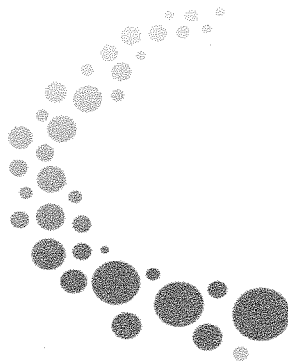


Catalyst Affordable Housing Limited

ABN 63 155 856 652

## Financial Report

For the period 1 July 2014 to 30 June 2015



# CATALYST

AFFORDABLE HOUSING

**Catalyst Affordable Housing Limited**  
**ABN 63 155 856 652**

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## Catalyst Affordable Housing Limited

ABN 63 155 856 652

## Directors' Report

Your Directors' present their report on the company for the financial year ended 30 June 2015.

### Directors

The names of the Directors in office at any time during or since the 1 July 2014 are:

Professor John McAuliffe AM  
Pam Bourke  
Brian Stewart  
Stuart Gregory

Directors' have been in office since 1 July 2014 to the date of this report unless otherwise stated.

### Information on Directors

#### Professor John McAuliffe AM

Qualifications - LFAP, FAIB, ACTCB, MAICD  
Experience - Former Chair of the Mater Health Services  
Chair of Multicap Ltd - Disability Services Provider  
Chair of Brisbane Housing Company Ltd

#### Pam Bourke

Qualifications - B.Soc Wk, M SWAP  
Experience - Principal of Pam Bourke Consulting  
Industry Fellow with Centre for Social Responsibility in Mining  
Lecturer, University of Queensland

#### Brian Stewart

Qualifications - Cert T, MBA, Barrister at Law, FDIA  
Experience - Former Queensland CEO of Urban Development Institute of Australia  
Former Chief Executive of the ENERGEX Brisbane Festival,  
Former General Manager of the Queensland Performing Arts Centre (QPAC)  
Director General of several State Government departments, including Justice, Attorney-General and Queensland Emergency Services  
Director of Brisbane Housing company Ltd

#### Stuart Gregory

Qualifications - B.Comm (Hons), FCPA, MAICD  
Experience - Chairman of LandMark White Ltd  
Chairman of Sugar Terminals Ltd  
Director of Australian Food & Fibre Ltd  
Director of Brisbane Housing Company Ltd

### Company Secretaries

The following person held the position of company secretary at the end of the financial year:

Steve Honan, Bachelor of Commerce, University of Queensland. Steve Honan has been contracted to work for Catalyst Affordable Housing for the past 3.4 years performing business development and company secretarial roles. Steve Honan was appointed Company Secretary on 21 May 2012.

## Catalyst Affordable Housing Limited

ABN 63 155 856 652

### Directors' Report

#### Principal Activities

The principal activities of the company during the financial period have been the provision of affordable housing in the Gladstone Region.

#### Operating Results

The comprehensive income of the entity for the period amounted to a loss of \$4,342,650 (2014 profit of: \$3,766,360). No provision for Income tax was established as the company is exempt from paying income tax.

#### After Balance Date Events

The development at Fisher Street, West Gladstone (Fisher Crest) is scheduled for completion in the first quarter 2015/16. This project will deliver 32 new units, with 24 being retained for affordable rentals.

#### Future Developments, Prospects and Business Strategies

Following the successful completion of the two new developments delivering 44 homes, effort will be directed towards streamlining of operations and working with local providers. Brisbane Housing Company Ltd has recently obtained Tier 1 accreditation under the new National Regulatory System for Community Housing and has the ability to operate anywhere in Queensland. As Catalyst is a wholly owned member of the BHC group, consideration will be given to the best strategic use for the entity whilst honouring all local commitments to the Gladstone community.

#### Meetings of Directors

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


	Directors' Meetings	
	Number eligible to attend	Number attended
John McAuliffe	7	6
Pam Bourke	7	7
Brian Stewart	7	6
Stuart Gregory	7	6

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the entity. At 30 June 2015 the collective liability of members was \$10.

#### Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under s 60-40 of the Australian Charities and Not-for-profits Commission Act 2012' is set out on page 5.

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

  
 John McAuliffe AM  
 Chairperson

Dated this 16th day of September 2015



Grant Thornton Audit Pty Ltd  
ACN 130 913 594

Level 18  
King George Central  
145 Ann Street  
Brisbane QLD 4000  
Correspondence to:  
GPO Box 1008  
Brisbane QLD 4001

T +61 7 3222 0200  
F +61 7 3222 0444  
E [info.qld@au.gt.com](mailto:info.qld@au.gt.com)  
W [www.grantthornton.com.au](http://www.grantthornton.com.au)

**Auditor's Independence Declaration  
To the Directors of Catalyst Affordable Housing Limited**

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Catalyst Affordable Housing Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in cursive script that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

A handwritten signature in cursive script, likely belonging to M S Bell.

M S Bell  
Partner - Audit & Assurance

Brisbane, 16 September 2015

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**Catalyst Affordable Housing Limited**  
**ABN 63 155 856 652**

## Statement of Profit or Loss and Other Comprehensive Income

For the period 1 July 2014 to 30 June 2015

	Notes	2015 \$	2014 \$
Revenue	2	137,923	4,781,111
Administration expense			
- Property Costs		2,984	-
- Administration		264,300	333,965
- Professional Fees		43,877	22,382
- Finance Costs		10,692	476
- Other Expenses	6b	4,100,688	526,816
- Depreciation		23,832	390
Employee Benefits Expense		34,200	130,722
		<u>4,480,573</u>	<u>1,014,751</u>
Profit/ (loss) before income tax		(4,342,650)	3,766,360
Income tax expense		<u>-</u>	<u>-</u>
Profit/ (loss) after income tax		<u>(4,342,650)</u>	<u>3,766,360</u>
Other comprehensive income		-	-
Total comprehensive income		<u>(4,342,650)</u>	<u>3,766,360</u>

The accompanying notes form part of these financial statements.

**Catalyst Affordable Housing Limited**  
**ABN 63 155 856 652**

**Statement of Financial Position**  
**as at 30 June 2015**

	Notes	2015 \$	2014 \$
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents	3	773,443	7,828,727
Trade and other receivables	4	1,100,000	-
Other current assets	5	257,010	42,458
<b>Total Current Assets</b>		<u>2,130,453</u>	<u>7,871,185</u>
<b>Non-Current</b>			
Property, plant and equipment	6	10,096,769	1,907,476
Land	6	3,813,048	5,032,400
Trade and other receivables	4	-	3,200,000
<b>Total Non-Current Assets</b>		<u>13,909,817</u>	<u>10,139,876</u>
<b>Total Assets</b>		<u>16,040,270</u>	<u>18,011,061</u>
<b>Liabilities</b>			
<b>Current</b>			
Trade and other payables	7	1,268,604	540,145
<b>Total Current Liabilities</b>		<u>1,268,604</u>	<u>540,145</u>
<b>Non-current</b>			
Loan payable	7	1,643,400	-
<b>Total Non-current Liabilities</b>		<u>1,643,400</u>	<u>-</u>
<b>Total Liabilities</b>		<u>2,912,004</u>	<u>540,145</u>
<b>Net Assets</b>		<u>13,128,266</u>	<u>17,470,916</u>
<b>Equity</b>			
Retained earnings		13,128,266	17,470,916
<b>Total Equity</b>		<u>13,128,266</u>	<u>17,470,916</u>

The accompanying notes form part of these financial statements.

**Catalyst Affordable Housing Limited**  
**ABN 63 155 856 652**

## Statement of Changes in Equity

For the period 1 July 2014 to 30 June 2015

	Notes	Retained Earnings \$	Total \$
Balance at 30 June 2013		13,704,556	13,704,556
Total comprehensive income		3,766,360	3,766,360
Balance at 30 June 2014		<u>17,470,916</u>	<u>17,470,916</u>
Balance at 30 June 2014		17,470,916	17,470,916
Total comprehensive income		(4,342,650)	(4,342,650)
Balance at 30 June 2015		<u>13,128,266</u>	<u>13,128,266</u>

The accompanying notes form part of these financial statements.



**Catalyst Affordable Housing Limited**  
**ABN 63 155 856 652**

## Statement of Cash Flows

For the period 1 July 2014 to 30 June 2015

	Notes	2015 \$	2014 \$
<b>Cash Flow from Operating Activities</b>			
Receipts from LNG proponents		22,109	450,000
Receipts from customers		1,581	-
Payments to suppliers and employees		(574,962)	(980,144)
Interest received		116,242	272,021
Finance costs		(10,692)	(476)
<b>Net cash provided by / (used in) operating activities</b>		<u>(445,722)</u>	<u>(258,600)</u>
<b>Cash Flow from Investing Activities</b>			
(Payments for) / repayments of loans	4	2,100,000	-
Payment for property, plant and equipment		(10,352,962)	(3,916,506)
Proceeds from sale of assets		-	9,091
<b>Net cash provided by / (used in) investing activities</b>		<u>(8,252,962)</u>	<u>(3,907,415)</u>
<b>Cash Flow from Financing Activities</b>			
Proceeds from Borrowings		1,643,400	-
<b>Net cash provided by (used in) financing activities</b>		<u>1,643,400</u>	<u>-</u>
<b>Net increase/(decrease) in cash held</b>		(7,055,284)	(4,166,015)
<b>Cash at beginning of year</b>		<u>7,828,727</u>	<u>11,994,742</u>
<b>Cash at end of year</b>		<u><u>773,443</u></u>	<u><u>7,828,727</u></u>

The accompanying notes form part of these financial statements.

**Catalyst Affordable Housing Limited**  
**ABN 63 155 856 652**

## **Notes to the Financial Statements**

For the year ended 30 June 2015

### **1. Statement of significant accounting policies**

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply.

The financial report covers the entity of Catalyst Affordable Housing Limited. Catalyst Affordable Housing Limited is an unlisted not for profit public company, limited by guarantee, incorporated and registered in Brisbane, Queensland.

#### **Basis of preparation**

The financial report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

#### **Adoption of new and revised accounting standards**

In the current year, the company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period.

Significant effects on current, prior or future periods arising from the first-time application of these standards in respect of presentation, recognition and measurement of accounts are described in the following notes:

AASB 10 & AASB 2013-8 - no effect on the classification of any of the company's investees

AASB 11 Joint Arrangements - no material impact on the company

AASB 12 Disclosure of Interests in Other Entities - no material impact on the company

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities - no material impact on the company

#### **Accounting policies**

##### **Income tax**

The company is exempt from income tax and no provision for income tax has been made.

##### **Property, plant and equipment**

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

##### **Property**

Freehold land and buildings are shown at their fair values based on periodic, but at least triennial, valuations by external independent valuers, or directors' valuations, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same classes of assets are charged against the revaluation reserve directly in equity; all other decreases are charged to the Statement of Comprehensive Income.

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.

**Catalyst Affordable Housing Limited**  
**ABN 63 155 856 652**

**Notes to the Financial Statements**

**Proceeds from Borrowings**

**1. Statement of significant accounting policies (continued)**

**Plant and equipment**

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

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

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

**Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2.5%
Buildings - Plant & Equipment	7 - 12 %
Office Equipment	20 - 33%
Computer Equipment	33%

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Comprehensive Income.

**Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset are transferred to the company are classified as finance leases.

Lease payments for operating leases, where substantially all the risks and benefits incidental to the ownership of the asset remain with the lessor, are charged as expenses in the period in which they are incurred.

**Financial instruments**

*Recognition*

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

*Impairment*

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Statement of Comprehensive Income.

**Catalyst Affordable Housing Limited**  
**ABN 63 155 856 652**

## **Notes to the Financial Statements**

For the year ended 30 June 2015

### **1. Statement of significant accounting policies (continued)**

#### **Impairment of assets**

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's realisable value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

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

#### **Employee benefits**

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

#### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

#### **Revenue**

Contributions from the LNG proponents are recorded as income as milestones from the workplan approved by the Advisory Committee are achieved in accordance with the funding agreement signed between the company and the LNG proponents.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of services is recognised upon delivery of the service to the customer.

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

#### **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

**Catalyst Affordable Housing Limited****ABN 63 155 856 652****Notes to the Financial Statements**

For the year ended 30 June 2015

**1. Statement of significant accounting policies (continued)**

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

**Critical accounting estimates**

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

*Key estimates - impairment*

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the assets is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

The value of the work in progress and land associated with the Fisher Street development could not be reasonably estimated as at 30 June 2015 as project construction had not been completed. It is anticipated that on completion of the construction and after commissioning, that a valuation of the property will be undertaken and impairment testing modelled. Based on the recent impairment of the Glenlyon Street development, and the continuing poor real estate market in Gladstone, it is reasonable to assume that the asset may trigger impairment when it is revalued on completion. While it may be reasonable to assume a decrease based on the current subdued Gladstone market, any fall in value of the Fisher Street property may not directly correlate to the recent fall in the valuation of Glenlyon Street. Glenlyon Street is located in a different area and is a different type of development. As a result of the uncertainty pertaining to the completed value of the project, work in progress and land have been carried at cost as at year end.

*Key estimates - Work in Progress*

The company regularly reviews costs held against work in progress and expenses costs through the Statement of Comprehensive Income when the assets are impaired and not likely to proceed.

**2. Revenue**

	2015	2014
	\$	\$
Operating activities:		
Rental Income	1,581	-
Grants	20,099	4,500,000
Interest Received	116,243	272,020
Sales Income	-	9,091
<b>Total Revenue</b>	<b>137,923</b>	<b>4,781,111</b>

**Catalyst Affordable Housing Limited**  
**ABN 63 155 856 652**

**Notes to the Financial Statements**

For the year ended 30 June 2015

**3. Cash and cash equivalents**

	2015	2014
	\$	\$
Cash at bank	773,443	7,828,727
	<u>773,443</u>	<u>7,828,727</u>

**4. Trade and Other Receivables**

	2015	2014
	\$	\$
Loan to third party		
Current	1,100,000	-
Non-Current	-	3,200,000
Total Loan to third party	<u>1,100,000</u>	<u>3,200,000</u>

A condition of the funding agreement signed with the LNG proponents was the provision of an interest free loan to Economic Development Queensland of \$3.2million. \$2.1million was repaid in the 2015 year leaving \$1.1million drawn as at 30 June 15. The term of the loan agreement was established as the earlier of 3 years from the date of each drawdown or 30 days after the 200th settlement for the Clinton development.

The remainder of the loan is classified as a current asset and is payable before 30 November 2015.

**5. Other Current Assets**

	2015	2014
	\$	\$
<b>Current</b>		
Prepayments	24,126	16,320
GST Receivable	212,275	26,138
Other Receivables	20,609	-
	<u>257,010</u>	<u>42,458</u>

**6. Property, plant and equipment**

	2015	2014
	\$	\$
Freehold land at:		
- Directors' valuation	1,928,048	5,032,400
- Independent valuation	1,885,000	-
Total Land	<u>3,813,048</u>	<u>5,032,400</u>
Buildings at:		
- Directors' valuation	-	-
- Independent valuation	2,044,186	-
Total Buildings	<u>2,044,186</u>	<u>-</u>
Plant and equipment		
At cost	325,463	-
Accumulated depreciation	(4,649)	-
	<u>320,814</u>	<u>-</u>
Office equipment		
At cost	1,170	1,170
Accumulated depreciation	(1,170)	(821)
	<u>-</u>	<u>349</u>
Work in Progress		
At Cost	7,731,769	1,907,127
	<u>7,731,769</u>	<u>1,907,127</u>
Total property, plant and equipment	<u>13,909,817</u>	<u>6,939,876</u>

**Catalyst Affordable Housing Limited**  
**ABN 63 155 856 652**

**Notes to the Financial Statements**

For the year ended 30 June 2015

**6. Property, plant and equipment (continued)**

**a. Movements in Carrying Amounts**

	Land	Buildings	Office Equipment	Plant & Equipment	Work in Progress	Total
Balance at 30 June 2014	5,032,400		349	-	1,907,127	6,939,876
Additions	-	5,317	-	-	11,066,772	11,072,089
Disposals	-	-	-	-	-	-
Transfer - P&E	-	4,916,667	-	325,463	(5,242,130)	-
Transfer - Held for Sale	-	-	-	-	-	-
Revaluation increments	(1,219,352)	(2,858,964)	-	-	-	(4,078,316)
Depreciation expense	-	(18,834)	(349)	(4,649)	-	(23,832)
Balance at 30 June 2015	3,813,048	2,044,186	-	320,814	7,731,769	13,909,817

- b. Revaluation increments on Glenlyon St have been taken up as an impairment through Other Expenses in the P&L as there is no accumulated Revaluation Reserve to offset the decrease.

**7. Trade and Other Payables**

	2015 \$	2014 \$
<b>Current</b>		
Trade and Other Payables	768,600	39,232
GST Payable	4	913
Unearned Income	500,000	500,000
Total Current	1,268,604	540,145
<b>Non-Current</b>		
Loan from BHC	1,643,400	-
Total Non-Current	1,643,400	-
Total Trade and Other Payables	2,912,004	540,145

Unearned Income relates to grants provided by an LNG Proponent to deliver indigenous outcomes in the Gladstone region. The company had not acquitted the obligation under the funding agreement and has recorded \$500K as unearned income. It is anticipated that the funds will be acquitted by December 2017.

Brisbane Housing Company has provided a \$6.75million loan facility to the Company effective from January 2015. Interest is charged at Brisbane Housing Company cost of funds plus 1% with full repayment of all principal by September 2016. Current drawdowns as at 30 June 2015 amounted to \$1.643million.

**8. Capital commitments**

**Capital commitments**

Non-cancellable capital commitments contracted for but not capitalised in the financial statements:

- Not later than twelve months	1,726,000	-
- Between twelve months and five years	-	-
- Greater than five years	-	-
	1,726,000	-

**Catalyst Affordable Housing Limited**  
**ABN 63 155 856 652**

**Notes to the Financial Statements**

For the year ended 30 June 2015

**9. Related Party Transactions**

Transactions between parties are on normal commercial terms and conditions are not more favourable than those available to other persons.

- a. During the year the company paid Brisbane Housing Company Ltd \$217,923 for administration & project management services.
- b. During the year the company paid BHC Development Services Pty Ltd \$25,635 for project management services.
- c. During the year the company paid MPS Valuers \$3,850 for valuation services, where a director was related to the principal of the firm.

**10. Key Management Personnel**

Key Management Personnel of the entity are the Board of Directors.

Key Management Personnel remuneration of \$33,945 is included in the \$34,200 under Employee Benefits Expense on the Statement of Comprehensive Income.

**11. Member's Guarantee**

The Company is limited by guarantee. The Constitution requires that, if the Company is wound up, the property must not be distributed amongst the members but must be transferred to another institution that has similar objects and which is exempt from income tax.

In accordance with the Constitution, if the Company is wound up each member is required to contribute a maximum of \$10.00 towards meeting any outstanding obligations to the Company.

	2015	2014
Number of members at period-end	1	1

**12. Events after the reporting date**

The financial statements were authorised for issue on the 16th September 2015.  
No subsequent events of significance have accrued since balance date.

**13. Economic Dependency**

Brisbane Housing Company Ltd is the sole member of the Company and has resolved to make a loan of up to \$6.75million to the Company to enable it to complete construction projects to the value of \$11.064million in Gladstone. As at 30 June 2015 \$1,643,400 was drawdown. Refer to Note 7 for additional information.

**14. Company details**

The registered office of the company is:

Level 2, 35 Astor Tce  
Spring Hill Qld




## Directors' Declaration

The Directors of the company declare that:

1. The financial statements and notes, as set out pages 6 to 16 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012:
  - (a) Comply with Accounting Standards reduced disclosure requirements (including Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Regulations 2013; and
  - (b) Give a true and fair view of the company's financial position as at 30 June 2015 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.

  
John McAuliffe AM  
Chairperson

Dated this 16th day of September 2015

Grant Thornton Audit Pty Ltd  
ACN 130 913 594

Level 18  
King George Central  
145 Ann Street  
Brisbane QLD 4000  
Correspondence to:  
GPO Box 1008  
Brisbane QLD 4001

T + 61 7 3222 0200  
F + 61 7 3222 0444  
E [info.qld@au.gt.com](mailto:info.qld@au.gt.com)  
W [www.granthornton.com.au](http://www.granthornton.com.au)

## **Independent Auditor's Report To the Members of Catalyst Affordable Housing Limited**

We have audited the accompanying financial report of Catalyst Affordable Housing Limited (the "Company"), which comprises the statement of financial position as at 30 June 2015, 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 directors' declaration of the company.

### **Directors' responsibility for the financial report**

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

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

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.

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In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

**Independence**

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

**Auditor's opinion**

In our opinion:

- a the financial report of Catalyst Affordable Housing Limited is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
  - i giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards- Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



M S Bell  
Partner - Audit & Assurance

Brisbane, 16 September 2015