



**Creating
homes and
building
communities**

**Annual Report
2012-13**

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Acknowledgements

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



All people have the right to a safe, secure, affordable home. At Wentworth Community Housing, we realise that having a place to call home is only the first step for many families and individuals as they seek to improve their lives.

We know from experience that the best way to assist our tenants is to work from the inside out. The power of our innovative programs and services comes from our dealing everyday with the very real issues people have when they are faced with the challenges of finding and maintaining a permanent home.

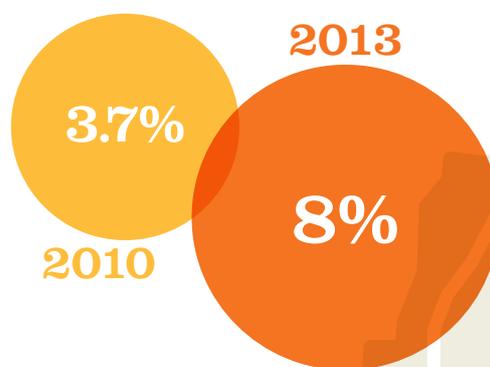
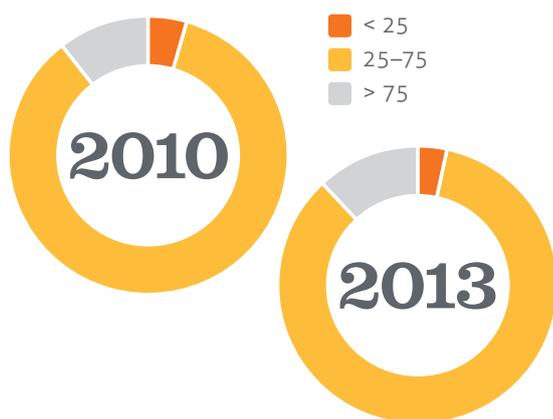


Wentworth then and now

Our commitment to social inclusion and diversity in our communities is clearly shown in how the mix of our properties and tenants has changed over the past three years. Our tenants come from a range of backgrounds, ages and cultures. They reflect the changing nature of Australian society in the 21st century.

Ages of our tenants

An aging population places additional demands on the services and types of dwellings we need to provide.

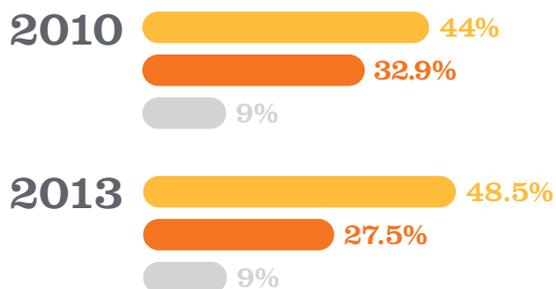


Indigenous Australians

The doubling of Aboriginal tenancies reflects the focus WCH has placed on solving the housing issues faced by families and individuals.

Make-up of our households

The rise in the number of single people requiring support is reflective of an aging population and changing social dynamics.



- Single people
- Sole parents
- Couples/adults with 1 or more children



Tenants with a disability

We take a proactive approach to assisting our tenants find the necessary support and services to ensure they can continue to live in their community.

Properties under management

In 2010 we had 1,483 properties under management compared to 1,983 as at 30 June 2013.



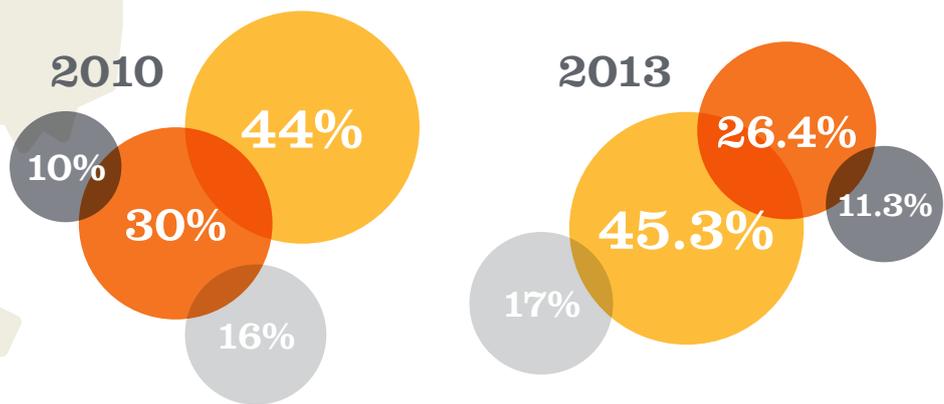
Geographical spread of our properties

Wentworth's properties are predominately located in the Local Government Areas of Penrith, Blacktown, Hawkesbury and the Blue Mountains.

Size of our properties

Our portfolio reflects the diversity of living arrangements required by our tenants.

- Bedsit, 1 bedroom
- 2 bedrooms
- 3 bedrooms
- 4+ bedrooms



Gross revenues and expenses

The growth in revenues and expenses reflect the rapid increase in properties under management.

Revenues

2010	2013
\$11.8m	\$26.8m

Expenses

2010	2013
\$10.5m	\$22.2m

Reserves and surplus

To ensure we have the necessary funds we continuously set aside funds for future known projects such as planned maintenance, property development and back-office systems.

Reserves

2010	2013
\$3.4m	\$14.4m

Surplus

2010	2013
\$1.2m	\$4.5m

Chairperson and CEO report

Wentworth Community Housing (WCH) is one of the largest and most experienced community and social housing providers in New South Wales. With nearly 2,000 properties and tenancies spread across the outer western Sydney region, WCH is a leading provider of affordable and social housing solutions and tenancy support to over 4,000 families and individuals each year.

Since our inception, nearly 17 years ago, WCH has built an enviable reputation for innovative and proactive community programs and initiatives to meet the needs of its tenants. Fundamental to developing these programs is the recognition that many of our tenants have highly complex needs. WCH's focus is to help people gain and maintain a secure tenancy because it is only when our tenants feel secure and are connected to the community are they able to make substantial changes in their lives.

This year's report

This annual report is a departure from reports in the past. We have opted for a combined Chairperson and Chief Executive Officer's Report, as this reflects the unified approach we are looking to develop across all our services, and partnerships.

2013: Consolidation as a foundation of growth

To continue to be an innovative leader in the provision of affordable and social housing solutions WCH, as an organisation, has to continually evolve its own processes. Just to meet the current needs of our tenants, WCH has to adjust its services. However, if we want WCH to grow – and we do – the Board and Management need to chart how to incorporate that growth into our organisation.

Sustainable growth cannot come without investment in staff, investment in new office systems and hardware and investment in new tenancy programs. So with only 15 properties being added to our property register in 2013, we took the opportunity to review all aspects of our operations.

After the rapid growth of the last seven years, where WCH went from managing less than 700 dwellings and revenues of \$5 million to a 2013 with 1,983 residences and over \$26 million, it has become clear that we need to invest in a new integrated back-office system and to upgrade our IT hardware. This project, to be rolled-out during the coming financial year, will integrate our asset management plans, financial modelling, tenancy processes and risk management procedures.

Our commitment to putting tenants at the centre of all our operations has resulted in a new tenant advisory group, a new Wentworth Integrated Services Delivery program and a range of other policy and process changes. Tenant feedback has driven some of these, while the rest have come from our own internal research. The proactive and co-operative culture, that is the hallmark of our WCH teams, has resulted in some new initiatives that are resulting in better prioritising of asset maintenance issues.

With the NSW government taking a step back from its property transfer program, the Board spent some time considering the impact this would have on our business if it was to continue. We need to remain mindful of the impact State and Federal Government initiatives can have on our business. Taking a proactive approach, we continue to promote the advantages of partnering with WCH to improve the delivery of housing solutions in the outer western Sydney region.



Financial results

The financial reports show an organisation that is growing strongly. Improved asset management strategies, streamlined internal processes and new business practices have all contributed to the continued strong financial performance of our organisation. Our prudential approach has resulted in a continued increase in WCH's annual surplus to \$4.6m, largely as a result of the 900 houses transferred to us between 2010 and 2012.

As WCH has grown as an organisation our financial modelling has centred on building a strong sustainable revenue base, capable of funding our growth. To this end, creating a range of specialist reserve funds means the necessary funds are available for planned maintenance and property works including the initial equity for the 81 units WCH is developing in Penrith and Rouse Hill, as well as other affordable housing projects.

Risk mitigation and corporate governance

Having a strong balance sheet is essential as WCH enters a new era of collaborating with banks and other organisations to fund the development of our own properties. The emergence of debt funding as an option has necessitated the development of additional risk management processes.

The Board and Management have continued to apply its corporate governance processes to all business proposals. In particular, our strategic planning sessions spend considerably more time now evaluating how WCH could be structured to mitigate the risks.

Sustainable growth cannot come without investment in staff, investment in new office systems and hardware and investment in new tenancy programs.

Property growth

The current five year plan for WCH maps out a vision of an organisation that manages a substantially bigger portfolio than our current 2,000 properties. While the slowdown in transfers from the NSW government has meant this internal target is unlikely to be reached in the short term, we remain optimistic that this is not a complete cessation of the property transfer program and that government will recommit to continued growth of the sector. Regardless, WCH has identified a number of other opportunities to grow.

Affordable housing development projects

With Federal and State governments emphasising the need for more affordable rental housing options, WCH, in association with local developers, is tendering to secure building projects that have National Rental Affordability Scheme (NRAS) incentives attached. The Federal government developed the NRAS programs to stimulate the provision of affordable housing.

Following detailed due diligence, WCH has agreed to purchase 61 units that are being built in Penrith to WCH specifications. The majority of the units are designated affordable housing and will be leased to people who need to work and live in Penrith and may not be able to because of their income. The units are due to be completed by December 2013. The purchase will be completed using a combination of government funding, equity and debt.

Our second project is an affordable 28 apartment project at Rouse Hill. Wentworth tendered for the project in conjunction with BlueCHP. This is an increase of 8 apartments since we last reported on this development. The 40% rise in number of apartments highlights the skills we can bring to bear to this project and the success of our partnership with BlueCHP and other associated property consultants.

The development application for this project is currently with Baulkham Hills Council. We expect construction to commence midway through 2014, with the apartments to be completed by the middle of 2015.





Asset management and maintenance

Additional revenues will come from leveraging our already proven expertise in asset management and maintenance. In 2013, we took the first step in this direction by successfully tendering for a repairs, maintenance and upgrade contract to manage 146 dwellings across northern metropolitan Sydney for 44 homelessness agencies.

Redeveloping current properties

Most houses have a life span of between 50 and 60 years, after which the costs of maintaining the property generally outweigh those of redeveloping the site. The Asset Management Plan has allowed us to earmark a number of sites for redevelopment. In particular, we have identified 5 sites, that if appropriately redeveloped, could translate into 65 new dwellings. WCH is undertaking the necessary due diligence and financial modelling on these sites and will explore with government the economic feasibility of this approach.

Services growth

While it is easy to let the growth in property development dominate our thinking, we recognise that creating new services that meet the many and varied needs of our tenants and people in housing need, is an essential part of our business model.

WCH is committed to addressing the issue of homelessness in our local community. Together with representatives from government, local councils and support services, we have formed a Homelessness Taskforce to develop and action a 10 year plan to end chronic homelessness in Sydney's outer western regions.

Government funding has enabled WCH to deliver a range of innovative homelessness programs and activities. WCH has reached out and housed rough sleepers and run homelessness hubs where they can access a range of services and material aid. Additionally, to improve our work with homeless people, we brought out international experts to provide specialised trauma training for caseworkers across the sector involved in these programs. We also worked at better connecting with the Aboriginal community who have the highest rates of homelessness in western Sydney.

Project 40, a landmark project, continues to be funded until June 2014 and has been an outstanding success in the reduction of homelessness in our region, with 45 families and individuals finding permanent housing as at June 2013. WCH, in conjunction with a range of community agencies and services, creates tailor-made, wraparound services — such as medical support, financial counselling or family reconnection — to help tenants settle and eventually become independent. To date the retention rate is 92%, demonstrating the long-term benefits of this innovative approach.

These and many other projects are integral to WCH's approach in providing safe, secure and affordable housing for those in need. While the impact of the current government reform 'Going Home Staying Home' is unknown, WCH is committed to continue and further invest in its support programs and services.

Partnerships

WCH recognises that it cannot change the world on its own. The success of many of our community programs are predicated on the support we get from our many partners. By harnessing the strengths of local organisations, we can introduce more appropriately a range of prevention and early intervention support programs and services.

Initiatives like Project 40 can and do involve many other community partners. These networks of professional partnerships are the key to creating a difference in the lives of the most vulnerable in our region. By collaborating with a range of organisations, WCH is free to focus on what it does best, while drawing on the individual skills and expertise of our partners. Having such broad range eliminates the duplication of effort. The close relationships that have developed over the years ensure that tenant issues can be dealt with in a timely and appropriately effective manner.



The Board

Managing our growth could not be possible without a proactive board that is committed to the long-term success of WCH. Our strategic plan and forecast growth require new ways of thinking, different corporate governance models and a strongly shared vision. All the directors have given willingly of their expertise to ensure the infrastructure and systems we are building are appropriate for WCH's five year strategic plan.

The past year saw the retirement of Gail Sadler, Stewart Williams and David Currie. We thank them for all that they have done to ensure WCH has a strong and sustainable future. Stepping into their shoes are Ron Coskerie, Cameron Lamb, Ashleigh O'Brien and Ken Gilbert who have found their feet quickly, taking on active roles in a range of sub-committees. The new directors bring new perspectives and skills that will be valuable in the coming years.

The ability to build a strong partnership between Board and Management is one of the key strengths of WCH, particularly when growing an organisation in a sector that itself is undergoing major change.

Our people

Nothing would or could have been achieved without our people who are Wentworth. Their ability to work under enormous pressure, helping people every day with histories that beggar understanding and developing new and innovative services to ensure the best possible outcome is exemplary. One of the greatest strengths of our staff has been their ability to embrace change and adapt to new operating environments. Our person-centred approach will remain central to Wentworth's mission.

One of the greatest strengths of our staff has been their ability to embrace change and adapt to new operating environments.

Our goals for 2014

The main focus for the coming twelve months will be to ensure the successful completion of our Penrith development and the bedding down of the Rouse Hill project. These two affordable housing projects form the bedrock for WCH's building program.

WCH will continue to engage in discussions with government agencies to raise awareness of the benefits of the transfer program and the social and economic issues facing NSW's homeless and those struggling to find dwellings that are affordable to rent. We recognise that our world and the nature of our sector will continue to evolve. There is much still to be done in the provision of services and housing options to our fellow Australians. However, WCH is proud to be making a sustainable difference to many hundreds of families and individuals across western Sydney.

Estelle Ehmann
(Chairperson)

Nick Sabel
(Chief Executive Officer)



Building Wentworth Community Housing

Creating an organisation that is well-recognised as an innovative provider of affordable, social and community housing solutions and tenancy services does not happen overnight. It takes determination, discipline, focus and commitment to continuous change. Over the years, WCH has changed in many ways. We have leveraged our skills to create new revenues; we have created new tenancy programs and changed how we internally manage our operations.

However, whatever the changes, our operations still revolve around three central fundamentals – our people, our homes and our finances. In creating a strong sustainable business, everything we do is a combination of these three. Over the next pages we show how they come together to create a strong thriving organisation, with the financial resources and skills to continue to be a leader and innovator in the affordable and social housing sector.

Our homes

The 2,000 properties under management are the foundation of our business. By managing and maintaining them well, we are able to create the revenues that allow us to develop new properties.

Our people – tenants, staff and partners

Committed staff, collaborating with a broad range of community agencies, allows us to create proactive innovative programs to support our tenants.

Financial management

Proactive financial management and modelling is central to our continued growth. Building appropriate reserves for repairs and maintenance and for new developments is part of our risk mitigation and management processes.

Homes

When a property is either transferred or acquired by WCH, we check everything from the roof, to carpets, paintwork and water heaters. The data then feeds into our Asset Management Plan to create a long-term property maintenance schedule with appropriate budget forecasts.



Homes

In 2013, WCH upgraded almost 300 houses as part of our three year asset management program. Additionally, our Asset Management Team assessed 264 properties as they became vacant to ensure they met WCH's rental standards.



**2013
revenues
\$26.8m**

Revenues in 2013 were over \$26m, reflecting increased rental returns, lower vacancy rates, lower rental arrears and better asset management. The new integrated service teams have assisted in the streamlining of priorities and maintaining proactive asset management plans, have all assisted in contributing to the growth to the bottom line.

Finance



Project 40 our leading homelessness project, attracted additional funding to June 2014. In the past year WCH have placed 45 long-term homeless vulnerable people and families. This award winning program involves close to 80 other local organisations. The challenge for WCH is to attract future long-term funding to assist the long-term homeless in our region.

People

With over 4,000 people living in WCH properties, the focus of our teams is to ensure the best possible match between the needs of the individuals concerned and the properties available.

People



Homes

Our planned maintenance program creates confidence in the standard of repairs and maintenance provided. Local contractors are used wherever possible as part of the WCH commitment to our "support local communities – buy local" initiatives.

Homes

Our 24/7 repairs call centre handled over 13,000 maintenance related activities last year. The issues range from minor things like changing a tap washer, through to substantial damage caused by a storm. Tracking all the issues is allowing us to better understand the issues tenants regularly raise. This in turn becomes part of our proactive maintenance programs.

People

A rapid rehousing project piloted in the Penrith area with the support of the Federal Government. The project is focussed on helping people who are homeless, move quickly into housing, minimizing the time they spend being homeless.

Research shows that individuals and families have better outcomes when they are assisted into permanent housing.



\$4.6m
surplus
in 2013

An additional \$148k was added to the IT and Computer Reserve in 2013. This brings the total reserve to just under \$1m. The majority of this will be used in the coming financial year for the implementation of a new integrated business system and upgrading of our IT systems.

Finance

The operating surplus for 2013 is \$4.6m. The increase can be attributed to increased rental revenue from the property transfer program and a lower level of maintenance required as external funding was received to upgrade these properties to the required standard.

Finance

People

The continued focus on building our staffs' skills and creating strong proactive relationships has allowed WCH to better match houses with families. One process has been the creation of "Pathways" champions who sit on housing co-ordination committees which can reduce the time between when a family in need is identified and the finding of accommodation.



Finance

Managing property expenses is central to our budgeting process. With nearly 2,000 houses under management, we regularly set aside funds to ensure there are always sufficient reserves to cover our Asset Management Plan maintenance and repairs forecasts.

1,983
houses under
management

2013
reserves
\$14.4m

WCH also sets aside additional funds each year, specifically for equity contributions for the acquisition and development of new projects. In 2013, \$1.48m was added to the fund. During the year, \$500k was used to fund the equity component of the acquisition of the Derby Street, Penrith project that is due for completion in December 2013.

Finance



As part of our commitment to community engagement, WCH invited a range of tenants to be part of a new Tenant Advisory and Engagement Program to foster involvement in our tenant policies and procedures. This is part of our drive to build a stronger connection between tenants and their communities.

People



Environmentally supportive initiatives such as rain water collection systems for gardens, natural gas instead of electricity and energy efficient appliances are incorporated into our properties and new developments. With utility costs a major household expense these programs go a long way to reducing these bills.

Homes

Homes

WCH has established a panel of property and maintenance contractors. This allows us to respond in a timely manner to tenant issues. The fees are based on NSW Housing rates and technical specifications. Part of the process is the agreement to abide by WCH's statement of business ethics and code of conduct.

People

Community engagement is a core topic for both our Housing and Community Services Teams. We have increased the number of client service visits to tenants to improve their sense of belonging and settling into their new community.



Project 40
retention rate
92%

Creating award winning programs

WCH won two NSW Federation awards "Working with Aboriginal People and Communities" and "Building Communities and Tenant Engagement". These awards testify to the skill and expertise of our staff and their dedication to finding innovative solutions to the problems faced by our tenants.

People

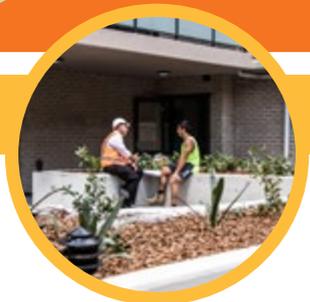


Building our own properties is one of the most direct ways that WCH can assist those with low to moderate incomes find an affordable place to rent. With the first two projects underway and another in the pipeline, WCH is actively looking for new projects, either in its own right, or in conjunction with other community agencies.

Since June 30, 2013, BlueCHP has transferred the management rights and financial responsibility for over 450 properties.

WCH has been managing these properties under a fee-for-service contract. Now that WCH has full control, the properties will be incorporated into our Asset Maintenance Plan. Any planned maintenance works will be reflected in future budgets and work forecasts.

Finance



Homes

Finance

The Future Planned Maintenance Reserve Fund is crucial to the long term repair and maintenance of our properties. The funds are for the long-term planned maintenance costs as outlined in the WCH Asset Maintenance Plan. The reserve is needed to ensure there are sufficient funds available for those years when operating revenues would not cover the planned costs.

Finance

Total expenditure increased from \$20.5m to \$22.2m, with increases in property costs for repairs and maintenance and property leasing, and indirect expenses, including staff salaries and program costs for our funded programs contributing to the rise.

People

Wentworth Integrated Services Delivery (WISD) is a new project that brings together all of the WCH service teams. WISD allows us to deliver a holistic solution to issues being raised by tenants. This approach has led to better team communications with tenants, community agencies and within WCH.



**2013
expenditure
\$22.2m**

**Awarded
contract to
maintain 146
properties**



In 2013 WCH won a contract to provide repairs, maintenance and up- grading services to 146 homelessness properties managed by 44 specialist agencies across northern metropolitan Sydney. Leveraging our internal skills into new income opportunities is part of our five year strategic plan.

Homes

Our Strategic Asset Management Plan is updated regularly to reflect the current financial data and changes in property assets. The plan is central to our long-term growth forecasts and links to business and risk management programs.

Homes

Finance

WCH's continued focus on all aspects of our operations has contributed to the continued improvement in our surpluses. While only 15 properties were added to our management program in the 2013 financial year, the improved surplus reflects a tighter focus on budgetary controls and enhanced procedures and practices.



People

WCH has developed a specialist Aboriginal Outreach program. Many Aboriginal families and individuals struggle with the demands of a modern Australian society. Taking a proactive approach, we support families with a range of specifically designed programs such as "Sharing with a Deeper Message". This program is for young aboriginal men making the transition to adulthood.

People

Government funding has enabled WCH to deliver a range of innovative homelessness programs and activities. WCH has reached out and housed rough sleepers and run homelessness hubs where they can access a range of services, and material aid.



\$7.7m
debt
funding

Debt funding of approximately \$7.7m is required for the new 89 units in Penrith and Rouse Hill. WCH has developed strong relationships with a range of financial partners who understand our business model and want to work with us to deliver these and other developments.

Finance



Our first fully fledged project of 61 affordable units is currently being built in Penrith and is due for completion in December 2013. The project is part of the drive to increase the supply of affordable housing in the Nepean Region. The development ensures both affordable and social tenants continue to live within the community in which they work.

Homes



Senior management team



Nick Sabel

Chief Executive Officer

As CEO, Nick has led Wentworth Community Housing for over 15 years. Nick holds qualifications in Social Work, Policy Studies and Governance. He is currently a Director on the Board of the NSW Federation of Housing Associations and from 2005 – 2009 held the position of Chairperson.



Kathryn Williams, PSM

Housing Services

Kathryn joined Wentworth in 2013 and is part of the Senior Management Team. Her Diploma in Management together with her extensive 23yr experience in the Social Housing sector (Housing NSW) has seen Kathryn awarded the Public Service Medal in 2013. This is a testament to her work in disadvantaged communities in the Sydney's Outer Western and South Western areas.



Greg Oong

Finance, Corporate Services, Company Secretary

Greg has been part of the Senior Management Team since July 2010. He has a Bachelor of Commerce with a major in Finance and was a member of the Institute of Chartered Accountants for over twenty years. Greg was the principal of a chartered accountancy practice specialising in the provision of financial management services to the not for profit sector before joining Wentworth in a permanent role.



Kerry Dolaghan

Community Services (Acting)

Kerry has over 18 years experience in the establishment and delivery of services within the human services industry. Kerry oversees Project 40 Supportive Housing, a housing scheme that offers a lifeline to long-term homeless people in the outer western suburbs of Sydney. Kerry joined Wentworth in 2010.



Erwin Fornasier

Asset and Development Services

Prior to joining Wentworth in March 2012, Erwin in his various roles within Housing NSW oversaw the development, disposal and maintenance of a portfolio of 33,000 dwellings in Central Sydney Region. Erwin has a Bachelor of Building (Construction Management) and has also spent a number of years in the construction sector.

‘The strong collaborative partnership between Board and Management is one of the underlying strengths of Wentworth Community Housing. We aim to be an employer of choice with a strong vision of social justice and inclusion.’

Board of Directors

For full details of the directors' committees and qualifications go to the Information on Directors in the Directors' Report on page 25.



Estelle Ehmann

Chairperson

Appointed June 2011

Estelle is Chief Executive Officer of Otterman's Consulting, a multi disciplinary consulting firm with an interest in organisational agility and corporate social responsibility.



Joseph Litwin

Vice Chairperson

Appointed February 2007

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



Shirlene Bennett

Treasurer

Appointed September 2003

Shirlene is currently in private practice as a registered tax agent and public accountant. She has over 26 years experience working in the corporate sphere and in the profession.



Keith Bryant

Appointed January 2012

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



Ron Coskerie

Appointed February 2013

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



Ken Gilbert

Appointed February 2013

Ken has held senior positions leading Community Services teams in municipal Councils and is currently Director of Human Resources for Darling Harbour Convention and Exhibition Centre. His experience in the corporate and not for profit sectors is extensive.



Cameron Lamb

Appointed February 2013

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



Ashleigh O'Brien

Appointed February 2013

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



Susan Palmer

Appointed November 2003

Susan is a Mental Health Committee Member and Research Assistant who has worked with consumers, both nationally and internationally, to improve the quality of mental health services.



Pat Smith

Appointed October 2009

Pat has worked with Housing NSW, local government and the community sector. She provides expertise in the areas of social housing and planning, community development, human resource management including conflict resolution and asset management.

Statement of corporate governance

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

The Board is responsible for:

- › Setting and monitoring the strategic direction of the organisation
- › Approving and monitoring financial reporting including financial budgeting and forecasting
- › Establishing policies and guidelines to ensure accurate and timely financial and operational reporting
- › Establishing policies on risk oversight and management
- › Establishing guidelines for levels of delegation of authority
- › Promoting ethical and responsible decision-making
- › Appointing, nurturing and measuring the performance of the Chief Executive Officer and the organisation
- › Ensuring that the Board is and remains appropriately skilled to discharge its responsibilities and duties, and to meet the changing needs of the organisation and sector
- › Ensuring that Wentworth complies with Corporations Law and all other relevant legislation
- › Providing guidance on and overseeing the performance of other key aspects of Wentworth's operation

Committees

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

- › Corporate Governance
- › Finance and Audit
- › Organisational Health and Development
- › Asset and Development
- › Community Advisory

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

Ethical standards

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

Board performance review

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

Board composition and renewal

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



Treasurer's report

I am pleased to present Wentworth Community Housing Limited's audited financial report for the year ended 30 June 2013. The year's report sees the continuation of the trend of the last two years with the consolidation of the company's financial position, with an operating surplus for the year of \$4,668,978.41 and an increase in the Company's net worth, at 30 June 2013, from \$12,005,873.16 to \$16,647,851.57.

The period from 2009/2010 to 2012/2013 has seen aggregate surpluses of over \$12.0M and this has seen an increase in the Company's reserves from \$3.40M to \$14.42M by June 2013.

The last 12 months have seen continued growth with an increase in gross revenues from \$24.723M to \$26.836M with primary increase in tenant rental income and increases in Government funding for Community Services and property programs.

In contrast, total expenditure increased from \$20.543M to \$22.167M with increases in property costs for repairs and maintenance and property leasing costs and increased cost of indirect expenses including staff salaries and program costs for our funded programs.

As has been the case last year, some of the year's operating surplus has been attributed to increased rental revenue from the property transfer program (PTP) and lower level of maintenance required as funding was received by Wentworth to upgrade these properties to standard. In addition, there has been continued budgetary controls over expenditure and more efficient and effective delivery of service and management of office functions.

The last 12 months have seen continued growth with an increase in gross revenues.

The PTP program has been a significant contributor to the operating surplus for 2012/2013 as it has been for the previous two years. The financial effect of the PTP has been two fold. Firstly, the increase of an additional 976 properties under management over three years has seen tenant rental income increase and the receipt of funding for property upgrades has reduced the costs borne by Wentworth in maintaining these properties at standard. However, it has also been recognised that the increase in the properties under management, in a relatively short period of time, will be a future financial challenge for Wentworth to fund the costs of maintenance for these properties together. With the funding, the costs of other properties under management will need to be met from general revenues.

As an organisation, Wentworth has been aware of this future challenge and has been using the operating surpluses to accumulate reserves to fund the forecast future liabilities. Of the year's annual operational surplus, 94.9% (\$3.99M) has been set aside in reserves for future capital maintenance, property acquisition and development, computer and IT upgrades and community services special projects. The capital maintenance reserve has increased to \$8.6M to match the increase in capital properties resulting from the transfer of PTP properties from BlueCHP Limited in August 2013 of which Wentworth has fiscal responsibility to maintain and fund over the life of the assets. This reserve will be used in future years when the company's revenue streams are not sufficient to meet long-term planned maintenance costs. In addition, Wentworth has increased the Acquisition and Development reserve to \$3.98M which has been used in 2012/2013 to fund the equity contribution to the development at Derby Street, Penrith.

Apart from the property development noted above, there are other projects in Penrith and Rouse Hill that will commence in 2013/2014 and this reserve will be used to fund equity contributions in these projects during 2013/2014 and into the future. In addition, the Company is looking at implementing an integrated IT system in 2013/2014 and potential special projects in the Community Services area into the future. These projects will be funded from these reserves that have originated from operating surpluses from prior years and, without these, such projects may not be financially achievable.

We are pleased to report that the Company has again operated efficiently and effectively to provide an excellent operating result for the year and a secure, viable financial position as at June 2013.

The BlueCHP consortium, of which Wentworth is a founding member with four other NSW housing associations, continues to look at options to provide more housing opportunities on behalf of its members. As at 30 June 2013, Wentworth had provided \$1.344 million in loans to BlueCHP Limited.

The financial challenge for Wentworth in the next 12 months to ten years is to manage the changing environment of the community housing sector and position the organisation to consider future opportunities while continually reviewing systems and processes to improve practice and maintaining tight budgetary controls over expenditure. This has been achieved in the 2012/2013 year with the Derby Street project and we will continue to meet key strategic goals while maintaining professional and personal service to our tenants and the community.



On behalf of the Board, we are pleased to report that the Company has again operated efficiently and effectively to provide an excellent operating result for the year and a secure, viable financial position as at June 2013. The surplus maintains the Company's solid financial foundation and places the Company in a strong financial position to face new challenges over the next three to five years.

As a Board, we will continue to look at future growth opportunities and maintain financial viability by building on the strong financial base that has been developed over the last decade.

We also acknowledge our auditors, Ross Fowler and Co. for the audit of the Company's accounts this year.

A handwritten signature in black ink, appearing to read 'Shirlene Bennett', written in a cursive style.

Shirlene Bennett
(Treasurer)

Concise financial report

For the year ended 30 June 2013

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

The financial statements and other specific disclosures are an extract of, and have been derived from, the full financial report of Wentworth Community Housing Limited for the financial year. Other information included in the concise financial report is consistent with the company's full financial report.

The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and investing activities as the full financial report.

A copy of the company's 2013 annual financial report, including the independent audit reports, is available free of charge at the company's Penrith office and can be forwarded on request.



Director's report

Your Directors present this report on the company for the financial year ended 30 June 2013.

Directors

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

- › Estelle Ehmann
- › Joseph Litwin
- › Shirlene Bennett
- › Keith Bryant
- › Ron Coskerie (appointed February 2013)
- › David Currie (resigned November 2012)
- › Ken Gilbert (appointed February 2013)
- › Cameron Lamb (appointed February 2013)
- › Ashleigh O'Brien (appointed February 2013)
- › Susan Palmer
- › Gail Sadler (resigned March 2013)
- › Pat Smith
- › Stewart Williams (resigned June 2013)

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

Principal activity

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

Operating result

The surplus of the company for the financial year after providing for income tax amounted to:

Year ended 30 June 2013	Year ended 30 June 2012
\$4,668,978.41	\$4,180,574.01

Review of operations

This year has been a year of challenge and change for the Board and staff as the Company continues to evolve to meet the demands of a dynamic environment in the community housing and community services sectors and more generally in the not for profit sector.

The Company had another strong operating result with a surplus of \$4,668,978.41 for the year and from the 2010/2011 to 2012/2013 years, the aggregate surplus of the period exceeds \$12M. The surplus for the year and across the last three years is due in part to tight budgetary control over expenditure and the continued development of improved procedures and practices that have created increased internal efficiencies in our operations. In conjunction with this, the three year period has coincided with the property transfer program of the management of over 900 properties from Housing NSW since July 2010 together with funding for maintenance upgrades of these properties.

During the course of the year, there was recruitment for new Board members with four Directors being appointed in February to replace three Directors who retired from the Board during the year. The refresh of the composition of the Board sees the injection of different skill-sets and perspectives being adding to the Board while maintaining the history and knowledge through the transfer of this knowledge from retiring Directors to existing and new Directors. In addition, Wentworth undertook a major staffing restructure in the latter part of 2012. This restructure enabled the organisational structure to be changed to meet strategic priorities and demands within the sector and also provide an improved level of service to both tenants and stakeholders.

The 2012/2013 year was the third and final year program of planned maintenance for the Property Transfer Program (PTP) which involves upgrades of some 900 properties transferred from Housing NSW. During the last year, Wentworth has completed a further 361 upgrades with the balance to be completed by December 2013/January 2014.

The operating surpluses have been used to accumulate specific purpose reserves to maintain Wentworth's strong financial position. As at June 2013, the reserve for future maintenance was \$8.6M (2012 – \$7.0M). This maintenance reserve is crucial for long term viability as these funds will be used to fund long term planned maintenance costs of over 1,600 capital properties in periods where annual operating revenues will not meet all of these planned costs.

In addition, Wentworth has reserved \$1.487M to the specific purpose Acquisition and Development Reserve up to \$3.987M which will be used for future development projects that are similar to the current Derby Street and Rouse Hill projects. A further \$146K was contributed to the IT and Computer Reserve to \$946K which will be used for the implementation of an integrated software system and IT hardware in the 2013/2014 year and the establishment of a Community Services special projects reserve of \$200K.

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

Wentworth has been working with BlueCHP Limited on two property developments in 2012/2013 and will continue to work with BlueCHP on these projects as well as the BlueCHP properties managed on a fee for service basis in addition to working collaboratively to source potential new projects and developments.

In the area of Community Services, funding for Project 40 was secured for a further twelve months to June 2014 and other service programs have recurrent funding to June 2014. In the area of Community Services, the immediate challenge is to secure long term funding for these programs to continue the many and varied positive outcomes achieved to date and ensure Wentworth remains as one of the leaders for homelessness and community services in Western Sydney.

The future for Wentworth continues to remain promising. The last 12 months has seen minor property growth with more emphasis on improved structures and processes to meet changing demands and a significant focus on development with three developments being in progress by June 2013.

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

Strategic priorities

The Company's strategic priorities as part of the Strategic Plan for the period from 2012/2013 to 2016/2017 are:

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

Strategic goals

The first year of the five year strategic plan commenced in the 2012/2013 year. To achieve the strategic priorities, the Company adopted seven primary goals as listed below. In the first year of the plan, significant achievements have been made and some of these are listed under each of the strategic goals:

- a) Understand customer needs
 - Re-established Tenant Engagement and Advisory Members (TEAM) group – now meeting regularly, undertaking visits to complexes with staff (i.e. bus trips) and developing meeting skills
 - Increased client service visits to tenants to improve engagement and service delivery outcomes
 - Reviewed our internal asset and maintenance line systems to improve turnaround times for repairs
- b) Deliver innovative housing solutions for solving homelessness
 - Achieved 45 housing & support solutions for chronically homeless people under P40
 - Delivered innovative educational program for Aboriginal young people – Sharing with a Deeper Message
 - Delivered a range of housing first sector reforms including T3 training and forums showcasing innovation in homelessness sector

- c) Deliver innovative and sustainable housing solutions
 - On-going construction of Derby St project – 61 affordable housing units (completion due December 2013)
 - Purchase of land for group home
 - Reviewed property portfolio for potential redevelopment sites and developed feasibility studies
- d) Strengthen communities
 - Implemented 'Our Place' community engagement plan in identified marginalised communities
 - Introduction of employment opportunities for tenants with contractors engaged by Wentworth
- e) Remain financially viable with a strong financial base
 - Had an annual operating surplus in excess of \$4.0M with aggregate surpluses over \$12M in the last three years
 - Developed future reserves for future maintenance, property acquisition and development and special projects in excess of \$13.5M
 - Maintain corporate overhead costs at less than 15% of total expenditure
- f) Having a healthy and strong culture
 - Developed a staff well being program including group activities for healthier lifestyles
 - Undertook group, team and individual staff training about working behaviours and working and respecting work colleagues
- g) Being widely regarded as a centre of excellence
 - Been recognised at both a National and State level and on an organisational and individual basis for work undertaken by Wentworth
 - Management of Community services programs that are considered as best practice in the sector

Key performance measures

The Board meets monthly together with five committees which are Corporate Governance, Finance and Audit, Asset and Development, Community Advisory and Organisational Health and Development committees, who meet at least bi monthly to review the Company's progress against strategic objectives.

The Board receives key reports each month from the senior management team together with a balanced scorecard that summarises the keys areas of the business and enables the Board to review the state and health of the company. This scorecard enables the Board to check the organisational health of the company by reviewing financial and non financial key performance indicators against prior months and benchmark.

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

Information on Directors

Estelle Ehmann Appointed June 2011

Qualifications

Master of Commerce (Swinburne) and Graduate Diploma of Business Administration (AGSM)

Experience

Estelle is Chief Executive Officer of Otterman's Consulting, a multi disciplinary consulting firm with an interest in organisational agility and corporate social responsibility

Special Responsibilities

Chairperson and member of the Corporate Governance, Finance and Audit and Organisational Health and Development committees

Joseph Litwin Appointed February 2007

Qualifications

Masters in Development and Community Organisation

Experience

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

Special Responsibilities

Vice Chairperson and member of the Asset and Development and Organisational Health and Development committees

Shirlene Bennett Appointed September 2003

Qualifications

Bachelor of Commerce (Accounting)

Experience

Shirlene is currently in private practice as a registered tax agent and public accountant. She has over 26 years experience working in the corporate sphere and in the profession

Special Responsibilities

Treasurer and Chair of the Finance and Audit committee and member of the Community Advisory committee

Keith Bryant Appointed January 2012

Qualifications

Bachelor of Economics and Law (Syd), Masters of Business Administration (Macq) and Graduate member of the Institute of Company Directors (AICD)

Experience

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

Special Responsibilities

Chair of the Community Advisory committee and member of the Corporate Governance and Finance and Audit committee

Ron Coskerie Appointed February 2013

Qualifications

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

Experience

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

Special Responsibilities

Member of the Finance and Audit committee

Ken Gilbert Appointed February 2013

Qualifications

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

Experience

Ken has held senior positions leading Community Services teams in municipal Councils and is currently Director of Human Resources for Darling Harbour Convention and Exhibition Centre. His experience in the corporate and not for profit sectors is extensive and he provides specific expertise in the areas of human resources management, strategy development and community networks

Special Responsibilities

Member of the Organisational Health and Development committee

Cameron Lamb Appointed February 2013

Qualifications

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

Experience

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

Special Responsibilities

Chair of the Asset and Development committee

Ashleigh O'Brien Appointed February 2013

Qualifications

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

Experience

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

Special Responsibilities

Member of the Corporate Governance committee

Susan Palmer Appointed November 2003

Qualifications

Bachelor of Arts (major in Social Welfare) and Diploma of Community Services

Experience

Susan is a Mental Health Committee Member and Research Assistant who has worked with consumers, both nationally and internationally, to improve the quality of mental health services

Special Responsibilities

Chair of the Corporate Governance committee and member of the Organisational Health and Development committee

Pat Smith Appointed October 2009

Qualifications

Bachelor of Arts (Social Welfare), Graduate Diploma in Housing Policy and Management and University Certificate in Management (Deakin)

Experience

Pat has worked with Housing NSW, local government and the community sector. She provides expertise in the areas of social housing and planning, community development, human resource management including conflict resolution and asset management

Special Responsibilities

Chair of the Organisational Health and Development committee and member of the Asset and Development and Community Advisory committees

Meetings of Directors

During the financial year, there were twelve (12) meetings of Directors held. Attendance by each Director was as follows:

	No. of meetings held	No. of meetings attended*
Estelle Ehmann	12	12
Joseph Litwin	12	11
Shirlene Bennett	12	10
Keith Bryant	12	11
Ron Coskerie	4	4
David Currie	4	4
Ken Gilbert	4	4
Cameron Lamb	4	3
Ashleigh O'Brien	4	2
Susan Palmer	12	12
Gail Sadler	9	7
Pat Smith	12	9
Stewart Williams	11	10

*Directors have been in office since the start of the financial year except Ron Coskerie, Ken Gilbert, Cameron Lamb and Ashleigh O'Brien who joined the Board during the year and David Currie, Gail Sadler and Stewart Williams who resigned during the financial year.

Significant changes in the state of affairs

In addition to its primary purpose of providing social and affordable housing, the Company has also undertaken three property developments during the 2012/2013 year. Two of these projects are for Wentworth and one is in conjunction with the Department of Ageing, Disability and Home Care. The two Wentworth projects will require debt funding of approximately \$7.7M. There are two further tenders that will require further debt funding if successful. The area of property development and acquisition is an area of growth for Wentworth to further develop opportunities for affordable housing in the area of western Sydney.

After balance date events

Since 30th June 2013, the Company has been transferred the management rights and financial responsibility for over 450 property transfer program (PTP) properties in the Blue Mountains local government area from BlueCHP Limited. In addition, the Derby St project in Penrith is estimated to be completed in December 2013/January 2014 and Wentworth will acquire 61 new dwellings on completion with associated debt funding of the project.

Other than the above, there are no other matters or circumstances have arisen since 30 June 2013 which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Future developments

The Company will continue to participate in the Housing NSW property stock transfer program in addition to sourcing acquisition and property development opportunities in partnership with BlueCHP Limited.

Environmental issues

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Proceedings on behalf of company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

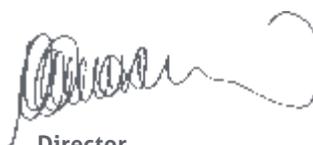
Contributions on winding up

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. In the event that the Company is wound up, the constitution states that each member is required to contribute a maximum of \$20.00 each towards meeting any outstanding obligations of the entity. At 30 June 2013, the total amount that members of the company are liable to contribute if the company is wound up is \$320.00 (2012:\$240.00).

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page thirty eight (38) of the financial report.

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



Director
Estelle Ehmann
(Chairperson)



Director
Shirlene Bennett
(Treasurer)

4 November 2013 | Penrith

Discussion and analysis of the concise financial statements

Basis of preparation of concise financial report

The concise financial report is an extract of the full financial statements for the year ended 30 June 2013. The financial statements and disclosures in the concise financial statements have been derived from the 2013 financial statements of Wentworth Community Housing Limited.

A copy of the full financial statements and auditors report will be sent to any member, free of charge, upon request.

The discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on Wentworth Community Housing Limited's financial statements and the information contained in the concise financial report has been derived from the full 2013 Financial Report of Wentworth Community Housing Limited.

Statement of financial performance

Operating surplus was \$4.66M as compared to \$4.18M in the previous year. Of this surplus, \$455K relates to funding income from the Department of Ageing, Disability and Home Care (ADHC) for the development of a group home and the operational surplus for the year is \$4.205M of which \$3.99M was transferred to reserves for future years maintenance, development projects and other special projects.

Properties under management increased marginally from 1,971 to 1,984 in the 12 months to June 2013 however there had been significant increases in the three prior years due to the property transfer program from Housing NSW. In the 2012/2013, there was more emphasis on property development and acquisition with three projects being developed during the course of the year. One project with 61 dwellings will be completed in December 2013/January 2014.

Gross revenues were \$26.83M of which tenant rental income is \$18.87M and Government funding from Community Housing Division, Department of Community Services and Department of Ageing, Disability and Home Care of \$6.95M and interest income of \$0.799K.

Gross expenditures were \$22.167M of which \$15.833M were property related costs and salaries and related on costs were \$3.961M. Direct costs for program delivery of community services programs was \$336K and consultants for organisational purposes and specific programs was \$486K for the year.

Net surplus from the property programs was \$8.544M as compared \$7.452M in the prior year. This increase was attributable to the increase in tenant rental income with the inclusion of tenants Commonwealth Rent Assistance as part of their tenant income to Wentworth and inclusion of ADHC funding for the purchase of land for the group home.

Other expenses including salaries and wages increased from \$5.627M to \$6.333M in 2012/2013. This was due to increases in direct program delivery costs (e.g. brokerage), consultants and legal fees.

Of the operational surplus of \$4.205M, \$1.6M has been transferred to the Company's reserve for planned maintenance, \$1.99M to the Reserve for Acquisition and Development for equity funding of future development opportunities, \$200K to the IT reserve for an integrated IT software system and \$200K for a Community Services special Projects Reserve.

It is a key platform for the Company's continued long term financial viability to maintain adequate reserves for future operational requirements such as maintenance liabilities and also to enable Wentworth to achieve its strategic goals through property development and community projects.

Statement of financial position

Total assets increased from \$19.254M to \$24.663M as at June 2013 with increases in cash and deposits from \$15.050M to \$17.911M and net receivables from \$1.155M to \$2.435M. Non current assets increased from \$759K to \$1.994M with equity contributions on the Penrith project of \$732K and land purchases at Hazelbrook and Springwood for a total cost of \$763K.

Total liabilities increased from \$7.248M to \$7.988M with an increase in current liabilities from \$7.066M to \$7.821M with an increase in trade and sundry creditors of \$1.364M which is due in part to a recognition of work in progress on maintenance works as at 30 June 2013.

Employee provisions decreased from \$695K to \$601K in 2012/2013 with an organisational restructure resulting in a number of staff electing to take voluntary redundancy payments during the year and these entitlements were paid out.

Total reserves increased from \$10.988M to \$14.421M and transferred to specific purpose reserves for planned maintenance, property acquisition and development, IT project and community services projects.

Statement of cash flows

The statement of cash flows largely represents the cash movements in the balance sheet.

Revenue increased by \$3.555M during the year and there was a net increase in cash holdings over the year. Cash flows from investing activities related only to property deposits and acquisitions and office equipment.

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2013

	Note	2013 \$	2012 \$
REVENUE FROM ORDINARY ACTIVITIES			
Government grants and subsidies	2	6,971,496.19	6,631,611.25
Tenant rents and utilities	2	18,878,336.85	17,282,249.75
Other revenues	2	986,219.62	809,616.90
Employee benefits expense		(3,960,535.02)	(4,033,233.63)
Property and lease expenses		(15,833,156.63)	(14,915,738.23)
Depreciation expenses		(161,681.17)	(129,055.00)
Other expenses from ordinary activities		(2,211,701.43)	(1,464,877.03)
Surplus before income tax		4,668,978.41	4,180,574.01
Income tax expense		–	–
Surplus for the year		4,668,978.41	4,480,574.01
Other comprehensive income			
Other comprehensive income for the year, net of tax		–	–
Total comprehensive income for the year		4,668,978.41	4,180,574.01

The accompanying notes form part of these financial statements

Statement of financial position

As at 30 June 2013

	2013 \$	2012 \$
CURRENT ASSETS		
Cash and cash equivalents	17,911,408.07	15,050,907.21
Accounts receivable and other debtors	2,435,532.75	1,155,052.52
Other current assets	974,400.63	940,620.63
Total current assets	21,321,341.45	17,146,580.36
NON-CURRENT ASSETS		
Property, plant and equipment	1,994,162.44	759,780.55
Other non current assets	1,348,124.00	1,348,124.00
Total non-current assets	3,342,286.44	2,107,904.55
Total assets	24,663,627.89	19,254,484.91
CURRENT LIABILITIES		
Accounts and other payables	7,388,113.01	6,553,030.36
Current tax liabilities	-	-
Provisions	433,370.71	513,570.23
Total current liabilities	7,821,483.72	7,066,600.59
NON CURRENT LIABILITIES		
Other payables	-	-
Provisions	167,292.60	182,011.16
Total non current liabilities	167,292.60	182,011.16
Total liabilities	7,988,776.32	7,248,611.75
Net assets	16,674,851.57	12,005,873.16
EQUITY		
Reserves	14,421,000.00	10,988,000.00
Retained surplus	2,253,851.57	1,017,873.16
Total equity	16,674,851.57	12,005,873.16

The accompanying notes form part of these financial statements

Statement of changes in equity

For the year ended 30 June 2013

	Retained Earnings \$	Reserves \$	Total Equity \$
Balance at 1 July 2011	737,299.15	7,088,000.00	7,825,299.15
Comprehensive income			
Surplus for the year	4,180,574.01	–	4,180,574.01
Other comprehensive income for the year	–	–	–
Total comprehensive income	4,917,873.16	7,088,000.00	12,005,873.16
Transfer to/from reserves	(3,900,000.00)	3,900,000.00	–
Balance at 30 June 2012	1,017,873.16	10,988,000.00	12,005,873.16
Comprehensive income			
Surplus for the year	4,668,978.41	–	4,668,978.41
Other comprehensive income for the year	–	–	–
Total comprehensive income	5,686,851.57	10,988,000.00	16,674,851.57
Transfer to/from reserves	(3,433,000.00)	3,433,000.00	–
Balance at 30 June 2013	2,253,851.57	14,421,000.00	16,674,851.57

The accompanying notes form part of these financial statements

Statement of cash flows

For the year ended 30 June 2013

	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Tenant rents received	18,696,830.38	17,495,226.76
Sundry income	186,823.60	71,378.76
Government grants and subsidies	6,115,540.98	4,248,079.90
Payments to suppliers and employees	(21,547,814.80)	(20,320,149.30)
Interest received	799,396.02	728,094.14
Net cash (used in)/generated from operating activities	4,250,776.18	2,222,630.26
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(1,390,275.32)	(289,184.68)
Payment for debt borrowings	-	(4,000.00)
Payment for BlueCHP loan	-	(329,124.00)
Net cash used in investing activities	(1,390,275.32)	(622,308.68)
Net increase in cash held	2,860,500.86	1,600,321.58
Cash at the beginning of the financial year	15,050,907.21	13,450,585.63
Cash at the end of the financial year	17,911,408.07	15,050,907.21

The accompanying notes form part of these financial statements

Notes to the financial statements

For the year ended 30 June 2013

Note 1: Basis of preparation of the concise financial report

The concise financial report is an extract of the full financial report for the year ended 30 June 2013. The concise financial report has been prepared in accordance with AASB 1039: Concise Financial Reports and the *Corporations Act 2001*.

The financial statements, specific disclosure and other information included in the concise financial report are derived from and consistent with the full financial report of Wentworth Community Housing Limited. The concise report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Wentworth Community Housing Limited as the full financial report. A copy of the full financial report and auditors report will be sent to any member, free of charge, upon request.

The accounting policies have been consistently applied to Wentworth Community Housing and are consistent with those of the preceding year in its entirety.

Note 2: Revenue

	2013 \$	2012 \$
Revenue from Operating Activities:		
Tenant rents and utilities received	18,878,336.85	17,282,249.75
Government funded subsidies	6,971,496.19	6,631,611.25
Management fees	135,161.29	7,766.36
Insurance recoveries	3,385.67	22,539.02
Profit on sale of non current assets	–	10,144.00
Other income	48,276.64	41,073.38
	26,036,656.64	23,995,383.76
Revenue from Non-Operating Activities:		
Interest revenue	799,396.02	728,094.14
	26,836,052.66	24,723,477.90



Chartered Accountants and Business Advisors
Ross Fowler B.Comm. FCA ABN | 96 769 893 959

**WENTWORTH COMMUNITY HOUSING LIMITED
(A Company Limited by Guarantee) ACN\ABN 50 003 076 337**

**Auditors' Independence Declaration under Section 307C of the
Corporations Act 2001 to the Directors of Wentworth Community Housing
Limited**

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2013 there have been:

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

**ROSS FOWLER & CO
CHARTERED ACCOUNTANTS**

R.B. Fowler

Address: 11 Tindale Street Penrith NSW 2750

Dated: 4th November 2013



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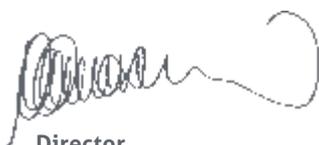


Directors' declaration

The Directors of the Wentworth Community Housing Limited declare that the concise financial statements and notes for the financial year ended 30 June 2013, as set out on pages thirty three (33) to page thirty seven (37):

- a) are an extract from the full financial report for the year ended 30 June 2013 and have been derived from and are consistent with the full financial report of Wentworth Community Housing Limited and
- b) complies with Accounting Standard AASB 1039 Concise Financial Reports

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



Director
Estelle Ehmann
(Chairperson)



Director
Shirlene Bennett
(Treasurer)

4 November 2013 | Penrith



Chartered Accountants and Business Advisors
Ross Fowler B.Comm. FCA ABN | 96 769 893 959

**WENTWORTH COMMUNITY HOUSING LIMITED
(A Company Limited by Guarantee) ACN/ABN 50 003 076 337**

Auditor's Report to the Members

Scope

The Financial Report and Directors' Responsibility

We have audited the concise financial report of Wentworth Community Housing Limited for the financial year ended 30 June 2013 in order to express an opinion on them to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of Wentworth Community Housing Limited for the year ended 30th June 2013. Our audit report on the full financial report was signed on 4th November 2013, and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report include testing that the information in the concise financial report is consistent with the full financial report, and examination, on a test basis, of evidence supporting the amounts, discussion and analysis and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion as to whether, in all material respects, the concise financial report is presented fairly with Accounting Standard AASB 1039: Concise Financial Reports.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

In our opinion, the concise financial report of Wentworth Community Housing Limited complies with Accounting standard AASB 1039: Concise Financial Reports.

**ROSS FOWLER & CO
CHARTERED ACCOUNTANTS**

R.B. Fowler

Registered Company Auditor

Address: 11 Tindale Street Penrith NSW 2750

Dated 4th November 2013



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Wentworth Community Housing Limited

ABN 50 003 076 337

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