset revaluation reserve (Refer Note 16).

NOTE 12: INVESTMENT PROPERTY

Investment properties principally comprise of freehold land and buildings held for investment purposes that are not occupied by the entity. Investment properties are initially recognised at cost, including transaction costs.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

	2016	2015
	$	$
Investment property under construction – at cost	4,220,057	4,126,865
	4,220,057	**4,126,865**

NOTE 13: TRADE AND OTHER PAYABLES

	2016	2015
	$	$
Trade and other payables	1,276,297	1,253,633
	1,276,297	**1,253,633**

NOTE 14: OTHER LIABILITIES

	2016	2015
	$	$
Deferred revenue - Grant subsidy	380,638	263,202
Deferred revenue - Grant for projects	2,602,544	650,131
Deferred revenue - Tenant rent	874,228	661,262
	3,857,410	**1,574,595**

NOTE 15: EMPLOYEE BENEFITS

	2016	2015
	$	$
CURRENT		
Annual leave	312,554	280,239
Long service leave	100,174	89,244
	412,728	**369,483**

NON - CURRENT		
Long service leave	94,760	79,996
	94,760	**79,996**

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Company does not have an unconditional right to defer settlement. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

NOTE 15: Employee Benefits (Continued)

The following amounts reflect leave that is not expected to be taken within the next twelve months.

	2016	2015
	$	$
Employee benefits obligation expected to be settled after twelve months	77,767	62,609
	77,767	**62,609**

NOTE 16: PROVISIONS

	2016	2015
	$	$
CURRENT		
Make good provisions	62,300	62,300
	62,300	**62,300**

NOTE 17: DERIVATIVE FINANCIAL LIABILITY

	2016	2015
	$	$
Interest rate swap	2,336,288	-
	2,336,288	**-**

NOTE 18: BORROWINGS

	2016	2015
	$	$
NON - CURRENT		
Bank loan	16,898,321	4,937,761
	16,898,321	**4,937,761**

The bank loan is secured by first mortgages over the Company's land and buildings. The total facility of $18,000,000 had unused lines of credit as at 30 June 2016 of $1,101,679 (2015: $13,062,239).

NOTE 19: RESERVES

Movements on reserves in the year are as follows:

	At the start of the year	Revaluation of Land and Buildings	At the end of the year
	$	$	$
Asset revaluation	21,646,664	6,459,180	28,105,844
	21,646,664	**6,459,180**	**28,105,844**

The asset revaluation reserve is used to recognise increments and decrements in the fair value of land and buildings in accordance with note 1(g).

The Company engaged an independent valuation Company to undertake a revaluation of a third of its portfolio as at 30 June 2016. As a result, the land and buildings were revalued upwards by $6,459,180.

NOTE 20: CASH FLOW INFORMATION

	2016	2015
	$	$
Reconciliation of surplus to net cash flow from operating activities		
Deficit for the year	(2,472,267)	(1,814,322)
Depreciation	1,318,696	1,270,589
Impairment expense	-	1,340,625
Fair value loss	2,336,288	-
Capitalised interest	(467,826)	(328,271)
Changes in assets and liabilities		
Increase in trade and other receivables	(137,648)	(30,162)
Increase/(decrease) in trade creditors and other payables	893,496	(952,500)
Increase in provisions	58,009	86,287
Increase/(decrease) in deferred income	2,282,815	(361,932)
Net cash flow provided by/(used in) operating activities	**3,811,563**	**(789,686)**

NOTE 21: CONTINGENT LIABILITIES

There is a security deposit guarantee of $40,183 for the office level 11 premises (2015: $40,183) and $932,000 bank guarantee for the Bunya project (2015: nil).

The Company had no other contingent liabilities as at 30 June 2016 or 30 June 2015.

NOTE 22: COMMITMENTS

	2016	2015
	$	$
Lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable – minimum lease payments:		
Within one year	2,091,977	1,933,874
One to five years	769,812	47,361
	2,861,789	**1,981,235**

The lease for Level 9, Tower 1, 1 Lawson Square, Redfern is a non-cancellable lease which commenced on 15 June 2009 for a five year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by 4% per annum. An option existed to renew the lease at the end of the five year term for an additional term of 5 years. The lease was extended for 2 years to 14 June 2016 with a further 3 year option, and it is currently under review for further extension.

The lease for Level 11, Tower 1, 1 Lawson Square, Redfern is a non-cancellable lease which commenced on 1 June 2013 for a twelve month and fourteen days term to be in line with Level 9, with rent payable monthly in advance. We have sub-leased half of the floor on the same terms as our head lease. An option exists to renew the lease at the end of the one year term for an additional term of 5 years. The lease was extended for 2 years to 14 June 2016 with a further 3 year option, and it is currently under review for further extension.

Bridge Housing also has lease commitments under the leasehold program. These properties are sub let to social housing tenants. We receive a NSW Government subsidy to meet the difference between the market rent and the rental income received from our sub leases. These lease commitments are non-cancellable operating leases contracted between 3 weeks and 2 years. Increases in lease commitments may occur in line with changes in market rent but any increase is funded by our lease subsidy arrangements with the government.

Capital commitment

As at 30 June 2016 the Company and Waverley Council had entered into a contract with private investor for the purchase of 8 Roberts Avenue Randwick. As at 30 June 2016, a balance of $1,732,500 is payable by Bridge Housing Limited for its share of the property upon settlement.

NOTE 23: RELATED PARTY TRANSACTIONS

Key management personnel

The aggregate compensation made to directors and other members of key management personnel of the Company is set out below

	2016	2015
	$	$
Short-term employee benefits	617,702	554,985
Post-employment benefits	58,792	50,958
	676,494	**605,943**

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

NOTE 24: FAIR VALUE MEASUREMENT

Fair value hierarchy

The following tables detail the Company's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1	Level 2	Level 3	Total
30 June 2016	$	$	$	$
Assets				
Land and buildings	-	-	95,666,037	95,666,037
Total assets	**-**	**-**	**95,666,037**	**95,666,037**
Liabilities				
Interest rate swap	-	-	2,336,288	2,336,288
Total liabilities	**-**	**-**	**2,336,288**	**2,336,288**

	Level 1	Level 2	Level 3	Total
30 June 2015	$	$	$	$
Assets				
Land and buildings	-	-	90,335,414	90,335,414
Total assets	**-**	**-**	**90,335,414**	**90,335,414**

NOTE 24: Fair Value Measurement (Continued)

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Land and buildings have been valued based on similar assets, location and market conditions.

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

	Interest rate swap	Land and buildings
	$	$
Balance at 30 June 2015	-	90,335,414
Depreciation	-	(1,128,557)
Revaluation (decrement)/increment	(2,336,288)	6,459,180
Balance at 30 June 2016	**(2,336,288)**	**95,666,037**

The unobservable inputs applied in the valuation methods used included rental market data, rental levels, rental demands and other unobservable inputs.

NOTE 25: EVENTS AFTER REPORTING PERIOD

Debt facility

The Company has increased its debt facility from $18,000,000 to $25,000,000 to facilitate development of the Parramatta site.

Loan drawdown

The Company has drawn down the loan by a further $3,170,047 to facilitate the completion of Bunya and the ongoing construction of Parramatta.

Development projects

Ashfield project was completed in July 2016. Bunya project was completed and settled in September 2016.

There are no other matters or circumstance that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial year.

NOTE 26: FINANCIAL RISK MANAGEMENT

(a) General objectives, policies and processes

In common with all other businesses the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Company's financial instruments consist of cash and cash equivalents, interest rate swaps, trade receivables, trade payables and borrowings.

The Board has overall responsibility for the determination of the Company's risk management objectives and polices and its overall objective is to set polices that seek to reduce risk as far as possible without unduly affecting the ability of the Company to achieve its aims. Further details regarding these policies are set out below, in notes (b), (c) and (d).

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Company incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Company.

There is no concentration of credit risk with respect to current receivables.

The maximum exposure to credit risk at balance date is the carrying value of these assets, net of any provision for doubtful debts, as disclosed below:

	2016	2015
	$	$
Cash	8,260,471	7,175,488
Trade and other receivables	2,007,379	2,738,742
	10,267,850	**9,914,230**

(c) Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulties raising funds to meet commitments associated with financial instruments.

The Company is not significantly exposed to this risk, as it has $8,260,471 (2015: $7,175,488) of cash and cash equivalents to meet these obligations as they fall due.

The Company manages liquidity risk by monitoring cash flows and ensuring it has sufficient cash reserves and available borrowings to be able to pay debts as and when they become due and payable.

Financing arrangements

The Company has the following unused borrowing facilities as at reporting date:

	2016	2015
	$	$
Corporate debt facility	1,101,679	13,062,239
	1,101,679	**13,062,239**

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

2016	Less than 12 months	Between 1-3 years	Over 3 years	Total
	$	$	$	$
Non-derivative financial Liabilities				
Trade and other payables	1,276,297	-	-	1,276,297
Borrowings	-	-	16,898,320	16,898,320
	1,276,297	**-**	**16,898,320**	**18,174,617**
Derivative financial liabilities				
Interest rate swap	-	-	2,336,288	2,336,288
Total liabilities	**-**	**-**	**2,336,288**	**2,336,288**

2015	Less than 12 months	Between 1-3 years	Over 3 years	Total
	$	$	$	$
Non-derivative financial Liabilities				
Trade and other payables	1,253,633	-	-	1,253,633
Borrowings		-	4,937,761	4,937,761
	1,253,633	**-**	**4,937,761**	**6,191,394**

(d) Market Risk

Market risk arises from the use of interest bearing financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates.

The Company's exposure to interest rate risk is set out in the tables below:

2016	Floating interest rate	Fixed interest <1year	Fixed interest 1-3 year And Over	Non-interest bearing	Total
	$	$	$	$	$
Financial Assets					
Cash	863,030	4,000,000	-	3,397,441	8,260,471
Trade and Other Receivables	-	-	-	2,738,742	2,738,742
	863,030	**4,000,000**	**-**	**5,404,820**	**10,267,850**
Weighted average interest rate	**0.70%**	**2.55%**			
Financial Liabilities					
Trade and Other Payables	-	-	-	1,276,297	1,276,297
Borrowings	16,898,320	-	-	-	16,898,320
	16,898,320	**-**	**-**	**1,276,297**	**18,174,617**
Weighted average interest rate	**3.48%**				

The maturity profile and the weighted average interest rate of the fixed derivatives held at 30 June 2016 represented by an interest rate swap which expires on 1 July 2025 can be summarised below:

2016	<1 year	1-5 years	>5 years	Total
	$	$	$	$
Interest rate swap (fixed)	$16,000,000	$16,000,000	$16,000,000	$16,000,000
Average fixed rate	**3.69%**	**3.69%**	**3.69%**	**3.69%**

2015	Floating interest rate	Fixed interest <1year	Fixed interest 1-3 year And Over	Non-interest bearing	Total
	$	$	$	$	$
Financial Assets					
Cash	328,377	5,000,000	-	1,847,111	7,175,488
Trade and Other Receivables	-	-	-	2,738,742	2,738,742
	328,377	**5,000,000**	**-**	**4,585,853**	**9,914,230**
Weighted average interest rate	**2.5%**	**2.7%**			
Financial Liabilities					
Trade and Other Payables	-	-	-	1,253,633	1,253,633
Borrowings	4,937,761	-	-	-	4,937,761
	4,937,761	**-**	**-**	**1,253,633**	**6,191,394**
Weighted average interest rate	**3.43%**				

NOTE 26: Financial Risk Management (Continued)

Sensitivity Analysis – Interest Rate Risk

The Company has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in the risk.

The effect on the result and equity as a result of changes in interest rate, with all other variables remaining constant, would be as follows:

2016	Profit/(loss) after tax		Equity	
	100bp higher	100bp lower	100bp higher	100bp lower
	$	$	$	$
Effect of market interest rate movement	242,605	(242,605)	242,605	(242,605)

The above analysis assumes all other variables remain constant.

	Carrying Amount	+1%	-1%
2016	$	Result $	Result $
Cash	8,260,471	61,337	(61,337)
2015			
Cash	7,175,488	53,281	(53,284)

NOTE 27: ECONOMIC DEPENDENCY

The Company is economically dependent on the NSW State and Federal Governments for significant financial support in the form of subsidies and grants to assist in the delivery of affordable and social housing to the community and the Federal Government for Commonwealth Rent Assistance (CRA) and subsidies through the National Rental Affordability Scheme.

NOTE 28: COMPANY DETAILS

The current address of the registered office and principal place of business is:

Level 9, Tower 1, 1 Lawson Square,

Redfern NSW 2016.

NOTE 29: MEMBERS' GUARANTEE

The entity is incorporated under the Australian Charities and Not-for-profits Commission Act 2012 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of $1 each towards meeting any outstanding and obligations of the entity. At 30 June 2016 the number of members was 255 (2015: 303).

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements comprising the statement of financial position, statement of profit or loss and other comprehensive income, statement of cash flows, statement of changes in equity, and accompanying notes to the financial statements, are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012 and

a. comply with Australian Accounting Standards and the Australian Charities and Not-for-Profit Commission Regulations 2013; and

b. give a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date;

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Mark Turner	**Shirley Liew**
Director	Director

Dated this 25th day of October 2016

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INDEPENDENT AUDITOR'S REPORT

To the members of Bridge Housing Limited

Report on the Financial Report

We have audited the accompanying financial report of Bridge Housing Limited, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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.

Responsible Entities' Responsibility for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and for 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 that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the responsible entities' 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 registered entity'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.

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Opinion

In our opinion the financial report of Bridge Housing Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(a) giving a true and fair view of the registered entity's financial position as at 30 June 2016 and of its financial performance and cash flows for the year ended on that date; and

(b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

BDO East Coast Partnership

BDO

Ian Hooper
Partner

Sydney, 25 October 2016

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linking people to a better future

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