



ANNUAL REPORT 2019

At BlueCHP we want **everyone** to have an **affordable home** and passionately believe this is the best way to **support any family**

We know we **make a difference** to people's lives, **the community** and **the nation** by **building more affordable housing**

BlueCHP is proud to provide housing for 1,490 people

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CHAIR'S REPORT

BlueCHP continues to deliver on its promise to develop more affordable housing which makes such a difference to people's lives and the community.

FINANCIAL PERFORMANCE

The financial position of the business at year-end is again strong with the year producing a Surplus before equity accounting and fair value adjustments of \$15,477,066 (2018: \$12,911,968). Surplus before tax (including revaluation adjustments) of \$(5,465,178) (2018: \$31,843,783) is down on last year reflecting revaluation adjustments due to property market conditions. It should be noted of course these are non-cash adjustments. Total Assets are \$341,340,517 (2018: \$320,781,597).

Importantly all surpluses directly benefit the community through the delivery of yet more, and better, affordable housing.

SIGNIFICANT MATTERS

This year has seen some major milestones for the Company. This includes:

- ... Achieving financial close, in September 2018, on the landmark **Hunter Residences Program** through our joint venture interest in Home4Life Limited.
- ... BlueCHP is **building specialist dwellings for 345 people living with a disability** in what is Australia's largest construction contract for such housing under the National Disability Insurance Scheme.



Also of note is BlueCHIP's leadership in supporting the newly formed National Housing Finance and Investment Corporation. NHFIC is an independent Commonwealth entity that operates the Australian Affordable Housing Bond Aggregator which provides cheaper and longer-term secured finance for Community Housing Providers (CHPs) by issuing bonds in Australia's debt capital markets. BlueCHIP participated in NHFIC's first public bond issue borrowing \$70 million for 10 years at a rate meaningfully below that available from commercial banks. These savings allow us to direct more of our budget to improved housing outcomes.

GOVERNANCE

The Board expresses its appreciation to the leadership team of the Company and is grateful for the hard work and dedication of all of its employees.

I also thank my fellow Directors for the energy, expertise and time they give to the Company in the advance of its mission. I have huge respect for all members of the BlueCHIP team and I am most appreciative of their support.

Craig Lee
Chairman



We are building specialist dwellings for 345 people living with a disability

BLUECHP LIMITED MAKING A DIFFERENCE TO PEOPLE'S LIVES

HOW ARE WE DOING THIS?

The Hunter Residences Program is the largest investment in Specialist Disability Accommodation to date. All new homes have been designed by expert architects for contemporary, community living and in accordance with the standards of disability housing set by the NSW Government and the NDIS.

We've held an extensive consultation process with the families to ensure the resident's needs were incorporated into the planning and redevelopment process.

YEAR IN NUMBERS



1741

TOTAL NUMBER OF
AFFORDABLE HOMES
DELIVERED BY BLUECHP



1490

PEOPLE LIVING IN
OUR PROPERTIES



283

HOMES PROVIDED
TO SINGLE WOMEN



270

SINGLE WOMEN WITH
CHILDREN LIVING IN
OUR HOMES

SOCIAL BENEFIT TO
THE COMMUNITY IS

\$4.75M



148

PEOPLE
LIVING WITH A
DISABILITY IN
OUR HOMES

130

HOMES
PROVIDED TO
INDIGENOUS
PEOPLE

CEO'S REPORT

At BlueCHP we use the tag line of 'making a difference to people's lives', this is our mission in the housing market. It is important to be continually reminded of this, and I draw your attention to the quote by Hubert Humphrey, Vice President of the United States 1965-69.

"It was once said that the moral test of government is how that government treats those who are in the dawn of life, the children; those who are in the twilight of life, the elderly; and those who are in the shadows of life, the sick, the needy and the handicapped."

I believe society, along with government, should be judged by how we treat those less fortunate.

YEAR OF ACTIVITY

This has been a year of significant activity for BlueCHP with a number of milestones being achieved. The year started with the transfer of tenancy management of our Sydney properties to Compass Housing on 1 July 2018. This has enabled BlueCHP to continue to focus on its core property development and investment in affordable housing.

HUNTER RESIDENCES PROGRAM

As noted in the last annual report BlueCHP's joint venture with Compass Housing Services Co. Ltd – Home4Life Limited signed the contract with NSW Government



BlueCHP contracted to design and construct 69 group homes as part of the Hunter Residents Program



on 26 September 2018 for delivery of the Hunter Residences Program (Program) to build and operate 345 beds (69 group homes) for people living with a disability. Together with Home4Life's financier, Lighthouse Infrastructure Trust, the joint venture raised \$170 million for the Program.

As I write, homes have been completed and the first residents have moved into their new homes. The first anecdotal evidence of the benefits to a family is with a resident who had only ever spoken one word. After his first familiarisation visit, it increased by 100% to two words, "New Home", "New Home" and upon settling into that home he has now uttered a sentence!! This makes it all worthwhile and reaffirms our tag line of making a difference.

AFFORDABLE HOUSING - A FOUNDATION FOR LIFE



The rollout of the Hunter Residences Program commenced immediately and has dominated the year with BlueCHP contracted to design and construct 69 group homes by end 2020.

IN THE PIPELINE

We have also had some further notable achievements. We exchanged contracts with Land and Housing Corporation for two sites at Liverpool and Lane Cove North (both in New South Wales) for apartment dwellings under the Communities Plus program. We are now proceeding with Development Approvals which we expect to be achieved over the next year or so. We are projecting to build about 90 to 100 apartments.

The current project construction order book amounts to \$166 million.

The success of the Communities Plus contracts was enhanced with the advent of the National Housing Finance and Investment Corporation (NHFIC). Minister Michael Sukkar and NHFIC CEO, Nathan Dal Bon attended the sod turning at the Liverpool site to announce the first construction facility of \$45.7 million. BlueCHP gained national coverage from ABC News and Channel 10. Earlier in the year BlueCHP





▼ NHFIC Bond investors visit an affordable home site that the BlueCHP team have develop.

Federal Minister Michael Sukkar with BlueCHP CEO Charles Northcote at the Liverpool project site in July 2019 for the official announcement of the NHFIC construction loan and turning the sod.

was part of the first 10-year bond issuance by NHFIC for \$315 million. BlueCHP raised \$70 million with interest rates sub-3%. As a result of this funding we repaid our member loans to Argyle Community Housing and Southern Cross Community Housing, approximately \$2.7 million.

The benefits to BlueCHP are long term financing matching the portfolio, lower refinancing risks and enabling BlueCHP to invest in the completion of the Ropes Crossing/Jordan Springs, NSW project and provide resources to invest further in Specialist Disability Accommodation.



WORKING ACROSS ALL LEVELS OF GOVERNMENTS

The Queensland business is delivering fee for service projects and assisting in the Home4Life project in delivering group homes in Northern NSW. We expect this year to announce further investment projects as we grow in this market. The performance of the QLD State Government remains poor and they are doing little to grow the Queensland based Community Housing Provider (CHP) sector. BlueCHP has been appointed by NHFIC as a consultant to the CHP industry to assist smaller CHPs in accessing NHFIC funding. Our QLD Property Advisory and Development Manager, George Giannes, is to be congratulated for winning the University Estate Master worldwide competition on a site feasibility project in Canberra. This is invaluable experience.

The housing need in the CHP sector remains significant, unfortunately the lack of funding remains at the heart of the problem. The expiry of 35,000 National Rental Affordable Scheme (NRAS) incentives by 2026 is significant for BlueCHP and the affordable housing sector. This will put more people under housing stress. BlueCHP's asset portfolio recycling strategy will ameliorate part of the revenue impact but it reduces further our capacity to invest in more housing – which is disappointing.

We have recently been asked to provide advice to Development Victoria on affordable housing methodologies. Allied to this, I have accepted the Chairmanship of the PowerHousing Association (PHA) Disability Community of Practice which brings together

UP
TO 100

NEW APARTMENTS
IN TWO NSW
LOCATIONS:
LIVERPOOL AND
LANE COVE



HUNTER RESIDENCES
PROGRAM DESIGN WILL BUILD

69 GROUP
HOMES

BY THE END OF 2020

CURRENT PROJECT
CONSTRUCTION ORDER
BOOK AMOUNTS TO

\$166 MILLION

fellow CHPs to improve outcomes in both housing and service provision. The work of the CEO Nick Proud of PHA has been instrumental in making this a dynamic group and effective in bringing changes to the implementation of SDA. PHA continues to lead the CHP sector strongly and as the smallest country at the International Housing Partnership (Australia, Canada, United States and United Kingdom) we continue to make a strong contribution.

We continue to work extensively with all governments across Australia. During the year, Simon Schwab has been instrumental on policy development and facilitating access to government ministers, Federal and State. The re-election of the Morrison government has seen the unprecedented number of ministers appointed with housing interests – Michael Sukkar Minister for Housing, Luke Howarth for Community Housing, Anne Rushton Minister for Social Services and Stuart Robert for NDIS. Likewise, in NSW we have seen a significant reshaping of government with the creation of new super ministries for ‘Planning, Industry and Environment’ and ‘Communities and Justice’. Once these have settled down we do anticipate further opportunities to arise.

PARTNER PROGRAMS

As part of the Home4Life/Hunter Residences Program, BlueCHP manages the entity and we have boosted our team and receive a small fee for service. Sarah Donovan our Company Secretary has done an admirable job in managing the corporate complexities as we create further entities and additional boards. As part of the overall governance for BlueCHP & Home4Life we have migrated to a digital board platform called Diligent. This has resulted in significant efficiencies in documentation management and resource provision for our Board of Directors.

RESOURCE INVESTMENT

As the business continues to grow we are investing heavily in our Information Technology and Communications – we have automated all work order, rates and utility payments and next stage is the development of property inspections utilising the latest technology to improve our forecasting particularly with respect to our asset lifecycle management. During this calendar year we are upgrading our servers and software to enable seamless use across all communication platforms. The shift into the provision of SDA housing requires more interaction with people and the investment in Customer Relationship Management (CRM) systems. The advent of 5G will continue to improve the way we can interact with service providers and the community in the future – technology enables BlueCHP to lower costs and remain a lean organisation.

As part of the future direction BlueCHP will invest further resources into the Specialist Disability Accommodation (SDA) sector. We are the largest builder of SDA housing in the country and will continue to build a variety of housing typologies. The development team has done excellent work on housing designs and we have been on the industry review panel for the new SDA housing Liveable Housing Australia Guidelines which will be implemented in the next 12-18 months.



BlueCHP is the largest builder of SDA housing in the country

BlueCHP has engaged Deloitte to assist with understanding the demand together with Summer Foundation, who in addition provide a Tenancy Matching Service. This all helps develop a 'bankable proposition' to present to investment managers as BlueCHP seeks to raise more capital. We have also engaged the University of Western Sydney to assist with developing a marketing plan to attract new clients.

We recently supported Summer Foundation with their Rapid Transit Housing Module which will enable a range of Disability Housing outcomes, particularly for rural and remote Australians.



As part of our local community engagement in the Macarthur region we support the homelessness charity 'We are Community'. We have provided a Volkswagen Caddy Van that is fully Wi-Fi capable (first of its kind in Australia) to assist with deliveries and hosting meal events each week. People can charge their phones while they eat and access websites like myGov to help with managing their finances and other services. This service is valuable to our local region as the number of homeless people has risen over the past 5 years.

OUTLOOK

The outlook for BlueCHP is exciting as we seek to expand our operations further. Staff are the key to our success, we have highly engaged and dedicated team that go above and beyond. They are a pleasure to lead. This year I particularly want to acknowledge the work of Glenn Amanonce, who stepped up to run the construction of the Hunter Residences Program 69 group homes at very short notice. He has brought his high level of expertise and skill set to delivering this project.



Charles Northcote
Chief Executive Officer

DEVELOPMENT REPORT



NEW SOUTH WALES

OUTLOOK

BlueCHP's recent success in securing finance and debt for key projects will support our vision "to provide everyone with access to an affordable home".

Over the next 2 years, we anticipate delivering approximately 120+ dwellings to the market with the support of funding from the National Housing Finance and Investment Corporation and private financial institutions. These dwellings will be generated through the development of current secured projects recently acquired as part of Communities Plus Stage 2 and Ropes Crossing.

Additionally, BlueCHP commenced the delivery of the Home4Life/Hunter Residences Program which comprises 69 group homes. Currently considered the largest Specialist Disability Project within the National Disability Insurance Scheme (NDIS), providing 345 beds for accommodation.

HUNTER RESIDENCES PROGRAM

The purpose of the Hunter Residences Program (HRP) is to provide new accommodation for residents of the three (3) NSW Department of Community and Justice Large Residential Centres (LRC). The LRCs will be replaced with 69 group homes across 61 sites mostly in the Hunter Region but spread across NSW. They will provide contemporary style accommodation for up to 345 residents.



BLUECHP PARTNERING WITH COMPASS HOUSING

In August 2018, BlueCHP together with partner Compass Housing, in the joint venture company known as Home4Life and financier Lighthouse Infrastructure Trust, won the tender for the delivery of the group homes. BlueCHP as the head contractor is responsible for the design, construction, procurement of planning approvals and the delivery of the group homes.

Most homes have been designed to achieve the Specialist Design Accommodation (SDA) category of 'High Physical Support' but a small portion have been designed as 'Robust' to cater for high behaviour clients.

Since commencing construction in December 2018, 25% of the group homes have achieved practical completion. Construction of the first group home was completed in June 2019. Welcoming the first resident to transition from a LRC was a great milestone for all involved in the project.

The focus for the next eight months is to complete the remainder of the group homes ensuring a smooth transition for the clients. The project is on track for completion by May 2020.

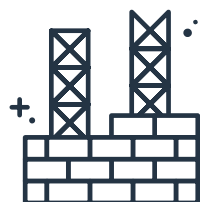
COMMUNITIES PLUS STAGE 2

The Communities Plus Program, managed by the NSW Land and Housing Corporation (LAHC) aims to deliver integrated social, affordable and private housing by partnering with the private sector including Community Housing Providers (CHP).

Last year, BlueCHP was awarded two sites (Lane Cove North and Liverpool) as part of the Stage 2 Release. The contracts for both sites were finalised in July 2019. The debt finance for the projects was issued by the National Housing Finance and Investment

COMMUNITIES PLUS STAGE 2

LANE COVE NORTH SITE



30 UNITS MIX TENURE
OF SOCIAL HOUSING
AND PRIVATE UNITS

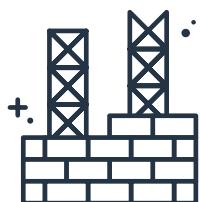
Corporation (NHFIC) of which BlueCHP will borrow \$45.7 million for the construction of 93 units. It was NHFIC's first construction loan issued.

The Lane Cove North site has a total yield of 30 units and when developed, it will be a mix tenure of social housing and private units, the latter will be sold to the market.

The Liverpool site will yield a total of 63 units of which 7% of the units will be designed for specialist disability accommodation, 19% will be social housing and 74% affordable housing. The finalisation of the development approval package is underway with a view to lodging the design with Council in December 2019.

LIVERPOOL SITE

63 UNITS MIX TENURE OF



**7% SPECIALIST DISABILITY
ACCOMMODATION**
19% SOCIAL HOUSING
**74% AFFORDABLE
HOUSING**

The current layout of the buildings has been designed to allow the flexibility to adopt a different construction technique rather than a one conventional build. BlueCHP is currently exploring the opportunity to use an alternative method of construction by utilising a modular construction.

ROPES CROSSING

The delivery of Ropes Crossing continues to secure partnerships with local builders to deliver a mixture of duplexes and detached dwellings. A further eight (8) dwellings were completed in Stage 1 Parcel 4 and the design planning is underway for an additional 18



dwelling with construction completion scheduled within the next six months. BlueCHP has also received 41 lots of the 50 expected as part of the Jordan Springs East development (Stage 2). Some of these lots are being investigated for specialist disability accommodation.

In June 2019 the Building Investigations Branch (BIB) of NSW Fair Trading carried out an inspection of all the construction sites being delivered by BlueCHP and their builder partners. The inspection was to ensure compliance with the licensing provisions of the Act and that those on site are appropriately licensed and qualified to perform the work. The BIB was very pleased with the outcome of their inspection reporting high levels of compliance and knowledge requirements on all of the sites.

▲ The Communities Plus Program aims to deliver integrated social, affordable and private housing by partnering with the private sector. The site at Liverpool NSW will contribute 63 units to this program.

COMMUNITIES PLUS – COMMUNITY HOUSING PROVIDER

BlueCHP was awarded the Project Management Services for three sites (Jannali, Ruse and Peakhurst) in connection with LAHC's pilot program for delivering social housing under the Communities Plus – Community Housing Provider program. The scope for Project Management Services comprises design review, management of consultants, builder procurement, management of the projects during the construction phase and defect management during the defects liability period.

All of the sites totalling 29 units are Seniors Housing of which the last site located at Peakhurst (15 units) was completed early this year. Following the successful completion of the projects, BlueCHP was also awarded the management of the sites.

Over the next 2 years,
BlueCHP's NSW
development team
are working to deliver
approximately 120+
new dwellings



GLENN AMANONCE

Senior Development
Manager (NSW)

Responsible for acquisition
and management of all the
developments in NSW.



PAU-LAHI HA'ANGANA

Development Manager
(NSW)

Responsible for the delivery
of current development
projects and assessment of
future developments in NSW.

DEVELOPMENT REPORT



QUEENSLAND

PROPERTY ADVISORY SERVICES

Independent property advisory services continue to expand. In early 2019 BlueCHP advanced Burnie Brae's senior housing project in Brisbane's north to the Development Application stage and continues to work with Burnie Brae to progress their readiness for this exciting new service offer.

After four years BlueCHP's Queensland office was relocated from Logan to Newstead, Brisbane.





PARTNERING & GROWTH

The QLD team is supporting the delivery of the Home4Life Hunter Residences Program specialist disability accommodation group homes in Northern NSW. The Hunter Residences Program is Australia's largest NDIS Disability contract.

Recognising BlueCHP's leading role in the design and delivery of disability housing in Australia, BlueCHP QLD has been selected by Invest Logan Pty Ltd as the preferred developer for two Specialist Disability Accommodation dwellings in Logan providing accommodation for up to six residents. This project is anticipated to commence construction in 2020.

BlueCHP is actively exploring further disability and mixed tenure affordable housing projects across QLD through partnerships with allied organisations, service providers and consumers.

The past year continued to see BlueCHP's



active participation in the programs and tenders of the QLD State Government, including the Department of Housing and Public Works (DHPW), Housing Partnerships Office & the Queensland Treasury.

BlueCHP was appointed to the National Housing Finance and Invest Corporation (NHFIC) Capacity Building Program Advisory Panel to offer assistance to CHP's across Australia to plan for their growth. BlueCHP continues advocacy work around aligning federal and state funding initiatives to drive federal investment through Community Housing Providers in Australia's States and Territories.

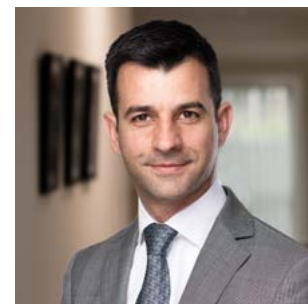
Continuing roles on the Boards of peak housing and homelessness organisations Queensland Shelter (QShelter) and Community Housing Industry Association Queensland (CHIA QLD), in addition to the UDIA QLD Housing Policy Advisory Panel demonstrate the team's ongoing commitment to increase the supply of and access to affordable housing in Queensland.



DARREN MEW

Senior Development Manager (QLD)

Responsible for managing all aspects of the Queensland office including engagement with government, industry and the community.



GEORGE GIANNES

Property Advisory and Development Manager (QLD)

Responsible for the development management functions including feasibility analysis, operational finance modeling, acquisitions, development design and project management of construction in QLD.

AWARDS AND RECOGNITION

BlueCHP is proud to have been recognised in Queensland and New South Wales business awards in the following categories:



DISTINCTION AWARD

In BlueCHP's fifth year in Queensland its team's contribution was acknowledged by a Logan Chamber of Commerce Business Distinction Award.



EXCELLENCE IN SOCIAL ENTERPRISE

NSW Business Chamber, 2019 Business Awards, Regional Winner, Excellence in Social Enterprise.



ASSET AND TENANCY MANAGEMENT REPORT

ASSET RECYCLING

BlueCHP is pioneering an asset recycling strategy to achieve two aims: reduce high cost operating assets from our portfolio and redevelop existing sites to achieve an uplift in the number of dwellings. BlueCHP's first recycling program is in the final stages of gaining government agreement. The benefits will be:

- ... Elimination of high-cost operating assets from BlueCHP's portfolio, leading to lower repairs and maintenance costs in the medium term,
- ... Generating a net increase of 21 dwellings,
- ... The new dwellings built will be far more energy efficient and designed to reduce operating costs for tenants,
- ... Increase of 85 new bedrooms,
- ... Improvement in average age of stock for BlueCHP
- ... Mitigating the expiring incentives from the National Rent Affordability Scheme (NRAS).

This program will provide an increase in affordable housing in West and South West Sydney.



There has been a total upgrade of all landscaping, garden beds, external lighting, walkways and fencing

ASSET UPGRADE TO TOWNHOUSE COMPLEX KINGSWOOD

Over the last five years, Kingswood local government area has seen an increase in crime and various social problems. The hotspot for crime for this suburb is the Kingswood train station precinct where our Rodgers and Orth Street townhouse complex is located.

In September 2019, BlueCHP completed a major upgrade of the common areas of this site. One of the areas of focus was security. This included the installation of high quality external lighting, CCTV, reinforced entry gates and upgrading fences around the unit complex. It is BlueCHP's hope that if we provide a place that is safe and is of a high quality, this will have a positive outcome on the lives of our tenants.

A tenant who has just moved in has said "It's so nice to come home to a nice place, thank you BlueCHP! "Another resident has commented recently, "I feel that now my home is a place where I can relax and feel safe."

TENANCY MANAGEMENT

BlueCHP has seen an increase in the number of tenancies during the last financial year from 12 new properties. Over the last financial year, BlueCHP has achieved rental, efficiency and cost gains in the Tenancy Management department. They are outlined in the points below:

- ... A reduction in overall vacancy rates from 0.65% to 0.5%. This is well below the industry standard of 2%.
- ... Tenant Satisfaction Survey results have shown that 90% of tenants are satisfied with BlueCHP properties. This result has improved by 9% from the previous financial year.

Because of the strategic decision by the BlueCHP Board of Directors to outsource all tenancy management and property management, BlueCHP has achieved the following improvements:

- ... BlueCHP has placed more emphasis on working directly with service providers to improve their service to the tenants under their care.

- ... Implemented a more rigorous feedback loop between BlueCHP and service providers regarding results and action points. The assessment of performance and adoption of the performance indicators has helped to build better relationships between BlueCHP and the service providers and communication about the expectations regarding the continual improvement of their service to their tenants.
- ... A more robust maintenance plan for properties where their asset age has reached the benchmark of 10 years.

BlueCHP aims to improve on these rent and cost efficiencies in the next financial year.



JAMES CAMPBELL-BRUCE

Senior Asset and Tenancy Manager

Responsible for the Asset portfolio including upgrades and recycling. Also responsible for Service Provider performance in tenancy management.

EXTERNAL ENGAGEMENT

Through the CEO and External Relations Manager, BlueCHP works with government to increase the supply of affordable housing.

Simon Schwab, BlueCHP's External Relations Manager, who previously worked as the Senior Advisor to the Minister for Family and Community Services in NSW, leads BlueCHP's work with government.

BlueCHP has worked closely with the Federal Government as it established the National Housing Finance and Investment Corporation (NHFIC) and continues to work with the NSW Government, promoting the view that the coordination of state government policy with the NHFIC provides the best opportunity to reform the sector and increase the supply of affordable housing.

More recently, BlueCHP has started working with the Queensland Government to understand its priorities and to share lessons from elsewhere in Australia.



SIMON SCHWAB

External Relations Manager

Responsible for engagement with government with a view to understanding and influencing policies affecting BlueCHP.

BLUECHP CORPORATE MODEL

Over the past year, BlueCHP has reviewed the range of services and the deployment of its balance sheet.

BlueCHP has refined its capability statement and marketing materials to enhance its message to potential partners and customers. The triangle illustrates the core of the business to provide affordable housing on a long term sustainable basis for both retention on the balance sheet of BlueCHP and to other not for profit providers.

The company's not for profit status does provide some tax and stamp duty advantages along with its deductible gift recipient status. Utilising these advantages we are able to provide affordable housing. The company will focus on the provision of development services that will include:

- ... **PROPERTY DEVELOPMENT:** assessing sites for development and taking them through development application approval to construction and commissioning for tenanting.
- ... **PORTFOLIO ASSESSMENT:** reviewing government, not for profit and private holders' land and housing portfolios with a view to providing options for improving utilisation and best use under current or future property zoning plans.
- ... **PROPERTY DEVELOPMENT FINANCIAL ASSESSMENTS:** feasibility studies on individual or portfolio developments.
- ... **TRANSACTION DESIGN:** using our business expertise, we provide guidance on delivering housing through financial and legal structures.

... **LARGE SCALE URBAN RENEWAL:** the company has large scale urban renewal experience working with state governments bringing together multiple partners.

BlueCHP operates uniquely in the community housing sector with the focus on property development and continues to expand its team of specialists. The ability to outsource tenancy arrangements enables the company to source the bespoke services whilst achieving value for money. Governments are placing greater burdens on the partnerships of tenancy and support provider to bring more specialist packages for high needs clients and this over time requires a higher degree of investment.

Likewise in the property development segment it requires a degree of specialisation and BlueCHP is also able to bridge the gap in objectives from government, not for profit and the private sector. This is best illustrated with the partnership at Ropes Crossing with NSW Government, Lendlease and tenancy manager Compass. BlueCHP staff bring significant public and private market property development and asset portfolio management expertise.

Over the next 10 years BlueCHP has developed a strategy for growth seeking to realise existing opportunities within its own portfolio and opportunities to develop more projects on a partnership basis with investors. In addition the advent of the National Disability Insurance Scheme provides new opportunities for growth.

OUR PURPOSE

To provide
affordable
housing

THE BLUECHP MODEL

WHAT DO WE DO?

BCL PROVIDES

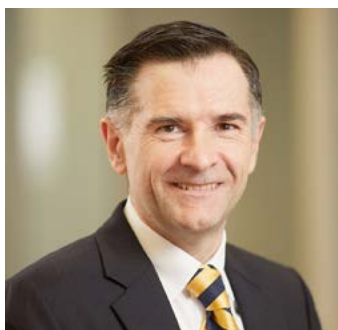
- ... affordable housing
- ... disability housing
- ... financial deal structuring
and advice
- ... development management
- ... project management
- ... asset management
- ... portfolio management
- ... portfolio optimisation

HOW DO WE DO WHAT WE DO?

We use our NFP status,
our strong balance
sheet and our combined
skills, experience and
relationships as a catalyst
to enable this to happen

BOARD OF DIRECTORS

FULL DETAILS OF THE CURRENT BLUECHP LIMITED BOARD ARE LISTED ON PAGE 38



CRAIG LEE

Chairman

QUALIFICATIONS

BEcon, BA (Asian Studies),
MBus (Banking & Finance),
GAICD

SPECIAL RESPONSIBILITIES

Chairman, Member of the
Governance, Nominations &
Remuneration Committee.
Member Director
representative of Home4Life
Limited.



CLAIRE DAVIS

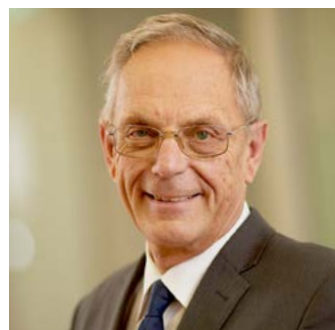
Vice Chair

QUALIFICATIONS

BA (Hons) Accy, FCA,
GAICD, GradCertExecLead,
GradCertBA

SPECIAL RESPONSIBILITIES

Chair of the Governance,
Nominations & Remuneration
Committee, Member of the
Audit & Risk Committee.



PETER BEER

Director

QUALIFICATIONS

AAIHS, ADTCP

SPECIAL RESPONSIBILITIES

Member of the Audit & Risk
Committee.



ROBERT ELVY

Director

QUALIFICATIONS

BScEng, BComAccy, FIEAust,
FCPA, FAICD, FGIA

SPECIAL RESPONSIBILITIES

Chair of the Audit & Risk
Committee.



VANESSA MORSCHER

Director

QUALIFICATIONS

BA BusLaw & Geography,
AdvDip Property Valuation,
MSocSc, MAICD

SPECIAL RESPONSIBILITIES

Member of the Audit & Risk
Committee.



STEPHEN QUILL

Director

QUALIFICATIONS

BE (Civil)

SPECIAL RESPONSIBILITIES

Member of the Governance,
Nominations & Remuneration
Committee.



TONY WATERS

Director

QUALIFICATIONS

BASocSc

SPECIAL RESPONSIBILITIES

Member of the Governance,
Nominations & Remuneration
Committee.

CORPORATE GOVERNANCE

BOARD COMPOSITION

The BlueCHP Board structure combines good corporate governance oversight and a value adding skills based approach. The director selection process strategically matches BlueCHP's future directions and growth to a specific mix of skills and experience. The company provides opportunities for director development so that directors are able to continue to perform their role. The Board composition is currently seven non-executive directors. Information on the directors is set out in the Directors' Report.

The Constitution specifies that the minimum number of directors is three and maximum nine."

BOARD COMMITTEES

During 2019 the Board's committees were renewed to reflect the assistance the Board requires to meet its responsibilities and are as follows:

- ... Audit and Risk Committee
- ... Governance, Nominations and Remuneration Committee.

GOVERNANCE PRINCIPLES

Throughout the 2019 financial year, BlueCHP's governance arrangements were consistent with the ASX Corporate Governance Principles and Recommendations (4th edition).

BOARD RESPONSIBILITIES

The Board is responsible for the corporate governance of BlueCHP. The principle role of the Board is to ensure the long term prosperity of BlueCHP by setting broad strategies and policies and ensuring that they are effectively implemented by management. The Board carries out this role primarily by:

- ... Setting and approving the overall strategic direction;
- ... Approving the statement of values which underpins the desired culture;
- ... Approving major decisions, major capital expenditure, significant financial decisions and delegations of authority;
- ... Approving operating budgets and monitoring progress against those budgets, and establishing and measuring financial and non-financial key performance indicators;

DIRECTORS' REPORT AND SUMMARY FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2019

.....

- ... Overseeing management's performance against the company's risk management framework and whether it is operating within the risk appetite set by the Board;
- ... Ensuring the company meets regulatory compliance;
- ... Approving the entity's remuneration framework; and
- ... Evaluating and monitoring the performance of the Board and the CEO.

The Board has delegated to senior management responsibility for a number of matters, including:

- Managing BlueCHP's day to day operations in accordance with Board approved authorisations, policies and procedures;
- Developing BlueCHP's annual budget, recommending it to the Board for approval and managing BlueCHP's day to day operations within that budget; and
- Implementing corporate strategy and making recommendations on significant corporate strategic initiatives.

The summary financial statements and other specific disclosures have been derived from BlueCHP Limited's (the Groups) full financial report for the financial year. Other information included in the summary financial statements is consistent with the Groups full financial report.

The summary financial statements do not, and cannot be expected to, provide the same understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

A copy of the Groups 2019 Annual Financial Report, including the independent audit report, is available to all members upon request.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

DIRECTORS' REPORT AND CONCISE FINANCIAL STATEMENTS ACN 128 582 383

The Directors present this report on BlueCHP Limited ('BlueCHP') and its controlled entities ('the Group') for the year ended 30 June 2019.

DIRECTORS

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

Craig Lee	Vanessa Morschel
Peter Beer	Stephen Quill
Claire Davis	Tony Waters
Robert Elvy	

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

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

DIRECTORS' REPORT AND CONCISE FINANCIAL STATEMENTS ACN 128 582 383

OBJECTIVES

The Group aims to provide affordable housing opportunities for households on very low to moderate incomes experiencing housing stress; including key workers and those at risk of homelessness within our community. In response to social needs, BlueCHP also provides opportunities for specialist disability housing. These opportunities can be from BlueCHP providing its own property or providing development management services to other providers of community housing.

STRATEGY FOR ACHIEVING OBJECTIVES

BlueCHP will seek development opportunities through its own not for profit status, strong balance sheet and combined skills, experience and relationships. It will also actively enter into joint ventures, public private partnerships, green field developments and urban renewal projects.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was to increase the supply of dwellings through construction or life cycle replacement facilitated by securing

finance and/or government grants. The Group increased the supply of social, affordable, disability and private accommodation. Private accommodation is sold on the open market to generate proceeds for re-investment in the objectives of the Group. Dwellings retained by BlueCHP comprise its housing asset portfolio that is then leased by experienced community housing providers.

During the year ended 30 June 2019 the Group delivered 27 dwellings with a further 53 under construction which includes the Hunter Residences Program. As at the 30 June 2019 BlueCHP owned 779 properties with an additional 61 under management.

BlueCHP under a design and construct head contract with Home4Life Limited ('Home4Life') commenced construction of 69 specialist disability accommodation group homes in New South Wales in December 2018. These homes are initially for residents being transferred from three large residential centres in the Hunter region. The balance of places are available to National Disability Insurance Scheme qualifying residents. BlueCHP Limited holds 50% membership in Home4Life with Compass Housing Services Co Ltd holding the other 50%.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

DIRECTORS' REPORT AND CONCISE FINANCIAL STATEMENTS ACN 128 582 383

SIGNIFICANT AFTER BALANCE DATE EVENTS

In July 2019 BlueCHP entered into a construction facility with the National Housing Finance Investment Corporation ABN 22 498 714 570 for a construction loan of \$45,700,000 and an additional investment loan of \$6,000,000. The construction loan is for the development of 63 apartments at Liverpool, NSW and 30 at Lane Cove, NSW.

On 4 October, the Group, as a member of Home4Life Limite ('Home4Life'), has undertaken to provide funding support to Home4Life to support the ongoing construction under Hunter Residences Program.

No other matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

INFORMATION ON DIRECTORS

AS AT THE DATE OF THIS REPORT

CRAIG LEE

Chairman, Non-executive Director

... **QUALIFICATIONS** BEcon, BA (Asian Studies), MBus (Banking & Finance), GAICD

... **EXPERIENCE** Experienced non-executive director. Thirty-year executive career in banking, finance and insurance specialising in major infrastructure projects and complex property-based structured finance transactions across Australia and Asia. Current board roles include Uniting Financial Services and Assured Guaranty (Aust) Pty Ltd. Prior roles include non-executive Vice Chairman of L J Hooker International Limited.

... **SPECIAL RESPONSIBILITIES** Chairman, Member of the Governance, Nominations & Remuneration Committee. Member Director representative of Home4Life Limited.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

DIRECTORS' REPORT AND CONCISE FINANCIAL STATEMENTS ACN 128 582 383

INFORMATION ON DIRECTORS

AS AT THE DATE OF THIS REPORT

CLAIRE DAVIS

Vice Chair, Non-executive Director

- ... **QUALIFICATIONS** BA (Hons) Accy, FCA, GAICD, GradCertExecLead, GradCertBA
- ... **EXPERIENCE** Claire brings over 20 years' experience in the not for profit housing sector in both Australia and the UK. Her governance and leadership roles include chair and board member, chief finance officer and director corporate services. Claire has also worked in the commercial sector with brands such as Golden Circle and Ernst & Young. Claire now supports executives and senior managers to increase their influence and impact.
- ... **SPECIAL RESPONSIBILITIES** Chair of the Governance, Nominations & Remuneration Committee, Member of the Audit & Risk Committee.

PETER BEER

Non-executive Director

- ... **QUALIFICATIONS** AAIHS, ADTCP
- ... **EXPERIENCE** Peter is a qualified Building Surveyor, Town Planner and Health Surveyor. Predominantly involved with local government, his experience also includes interstate community and planning agreements. Mayor of Snowy Monaro Regional Council. Chairman of the Monaro Housing Taskforce. Peter is a director of Southern Cross Community Housing Ltd.
- ... **SPECIAL RESPONSIBILITIES** Member of the Audit & Risk Committee.

ROBERT ELVY

Non-executive Director

- ... **QUALIFICATIONS** BScEng, BComAccy, FIEAust, FCPA, FAICD, FGIA
- ... **EXPERIENCE** Extensive experience as an executive director and non-executive director in the building and construction, and non-executive director in the finance and government sectors. Former director and CEO of the Cleary Bros Group. Former Deputy Chairman of IMB Bank Limited and Chairman of Port Kembla Port Corporation.
- ... **SPECIAL RESPONSIBILITIES** Chair of the Audit & Risk Committee.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

DIRECTORS' REPORT AND CONCISE FINANCIAL STATEMENTS ACN 128 582 383

INFORMATION ON DIRECTORS

AS AT THE DATE OF THIS REPORT

VANESSA MORSCHER

Non-executive Director

- ... **QUALIFICATIONS** BA BusLaw & Geography, AdvDip Property Valuation, MSocSc, MAICD
- ... **EXPERIENCE** Vanessa has experience in town planning, real estate valuations and development management with current and prior roles in local councils, private consultancies and private development corporations.
- ... **SPECIAL RESPONSIBILITIES** Member of the Audit & Risk Committee.

STEPHEN QUILL

Non-executive Director

- ... **QUALIFICATIONS** BE (Civil)
- ... **EXPERIENCE** Steve has had a successful 40-year career at a senior level in the development and construction of major projects around Australia. Steve has held senior executive roles with Sydney Harbour Foreshore Authority, Stockland Property Group, AMP Capital Investors and Lend Lease. Prior to his appointment to the BlueCHP board he was a strategic development advisor to the Group.
- ... **SPECIAL RESPONSIBILITIES** Member of the Governance, Nominations & Remuneration Committee.

TONY WATERS

Non-executive Director

- ... **QUALIFICATIONS** BASocSc
- ... **EXPERIENCE** Extensive public sector involvement in developing and implementing social housing and homelessness policy and programs. Tony retired in 2013 from his role as Deputy Director-General, Housing Services in the Queensland Department of Housing and Public Works. Extensive experience in delivery of large housing construction, redevelopment and maintenance programs.
- ... **SPECIAL RESPONSIBILITIES** Member of the Governance, Nominations & Remuneration Committee.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2019

DIRECTORS' REPORT AND CONCISE FINANCIAL STATEMENTS ACN 128 582 383

MEETINGS OF DIRECTORS

During the financial year meetings of directors and committees of the board held and attendance by each director were as follows:

DIRECTORS' MEETINGS COMMITTEE MEETINGS

	<i>Number eligible to attend</i>	<i>Number attended</i>	<i>Number eligible to attend</i>	<i>Number attended</i>
Craig Lee ¹	9	9	6	6
Claire Davis	9	8	6	5
Peter Beer	9	7	6	4
Robert Elvy	9	9	6	6
Vanessa Morschel	9	8	—	—
Stephen Quill	9	7	—	—
Tony Waters	9	8	6	6

Committee meetings include Audit and Risk Committee and Governance, Nominations and Remuneration Committee.

.... 1 Attendance at committees of the board optional as ex-officio member

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

DIRECTORS' REPORT AND CONCISE FINANCIAL STATEMENTS ACN 128 582 383

COMPANY SECRETARY

The following persons held the position of Company Secretary at the end of the financial year:

CHARLES NORTHCOTE

Chief Executive Officer

... **QUALIFICATIONS** B.Com Ag Ec, MBA, MCT(UK), GAICD

... **EXPERIENCE** 30 years of international business experience with listed companies covering sectors – merchant banking, agribusiness, chemicals, mining services and industrial products distribution.

SARAH DONOVAN

General Manager, Governance & Risk

... **QUALIFICATIONS** BA (Hons) BusLaw, FCIS, FGIA

... **EXPERIENCE** Governance professional and qualified chartered secretary for over 25 years. Senior executive roles in listed, non-listed entities in transport, venture capital, pharmaceuticals and consumer products.

MEMBERS' GUARANTEE

BlueCHP Limited is incorporated under the Corporations Act 2001 and is a company 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 liabilities and obligations of BlueCHP Limited.

At 30 June 2019 the number of members was 10.



Craig Lee
Director



Claire Davis
Director

Sydney, 24 October 2019

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

AS AT 30 JUNE 2019

DIRECTORS' REPORT AND CONCISE FINANCIAL STATEMENTS ACN 128 582 383

	2019 \$	2018 \$
Operating revenue	25,932,150	22,319,618
Expenses		
Employee benefits expense	(2,115,842)	(2,329,958)
Depreciation and amortisation expense	(188,287)	(158,862)
Finance costs	(2,546,408)	(2,545,973)
Property operating expense	(4,286,382)	(3,386,084)
Property consultants expense	(43,900)	(32,510)
Administration expense	(1,274,265)	(954,263)
Surplus before equity accounting, fair value adjustments and income tax	15,477,066	12,911,968
Share of the profit of joint ventures accounted for using the equity method	1,622,305	-
(Loss)/gain on revaluation of investment property	(22,564,549)	18,931,815
(Loss)/surplus before income tax	(5,465,178)	31,843,783
Income tax expense	-	-
(Loss)/surplus after income tax expense for the year	(5,465,178)	31,843,783
Other comprehensive income for the year, net of tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(5,465,178)	31,843,783

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

DIRECTORS' REPORT AND CONCISE FINANCIAL STATEMENTS ACN 128 582 383

	2019 \$	2018 \$
Current assets		
Cash and cash equivalents	14,847,330	749,513
Trade and other receivables	8,923,475	2,990,615
Other current assets	4,166,070	118,072
TOTAL CURRENT ASSETS	27,936,875	3,858,200
Non-current assets		
Interests in joint ventures	4,622,305	-
Property, plant & equipment	459,797	384,418
Investment properties	308,321,540	316,538,979
TOTAL NON-CURRENT ASSETS	313,403,642	316,923,397
TOTAL ASSETS	341,340,517	320,781,597

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

DIRECTORS' REPORT AND CONCISE FINANCIAL STATEMENTS ACN 128 582 383

	2019 \$	2018 \$
Current liabilities		
Trade and other payables	8,377,542	1,258,110
Employee benefits	127,358	112,744
TOTAL CURRENT LIABILITIES	8,504,900	1,370,854
Non-current liabilities		
Employee benefits	38,672	22,029
Borrowings	70,000,000	51,126,591
TOTAL NON-CURRENT LIABILITIES	70,038,672	51,148,620
TOTAL LIABILITIES	78,543,572	52,519,474
NET ASSETS	262,796,945	268,262,123
Equity		
Retained surpluses	262,796,945	268,262,123
TOTAL EQUITY	262,796,945	268,262,123

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2019

DIRECTORS' REPORT AND CONCISE FINANCIAL STATEMENTS ACN 128 582 383

	Retained surpluses \$	Total equity \$
Balance at 1 July 2017	236,418,340	236,418,340
Surplus after income tax expense for the year	31,843,783	31,843,783
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	31,843,783	31,843,783
Balance as at 30 June 2018	268,262,123	268,262,123
Balance as at 1 July 2018	268,262,123	268,262,123
Surplus after income tax expense for the year	(5,465,178)	(5,465,178)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(5,465,178)	(5,465,178)
Balance as at 30 June 2019	262,796,945	262,796,945

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT 30 JUNE 2019

DIRECTORS' REPORT AND CONCISE FINANCIAL STATEMENTS ACN 128 582 383

	2019 \$	2018 \$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	10,428,777	9,079,829
Payments to suppliers and employees (inclusive of GST)	(6,941,129)	(6,899,004)
Receipt of grants - National Rental Affordability Scheme ('NRAS') Incentives	3,425,842	5,396,319
Interest received	117,087	608
Finance costs paid	(2,543,651)	(2,053,133)
Net cash from operating activities	4,486,926	5,524,619
Cash flows from investing activities		
Repayment (payments on behalf of) from related parties	1,319,209	(554,265)
Loan to joint venture	(3,000,000)	-
Payments for investment in term deposits	(4,000,000)	-
Payments for property, plant and equipment	(263,667)	(123,081)
Proceeds from sale of investment property	-	23,389,855
Payments for investment property	(3,147,435)	(7,467,691)
Payment of borrowing costs capitalised in investment properties	-	(314,478)
Net cash (used in)/from investing activities	(9,091,893)	14,930,340
Cash flows from financing activities		
Proceeds from borrowings	74,600,000	2,718,337
Payment of transaction costs	(170,625)	-
Repayment of borrowings	(55,726,591)	(26,821,325)
Net cash from/(used in) financing activities	18,702,784	(24,102,988)
Net increase/(decrease) in cash and cash equivalents	14,097,817	(3,648,029)
Cash and cash equivalents at beginning of the financial year	749,513	4,397,542
Cash and cash equivalents at the end of the financial year	14,847,330	749,513

DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED 30 JUNE 2019

DIRECTORS' REPORT AND CONCISE FINANCIAL STATEMENTS ACN 128 582 383

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The company's operating revenue has increased by \$3,612,532 since the prior year and expenses have increased by \$1,047,434. The company achieved a surplus before fair value adjustments and the recognition of share of profits from the joint venture of \$15,477,066 (2018: surplus of \$12,911,968). After allowing for these adjustments, the loss of the company amounted to \$5,465,178 (2018: surplus of \$31,843,783). Individual items that have significantly impacted the 2019 result include:

- ... Rental revenue increased by \$1,182,458;
- ... Grants received increased by \$4,343,875;
- ... Administration and service fees from the joint venture increased by \$1,599,360;
- ... Property operating expenses increased by \$900,298;
- ... Employee benefits expense decreased by \$214,116;
- ... Administration expenses increased by \$320,002;

- ... Share from the profit of joint ventures increased by \$1,622,305;
- ... Loss on revaluation of investment properties of \$22,564,549 compared to a gain of \$18,931,815 in the prior year.

SUMMARY STATEMENT OF FINANCIAL POSITION

The company's net assets have decreased by \$5,465,178 since the prior year which has resulted in the company being in a net asset position of \$262,796,945 at the year end.

There has been an increase in total assets of \$20,558,920 offset by an increase in total liabilities of \$26,024,098. The increase in total assets for the year is attributed to:

- ... Cash and cash equivalents increased by \$14,097,817. The net increase in cash and cash equivalents predominantly relates to a net increased in proceeds from additional borrowings;
- ... Trade and other receivables increased by \$5,932,860 due to an increase in receivables from related entities;

DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED 30 JUNE 2019

DIRECTORS' REPORT AND CONCISE FINANCIAL STATEMENTS ACN 128 582 383

- ... Other current assets increased by \$4,047,998 due to an investment in term deposits;
- ... Investment in joint ventures increased by \$4,622,305 following the investment in a joint venture during the year;
- ... Investment properties decreased by \$8,217,439. The company received land grants of \$11,199,675, incurred subsequent expenditure of \$3,147,435 offset by a fair value decrease of \$22,564,549.

The increase in total liabilities for the year is mainly attributed to an increase in borrowings of \$18,873,409 and trade and other payables of \$7,119,432.

SUMMARY STATEMENT OF CASH FLOWS

Operating activities generated a net cash inflow of \$4,486,926, a decrease of \$1,037,693 when compared to the previous year.

Net cash used in investing activities was \$9,091,893, which predominately relates to \$3,147,435 payments for investment properties, a \$4,000,000 investment in term deposits and a \$3,000,000 loan to a joint venture.

Net cash from financing activities was \$18,702,784 for the current year as a result of proceeds from borrowing facilities.

As a result of these cash flows, the net cash held during the year increased by \$14,097,817 compared to the previous year's decrease of \$3,648,029. Cash at the end of the financial year amounted to \$14,847,330 compared to last year's balance of \$749,513.

NOTES TO THE CONSOLIDATED SUMMARY FINANCIAL STATEMENTS AND DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2019

DIRECTORS' REPORT AND CONCISE FINANCIAL STATEMENTS ACN 128 582 383

NOTE 1 BASIS OF PREPARATION OF THE SUMMARY FINANCIAL STATEMENTS

The summary financial statements are an extract from the full financial report for the year ended 30 June 2019. Specific disclosures and other information included in the summary financial statements are derived from and are consistent with the full financial report of BlueCHP Limited.

The summary financial statements cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of BlueCHP Limited as the full financial report.

The presentation currency used in these summary financial statements is Australian dollars.

NOTE 2 EVENTS AFTER THE REPORTING PERIOD

In July 2019, BlueCHP entered into a construction facility with the National Housing Finance Investment Corporation ABN 22 498 714 570 for a construction loan of \$45,700,000 and an additional investment loan of \$6,000,000. The construction loan is for the development of 63 apartments at Liverpool, NSW and 30 at Lane Cove, NSW.

On 4 October, the Group, as a member of Home4Life Limited ('Home4Life'), has undertaken to provide funding support to Home4Life to support the ongoing construction under Hunter Residences Program.

No other matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2019

DIRECTORS' REPORT AND CONCISE FINANCIAL STATEMENTS ACN 128 582 383

DIRECTORS' DECLARATION

The Directors of the Company declare that the accompanying summary financial statements of the Company for the financial year ended 30 June 2019 are an extract from the full financial report for the year ended 30 June 2019 and have been derived from and are consistent with the full financial report of the Company.

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



Craig Lee
Director



Claire Davis
Director

Sydney, 24 October 2019



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Australia

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the members of BlueCHP Limited

Opinion

The accompanying summary financial statements of BlueCHP Limited, which comprise the summary consolidated statement of financial position as at 30 June 2019, the summary consolidated statements of profit or loss and other comprehensive income, summary consolidated statements of changes in equity and summary consolidated statements of cash flows for the year then ended and related notes, are derived from the audited financial report of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year. We expressed an unmodified audit opinion on that financial report in our report dated 24 October 2019.

In our opinion, the summary financial statements for the consolidated entity derived from the audited financial report of BlueCHP Limited for the year ended 30 June 2019 are consistent, in all material respects, with that audited financial report, on the basis described the accounting policies.

Summary financial statements

The summary financial statements do not contain all the disclosures required by Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial report and the auditor's report thereon.

Directors' Responsibility for the Financial Report

The Directors' are responsible for the preparation of the summary financial statements in accordance with the basis described in the accounting policies.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material aspects, of the audited financial report based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.

BDO East Coast Partnership

Ian Hooper

Partner

Sydney, 24 October 2019



Every small detail is carefully considered within
the design and build of BlueCHP's affordable
home developments so that they can
become a foundation for life

BLUECHP LIMITED **MAKING A DIFFERENCE TO PEOPLE'S LIVES**

BlueCHP Limited

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