

bluechp

AFFORDABLE
SOCIAL
DISABILITY
HOUSING

ANNUAL
REPORT
2023



The logo for BlueCHP, featuring the word "bluechp" in a dark blue, lowercase sans-serif font. The letter "u" has a yellow horizontal bar above it, and the letter "i" has a yellow dot above it. The logo is positioned in the top left corner of the image, partially overlapping a tree branch.

bluechp



“Having stable housing tenure is your foundation for life. BlueCHP seeks to make a difference to people’s lives by providing housing choices to disadvantaged Australians.

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CHAIR'S REPORT

“ All parts of our business – affordable, social, and disability housing – have seen growth but the need has never been greater.



FINANCIAL PERFORMANCE

The year ended 30 June 2023 saw our Net Assets increase from \$338.97 million (FY22) to \$375.24 million (FY23), a significant uplift. Our healthy balance sheet supports our aspirations for further significant growth, including continued expansion in Victoria and Queensland.

CHAIR'S REPORT

It has been another busy and productive year for BlueCHP as it continues to deliver on its promise of providing a home that those in need can afford. All parts of our business – affordable, social and disability housing – have seen growth but the need has never been greater.

Safe and secure shelter is a basic human need, but to maximise social and economic participation we need to build communities. This remains a core objective for BlueCHP. We are in the business of not just delivering affordable dwellings but providing a home. We witness first hand how profoundly positive this can be to not just our tenants but also to the broader community and national economy.

In the contest for scarce government resources, funding for new subsidised housing has often missed out but there is a strong public policy argument for governments to support improved housing outcomes.

Certainly building new housing stock is expensive, made no less challenging by construction cost escalation experienced over the last couple of years. Some level of subsidy is required if the community is to feel that affordable housing remains a worthy policy objective. To maximise investment in the sector, governments can use any subsidy to remedy the yield gap in order to attract private capital and institutional investments, this can really deliver housing at scale. This is the hope of the National Housing Accord and subject to legislation, the proposed Housing Australia Future Fund can achieve.



CHAIR'S REPORT

GOVERNANCE

The current Board has been in place for seven years. Although BlueCHP has benefited from this stability and a strong understanding of our business, renewal is important. At the 2023 Annual General Meeting non-executive director Tony Waters and Peter Beer elected to retire from the Board. Their commitment, passion, and extensive experience in the housing sector has been hugely beneficial to BlueCHP and fellow board members. Over the coming three years we will adopt a rolling programme of Board renewal and weave in new directors with skills relevant to our continued growth trajectory.

Finally, I would like to thank not just Tony Waters and Peter Beer, together with our other hardworking directors, management and staff, but also acknowledge the significant contribution of our business partners including our tenancy managers, supported independent living providers, building contractors and our capital partners including NHFIC and private sector institutional funding providers. It is wonderful to collaborate with market participants who share our values and the objective to deliver greater affordable housing around Australia.



A handwritten signature in blue ink, appearing to be 'Craig Lee', written in a cursive style.

Craig Lee
Chairman

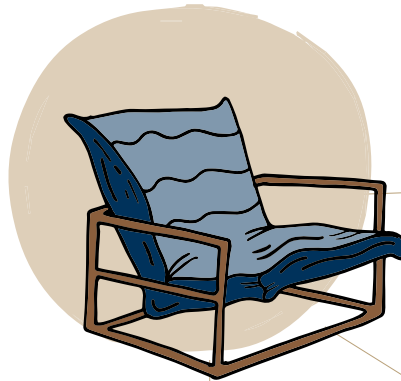
OUR YEAR IN NUMBERS

2,014
PEOPLE WERE HOUSED IN PROPERTIES WE OWN AND MANAGE THIS YEAR

139
SINGLE WOMEN WITH CHILDREN LIVING IN OUR HOMES

518
PEOPLE LIVING WITH A DISABILITY IN OUR HOMES

66
HOMES PROVIDED TO INDIGENOUS PEOPLE



\$11.3
MILLION

SOCIAL BENEFIT TO THE COMMUNITY
FY2023

\$375
MILLION

TOTAL NET ASSETS OWNED BY BLUECHP

530
DWELLINGS

ADDED TO OUR PIPELINE IN THE PAST 12 MONTHS (SOCIAL AND AFFORDABLE)



BY 2026 3,250

PEOPLE TO LIVE IN SOCIAL AND AFFORDABLE HOMES DELIVERED BY BLUECHP



CEO'S REPORT

STAFF

The year has been characterised as quite challenging for the staff as BlueCHP has not only grown and expanded, but we have also faced the impact of inflation and interest rate rises that have resulted in significant increased costs. The ability to complete projects has also been hampered due to supply shortages. As noted last year we had considerable staff turnover and BlueCHP took steps to ensure that we remained competitive in terms of market salaries.

We have seen Darren Mew appointed to the QLD Deputy Premier's Housing Supply Expert Panel, Glenn Amanonce builds on the initial success in Victoria with securing additional housing projects – and we will see the completion of some of the first homes at the end of calendar year 2023. Michelle Northcote was appointed as National Manager – Disability Housing, resulting in the delivery of our first home under the Guide You Home initiative and a pipeline of \$30,000,000 of projects.

Carolyn Hunt has been the backbone of support to me and the team as well as managing the We Are Community relationship meeting our community engagement obligations under the National Community Housing Regulatory Framework.

CEO'S REPORT

STRATEGIC OVERVIEW

Our 2026 target for the provision of housing to 4,000 people remains on track. With the commencement of the Housing Accord and the Housing Australia Future Fund (HAFF) we have overlaid this target with a dwelling target of 3,000 dwellings over the next 5 years should the legislation be passed in October 2023.

As part of our recycling strategy, 72 units were sold, leading to a reduction in people housed by 150. This is part of a broader strategy, removing inappropriate stock from the portfolio to prepare for the delivery of 37 properties in Peakhurst, built by Mono Construction, who are also delivering in NSW another 93 units across Liverpool and Lane Cove.

The provision of housing will be primarily in NSW/ACT, QLD, VIC and SA.

Considerable work has been completed by the team to achieve the scale required, particularly the learnings from the prior submissions to Housing Investment Fund (HIF) in QLD and the Build Own Program (BOP) in VIC.

The housing crisis continues to be in the news as the number of people under housing stress continues to climb as rents and interest rates rise. The data from the 2021 census confirms the total number of households at that time requiring Social and Affordable Housing are 651,200.

Technology and impacts of Artificial Intelligence (AI) will, over the next few years, provide opportunities to examine ways we can improve our business operations and support services. We continue to investigate new technology options.



CEO'S REPORT

SUSTAINABILITY

Over the past 2 years we have invested \$400,000 in a solar pilot on our Jordan Springs properties as we seek to improve the cost of electricity to our tenants .

\$400,000
invested in a solar pilot

CEO'S REPORT

ADVOCACY

Community Housing Industry Association (CHIA) – as Vice Chair in NSW and the state representative on the National body, it has been a very hectic year. The launch of the Environmental, social and governance (ESG) initiative which will set the standard for the industry has been a positive development. BlueCHP is an adopter of the initiative with implementation over the next 2 years.

The last part of the financial year has seen the efforts from CHIA, and other representative bodies, to get the Housing Australia Future Fund enacted in legislation which was successfully passed in October 2023. Power Housing Association (PHA) – I continue to Chair the Disability Housing Community of Practice. The key issue for the year was the SDA Pricing Review, which had not been done in detail since the inception of the SDA price guide some 7 years ago. BlueCHP participated in four submissions including its own. We are proud of our efforts in helping shape the new price review which we, on balance, view the new guide very favourably.

Western Sydney Leadership Dialogue – we continue to participate in the development of Western Sydney advocating strongly for more social and affordable housing – the change in NSW State Government in March 2023 has yet to see further concrete policy on new housing at this stage.

CEO'S REPORT

BlueCHP participated in the Queensland Premier's Housing Summit and was the only participant to have a printed policy document for the event. Interestingly, our policy document called for the increase in the Housing Investment Fund, which the government announced that day! Credit to Darren Mew in his 4th year as President of Queensland Shelter who are widely recognized for their leadership and advocacy on behalf of the Community Housing and Homelessness Sector in QLD.

In early July we were able to host two (2) special events. Firstly, the opening of the CESIL Specialist Disability Accommodation home that was delivered under the management of Michelle Northcote and Project Manager Jimmy Le – at the opening some 70 people attended. Secondly, a week later we hosted the Prime Minister, Federal Housing Minister Julie Collins and State Housing Minister Rose Jackson at the opening of our 135th home built at Jordan Springs/Ropes Crossing. It was a great acknowledgment to the BlueCHP team.



CEO'S REPORT

DEVELOPMENT



From left, SILC Director **Steve Anthony**, National Housing Finance and Investment Corporation (NHFIC) Chair **Adrian Harrington**, Minister for Housing, Minister for Homelessness and Minister for Small Business, **Julie Collins MP**, BlueCHP CEO **Charles Northcote**, NHFIC CEO **Nathan Dal Bon** and For Purpose Executive Director **Tim Shaw**.

BlueCHP continues to grow and over the past year we have significantly grown our housing stock, most notably in Queensland and Victoria. The Queensland Government continues to invest in social housing via its QHIGI program. To date, BlueCHP has completed 80 apartments in Brisbane and has a pipeline exceeding 190 dwellings extending from Brisbane to Bowen.

We will shortly complete our integration of Connect Housing Group in Mackay, enabling us to proceed with further housing developments in the region.

Victorian growth has been a standout over the past 18 months led by Glenn Amanonce and we currently have 121 dwellings under construction under the Victorian Big Housing Build program. We have been bidding on a number of tenders and are hopeful of further success.

Disability – over the last number of years the cost of delivery has exceeded the SDA pricing payments making projects unviable. The relatively new team under the leadership of Michelle Northcote have built a good pipeline across NSW, VIC and SA. With the new SDA Price Guide, we expect that we can expand strongly over the next couple of years. The support of our financing partner, For Purpose Investment Partners (FPIP), and the National Housing Finance and Investment Corporation (NHFIC) make this happen and we look forward to many more homes coming online in the future.



CEO'S REPORT

We Are Community is a local charity in the Macarthur district that we support as part of our Community Engagement program. The focus is on the provision of food services and household items for the less well-off Australians. BlueCHP's support comes in a number of ways – staff cooking meals, garden clean ups, rental of the Airs Community Centre, provision of cars and vans for food services as well as a monthly finance support. We are proud to support this charity who, over the past year, has sent out over 100,000 meals – a staggering effort from an entirely volunteer based organisation!



CEO'S REPORT

I want to add a very special story of one of our tenants, Simone in Brisbane, who was living in her car with her son and was so overjoyed at being given a new start. She suffers from bouts of arthritis so a new safe and warm home is a must! The opening event with Queensland State Government Ministers and the national media was heart warming, to say the least. Simone delivered her story without missing a beat, even with only five minutes' notice. It underlines that we should always give people a chance and allow them to shine.

During the year we commenced the start of our Board renewal program which will continue over the next few years. I believe the directors' participation is a key part of BlueCHP's success. The support from the Board has been important as BlueCHP has expanded interstate and into the disability sector. I am extremely grateful for the Chair's support and wise counsel over the past few years in steering BlueCHP. When the Board organised a lunch with the staff, they surprised me with a celebration of my 10 years as Chief Executive Officer, for which I have had the privilege to lead this organisation.



BlueCHP CEO, **Charles Northcote** and BlueCHP Board of Directors Chair, **Craig Lee**

CEO'S REPORT



Finally, it is important to recognise the importance of our business partners who are listed at the back of report, without them we cannot achieve our goals of housing people in need.

A handwritten signature in dark ink, reading "Charles Northcote". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Charles Northcote
Chief Executive Officer

SUSTAINABILITY

“We are motivated by our mission to ensure all Australians have a safe, secure and affordable home. We believe this is the best way to support any family.

Charles Northcote
Chief Executive Officer, BlueCHP

BlueCHP’s business purpose is to improve the lived experience of people in need of long-term housing across Australia.

In mid-2023, BlueCHP officially became an ‘adopter’ of the CHIA ESG Reporting Standard for the Australian Community Housing sector, being an industry standard for ESG reporting commissioned by the Community Housing Industry Association (CHIA) and Housing Australia (formerly known as NHFIC, the National Housing Finance Investment Corporation).

In October, CHIA released a social and green benefits calculator (SIGMAH), developed in partnership with Swinburne University of Technology, Australian Social Value Bank and Simetrica-Jacobs. The tool was developed to calculate the wider social and economic benefits (WSEB) of social and affordable housing project proposals.

Together, these provide an industry informed framework to quantify BlueCHP’s beneficial impacts through the provision of housing, going beyond the direct benefit to the resident to include wider social, economic and environment contributions.

SUSTAINABILITY



ENVIRONMENTAL

BlueCHP Focus Areas

Resilient Design
Improved Access to Housing
Energy Efficiency – Construction
and Operations

CHIA Standard

- E1 Climate Change
- E2 Ecology
- E3 Resource Management

UN SDG Alignment



BlueCHP Impact

SOLAR PILOT PROJECT JORDAN SPRINGS

206,310 kWh
energy generated

146,274 kg CO₂
saved

2,476 trees
saved

COMPLIANCE WITH ALL RELEVANT STATE
AND NATIONAL BUILDING CODES

HOME4LIFE SOLAR AND CARBON NEUTRAL INITIATIVE

70,617 kg CO₂
saved

1026 trees
saved

64 initially equipped with
minimum 3.5kWh solar

22 upgraded
(now complete, total 63 dwellings)

BASIX
average rating
increased from 76 to 93

13 dwellings achieved carbon
neutral score (100)

REDUCED ENERGY CONSUMPTION THROUGH
BUILDS FAVOURING NATURAL VENTILATION

SUSTAINABILITY



SOCIAL

BlueCHP Focus Areas

Doubling of Persons Housed 2021 to 2026
Sustaining Tenancies
Community Health and Well Being

CHIA Standard

- S1 Affordability and Security
- S2 Building Safety and Quality
- S3 Resident Voice
- S4 Resident Support
- S5 Placemaking

UN SDG Alignment



From left, BlueCHP CEO, **Charles Northcote**; Minister for Communities, Housing and the Digital Economy the Hon **Leeanne Enoch**; Minister for Children and Youth Justice and Minister for Multicultural Affairs, the Hon **Leanne Linard**; BlueCHP Executive Manager QLD/NT, **Darren Mew**

BlueCHP Impact

TARGET FOR SOLAR PANELS
ON ALL NEW BUILDS

SOCIAL, AFFORDABLE &
DISABILITY TENANTS

1,956 total

(~150 reduction on 2022 through
asset recycling program)

COMPLIANCE WITH ALL RELEVANT STATE
AND NATIONAL BUILDING CODES

\$7.2M IN COST-OF-LIVING RELIEF

\$6.9M in rental
benefit

\$229k in energy savings from
efficient builds

\$70k in solar energy provided
to tenants in solar pilot

REDUCED ENERGY CONSUMPTION THROUGH
BUILDS FAVOURING NATURAL VENTILATION

SUSTAINABILITY

GOVERNANCE

| BlueCHP Focus Areas | CHIA Standard | UN SDG Alignment |
|---|---|---|
| Sustainable Business Growth Employee Engagement / Culture Financial Performance / Corp Governance / Compliance / Risk / Reputation | G1 Corporate and Governance G2 Board and Trustees G3 Staff Wellbeing G4 Supply Chain |  |

BlueCHP Impact

**~\$500M IN GROSS ASSETS UNDER
MANAGEMENT**

22 BLUECHP TEAM MEMBERS

PERMANENT OFFICES & STAFF IN 3 STATES

**EOI AND PROJECT ACTIVITIES ACROSS 4
STATES AND 1 TERRITORY**

PARTNERSHIPS WITH ETHICAL INVESTORS

SUSTAINABILITY

KEY HIGHLIGHTS

507 **Social Homes**

337 **Affordable Homes**



Delivering over \$9M in benefits through the provision of social and affordable housing.

| Social and Affordable Portfolio | Value \$ |
|--|------------------|
| Rental Benefit (1yr) | 6,968,373 |
| Energy Savings (1yr) | 230,336 |
| Total cost of living relief | 7,198,709 |
| Societal Benefits (Public + Private + Wellbeing) | 1,837,580 |
| Annualised average | |

Using SIGMAH we can approximate the direct cost of living benefits experienced by residents as well as the wider social and economic benefits (WSEB) realised by the community through the provision of affordable housing.

SUSTAINABILITY



\$7.2M

in cost of living relief in 2023

People living in our social and affordable homes experience relief through reduced rents and reduced energy expenses.

\$1.8M

in broader community benefits
(annualised average)

Every year providing homes contributes to wider social, economic and wellbeing benefits to the public and private sector. This is evaluated based on factors such as reduced healthcare expenses, improved educational attainment, and reduced housing costs, leading to economic benefits through increased consumption.

Figures calculated using the Social Infrastructure and Green Measures For Affordable Housing (SIGMAH) tool provided by Community Housing Industry Association (CHIA).

SUSTAINABILITY



\$70K IN ENERGY SAVINGS JORDAN SPRINGS SOLAR ENERGY PILOT PROGRAM



BlueCHP partnered with Solar Energy Enterprises to retrofit homes in Jordan Springs with solar systems, providing affordable green energy to 64 disability homes and 90 community houses.

Our hope is with the completion of the pilot, this will be a proven model to deliver solar to low-income households at scale. The benefits of this program can be measured across three metrics:

- ... 206,310.64 kilowatt hours (kWh) generated
- ... CO2 saved (kg) 146,274
- ... Trees saved 2,476

The pilot went live in January 2023, rolling out to 82 properties, and had generated 206,310.64 kWh of energy by the end of the financial year. Using the most affordable energy retail cost in NSW (37.5c/kWh), this pilot has delivered \$77.4K worth of total energy. Measuring by a standard average of 90% self-consumption (with 10% fed back into the grid), this would be a cost-of-living benefit delivered to residents of an additional \$69.6k.

SUSTAINABILITY

13 CARBON NEUTRAL DWELLINGS HOME4LIFE SOLAR ENERGY PROGRAM

Alongside the solar pilot roll-out in Jordan Springs, Home4Life also received a similar upgrade. Home4Life Limited is a joint venture between BlueCHP Limited and Home in Place, in partnership with Lighthouse Infrastructure Fund Trust to deliver 118 dwellings across 64 sites for people across NSW.

Of the 64 Home4Life sites, 63 were scheduled to have their existing 3.5 kWh systems upgraded, with 22 sites commissioned by end of financial year, and the remaining completed soon after. A BASIX rating review was conducted with the average score rising to 93 and 13 sites were rated as carbon neutral (100).

CO2 EMISSIONS

70,617 kg

TREES SAVED

1026

BASIX (BUILDING SUSTAINABILITY INDEX)

- ... 13 sites in the Home4Life portfolio achieved carbon neutral (100) score
- ... Average BASIX rating has increased from 76 to 93

SUSTAINABILITY

A PARTICIPANT-LED APPROACH TO DELIVERING SDA

Through our unique, participant-led **GuideYouHome** process, we enable people in need of SDA (specialist disability accommodation) to access a home that will suit their needs. Delivering homes built to meet the needs of each resident in their preferred location and providing the security that this is their home for the long-term.

A person living in single-occupant SDA needing 2.4 hours less support per day could save the NDIA over \$60,000 per person annually (Summer Foundation, 2022, Quantitative Research Summary).

A study by the **Summer Foundation (2022)** found that well located and appropriately designed SDA was associated with significantly improved outcomes for tenants. After moving into SDA:

- ... Overall health improved by 60%
- ... Wellbeing ratings improved by 66%
- ... Community integration scores improved by 73%
- ... Average daily support hours fell by 2.4 hours
- ... Only 66% of tenants required overnight support, dropping from 87% pre-move.

SUSTAINABILITY



The BlueCHP Limited team



SUPPORTING OUR LOCAL COMMUNITY

We Are Community offers a variety of food relief services across the Macarthur, Liverpool, Camden and Wollondilly Local Government Areas. Food relief services include weekly and monthly programs, made up of Night Patrols and Community Meal Services, providing a range of cooked meals, hampers, toiletries, essential items and other services directly to vulnerable members of the community.

100,000 MEALS DELIVERED

We Are Community provides regular meal services, offering in-centre dining and meal delivery. In addition to regular Night Patrols supplying a range of hot and frozen meals, bakery products, breakfast packs and blankets/swags. BlueCHP's support comes in a number of ways – staff cooking meals, garden clean ups, rental of the Airds Community Centre, provision of cars and vans for food services as well as a monthly finance support.

BLUECHP DEVELOPMENT REPORT

From left, Minister for Communities, Housing and the Digital Economy the Hon **Leeanne Enoch**; Senator the Hon **Anthony Chisholm**; BlueCHP CEO, **Charles Northcote**



The BlueCHP development team continues to deliver strongly on the mission of BlueCHP, making a difference to people’s lives through the provision of affordable housing to people in need across Australia.

Over FY23, the team delivered 91 new dwellings with an estimated total development cost in the order of \$40m, providing housing for up to 200 residents. This includes social, affordable and disability housing across the east coast of Australia.

91 new dwellings

BLUECHP DEVELOPMENT REPORT



From left, BlueCHP Executive Manager QLD/NT, **Darren Mew; Meaghan Scanlon MP**



In Queensland, consecutive handover of 80 social housing apartments in two projects at Lutwyche and Windsor coincided with the QLD Premiers Housing Summit in October 2022.

BlueCHP's roadmap for growth, tabled at the Summit by CEO Charles Northcote, outlined multiple pathways to capture investment into social and affordable housing in QLD and strongly reflected in subsequent policy announcements, including the expansion of the Housing Investment Fund (HIF).

Our partnering with the CHP sector was further displayed through our engagement of Jacaranda Housing under our Management Level Service Agreement, bringing the total number of CHPs engaged by BlueCHP to six across Australia. Commitment to a further 190+ dwellings across QLD was also achieved with the support of the QLD State Government.



BLUECHP DEVELOPMENT REPORT



In Victoria the financial year saw the commencement of construction of 26 dwellings at Bacchus Marsh and the 95 dwellings for the Mental Health Round 1 in Metro Melbourne as part of the Big Housing Build. The first homes are expected to be completed in early January and operations will commence.

In NSW our rollout of the Jordan Springs homes continues and we have delivered over 11 homes in the past year. We had the Prime Minister Anthony Albanese, Federal Housing Minister Julie Collins and State Housing Minister Rose Jackson join us to celebrate the delivery of our 135th home of the program.

BLUECHP DEVELOPMENT REPORT



From left, BlueCHP CEO, **Charles Northcote**; Jacaranda Housing CEO, **Lizz Bott**, Minister for Communities, Housing and the Digital Economy the Hon **Leeanne Enoch**; BlueCHP Tenant, **Simone**; BlueCHP Executive Manager QLD/NT, **Darren Mew** and **Jimmy Sullivan MP**

EMERGING PROJECTS

Our Development team continues to grow as we expand our specialised capabilities to deliver housing at scale to address the housing crisis. Targeted recruitment and continuing investment in professional development has seen our team identified as a leader amongst CHPs in Australia.

Individually, the team continues to support the work of the broader sector, including Executive Manager QLD & NT Darren Mew's appointment to the QLD Deputy Premiers Housing Supply Expert Panel and 4th year as Chair of QShelter

DISABILITY

The ability to grow the business has been difficult due to high building and land costs which has resulted in an inability to make transactions viable. In addition, changes in personnel in the first half of the year required a restructure of the Disability Housing Team. Centralising planning and construction to Glenn Amanonce – Development Director and new leadership by Michelle Northcote National Manager – Disability Housing has enhanced the business. We also welcomed Rebecca Bristow as the SDA Housing Specialist (VIC & SA) and Louise Molland SDA Housing Specialist (NSW & QLD).

The new team has created a sound marketing strategy for B2C and B2B consumers under the Guide You Home (GYH) initiative, leading to a rise in client opportunities. BlueCHP has partnered with OT Home Options, to provide input into design briefs to incorporate the participants housing needs from their Home and Living Assessments which assist participants in achieving their NDIS plan goals.

The first homes under the Guide You Home (GYH) initiative have been delivered in Rydalmere and North Ryde NSW. Further homes have been delivered in Jordan Springs NSW. Under the GYH initiative, BlueCHP has been a leader in the development of Robust category homes.

We had the pleasure of Federal Minister Julie Collins to open our Rydalmere home.

Our partnership with For Purpose Investment Partners (FPIP) has enabled BlueCHP to grow its business with a funding partner that is aligned in terms of wanting to create social impact. We look forward to further growing this relationship.



From left, Parent Assisted Residential Accommodation (PaRA) **Steve Anthony**; Federal Minister for Housing, Homelessness & Small Business, **Julie Collins MP**; BlueCHP CEO, **Charles Northcote**



DISABILITY



The impact of the Royal Commission into Disability has yet to be announced, however, the Own Motion Inquiry by the NDIS Quality and Safeguards Commission has led to greater scrutiny of the sector which is welcomed by BlueCHP, and this year we welcomed Dr Warren Flood as our Compliance Manager.

Noting earlier comments about the struggle to achieve financial viability with projects, the updated SDA Price Review has now delivered a more appropriate level of pricing across all categories and locations. The SDA Price Review and SDA team are poised to grow the business further throughout NSW, QLD, VIC and SA. The customer pipeline is very positive.

DISABILITY



BlueCHP builds housing solutions around the needs of our participants – a participant led approach. A demonstration of this was the purposely built duplex home we worked on for three young ladies, each who have different levels of behaviours during the year.

They are friends but they also have their own areas of separation, particularly for one lady living in the duplex. The families have always envisaged their daughters living in a home where they can come together, have a BBQ and swim in the pool/spa.

These participants were living in unsuitable private accommodation. Now they are in a SDA home built for their needs and it gives their parents peace of mind that their daughters are safe and secure for the long term.

ASSET AND TENANCY REPORT



From left, Jacaranda Housing CEO, **Lizz Bott** and BlueCHP Senior Asset & Tenancy Manager, **Fiona Tunnicliffe**

Financial year 2022/2023 saw the addition of 80 social units over two (2) multi-level residential unit complexes in the Brisbane CBD. This is the first retained social housing development in Queensland, and we are pleased to be working alongside Jacaranda Housing, the appointed Service Provider, to house those in need.

Management Service Level Agreements have been renewed with both Argyle Community Housing & Southern Cross Community Housing for a further 3 year term. This renewal will see our partnership with each Community Housing Provider extend past a decade.

The final eight properties were sold as part of the Asset Recycling Program. BlueCHP achieved the desired financial outcome and is now working on putting that money into new social and affordable dwellings.

In partnership with our Specialist Disability Team, the first custom built Robust disability home was completed and two young men moved in just before Christmas. It has been a pleasure to see how this home, with its unique V shaped design, has allowed the young men to live under one roof but have their own space. We look forward to taking handover of more of these custom built homes in the coming years.

The impact of new government programs and expected growth has resulted in BlueCHP reviewing its Strategic Asset Management Plan (SAMP) bringing in Shield Assets to assist updating processes to manage a future larger portfolio.

 **Argyle Housing**

 **Southern Cross Housing**

 **Jacaranda Housing**

**Home
in Place**

 **Mangrove Housing**

 **evolve
HOUSING**

BOARD OF DIRECTORS



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.

BOARD OF DIRECTORS



ROBERT ELVY
Director

QUALIFICATIONS

BScEng, BComAccy, FIEAust,
FCPA, FAICD, FGIA

SPECIAL RESPONSIBILITIES

Chair of the Audit & Risk
Committee, Director of
BlueCHP Housing Limited
(Resigned 30 June 2022).



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, Director of BCL2
Limited (Resigned 30 June 2022).



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 knowledge, skills and experience. The company provides opportunities for director development so that directors are able to continue to perform their role.

The company commenced its Board renewal program 2023-2025 with the appointment of and retirement of directors. The Board composition is currently six 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

The Board's committees assist the Board to meet its responsibilities and are as follows:

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

GOVERNANCE PRINCIPLES

Throughout the 2023 financial year, BlueCHP's governance arrangements were consistent with the ASX Corporate Governance Principles and Recommendations (4th edition) and the ACNC Governance Standards.

CORPORATE GOVERNANCE

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 the BlueCHP group 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;
- ... Oversight of management;
- ... Approving the statement of values which underpins the desired culture;
- ... Approving major decisions, major capital expenditure, significant financial decisions and delegations of authority;
- ... Approving the business plan and budget and monitoring progress against them, and establishing and measuring financial and non-financial key performance indicators;
- ... Overseeing management's performance against the company's risk management framework and whether it is operating within the risk appetite set by the Board;
- ... Overseeing the BlueCHP approach on sustainability (ESG);
- ... Overseeing the integrity of reporting systems and audits;
- ... Monitoring subsidiary company performance;
- ... Ensuring the company meets regulatory compliance;
- ... Approving the entity's remuneration framework;
- ... Developing succession planning for the Board and key executives; 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 business plan and annual budget, recommending them to the Board for approval and managing BlueCHP's day to day operations within that plan and budget; and
- ... Implementing corporate strategy and making recommendations on significant corporate strategic initiatives.

DIRECTORS' REPORT AND SUMMARY FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2023

The summary financial statements and other specific disclosures have been derived from BlueCHP Limited's (the Group's) full financial report for the financial year. Other information included in the summary financial statements is consistent with the Group's 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 Group's 2023 Annual Financial Report, including the independent audit report, is available to all members upon request.

FINANCIAL STATEMENTS

BLUECHP LIMITED FOR THE YEAR ENDED 30 JUNE 2023

DIRECTORS' REPORT

The Directors present this report on BlueCHP Limited ('BlueCHP') and its controlled entities ('the Group') for the year ended 30 June 2023.

DIRECTORS

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

Craig Lee

Peter Beer

Jeremy Brasington

(Appointed 31 August 2023)

Claire Davis

Robert Elvy

Vanessa Morschel

Stephen Quill

Tony Waters

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

OBJECTIVES

The Group aims to provide affordable and subsidised housing solutions to disadvantaged individuals and households experiencing housing stress; including key workers, seniors 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.

FINANCIAL STATEMENTS

BLUECHP LIMITED FOR THE YEAR ENDED 30 JUNE 2023

DIRECTORS' REPORT

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. BlueCHP takes a portfolio approach to managing its assets and from time-to-time will sell assets and re-invest the proceeds in new dwellings. BlueCHP Group initiated a property recycling program in 2019 to sell 72 dwellings and replace these dwellings with an equivalent number of dwellings but with a lower operating cost and reduced maintenance liability. As at 30 June 2023, all 72 dwellings have been sold. Replacement property developments have been identified and are in progress with full replacement expected over next two financial years. Dwellings retained by BlueCHP comprise its housing asset portfolio that is then managed by experienced community housing providers and governed by management service level agreements.

During the year ended 30 June 2023 the Group delivered 89 dwellings with a further 266 under construction. As at 30 June 2023, BlueCHP owned 802 properties with an additional 57 under management.

FINANCIAL STATEMENTS

BLUECHP LIMITED FOR THE YEAR ENDED 30 JUNE 2023

DIRECTORS' REPORT

SIGNIFICANT AFTER BALANCE DATE EVENTS

No 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.

FINANCIAL STATEMENTS

BLUECHP LIMITED FOR THE YEAR ENDED 30 JUNE 2023

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 Brightlight Impact Holdings Pty Ltd and Uniting Financial Services. 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

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. Peter is a director of Southern Cross Community Housing Limited and a member of the NACC (NSW Asbestos Committee representing NSW local councils. Former Mayor of Snowy Monaro Regional Council.

Special Responsibilities

Member of the Audit & Risk Committee

FINANCIAL STATEMENTS

BLUECHP LIMITED FOR THE YEAR ENDED 30 JUNE 2023

JEREMY BRASINGTON

Non-executive Director

Qualifications BEng (Hons.), MSc (Dist.), DICEng, GradDipAppFin, BusLead Mt Eliza, MIEAust

Experience Jeremy brings a 35-year career in investment banking (project finance) engineering, resources and property transactions across Australia and internationally. Jeremy has consulted extensively in the social affordable and disability housing sectors. He has management committee and charitable trustee experience. Previous senior positions include with Arup, ANZ Investment Bank, Evans & Peck, ConnellGriffin and as a board director of VincentCare, VIC.

Special Responsibilities

None

CLAIRE DAVIS

Vice Chair, Non-executive Director

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

Experience Claire brings over 25 years' experience in the not for profit housing sector in Australia and the UK. Non-executive director of Gilbert & Goode Ltd and member of the Audit & Risk Committees of Ocean Housing Group Ltd. Non-executive director of Havebury Housing Partnership, Chair of the People and Remuneration Committee and member of the Audit and Risk Committee. Owner/executive coach of Stretch Leaders Pty Ltd. Her previous roles include chief finance officer and director corporate services.

Special Responsibilities

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

FINANCIAL STATEMENTS

BLUECHP LIMITED FOR THE YEAR ENDED 30 JUNE 2023

ROBERT ELVY

Non-executive Director

Qualifications BScEng, BCom(Accy), 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 former Chairman of Port Kembla Port Corporation.

Special Responsibilities

Chair of the Audit & Risk Committee.

VANESSA MORSCHEL

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

FINANCIAL STATEMENTS

BLUECHP LIMITED FOR THE YEAR ENDED 30 JUNE 2023

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 LendLease. 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 the delivery of large housing construction redevelopment and maintenance programs.

Special Responsibilities

Member of the Governance, Nominations & Remuneration Committee.

FINANCIAL STATEMENTS

BLUECHP LIMITED FOR THE YEAR ENDED 30 JUNE 2023

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 | |
|-------------------|---------------------------|-----------------|---------------------------|-----------------|
| | Number eligible to attend | Number attended | Number eligible to attend | Number attended |
| Craig Lee | 8 | 7 | 6 | 6 |
| Peter Beer | 8 | 4 | 4 | 2 |
| Claire Davis | 8 | 8 | 6 | 6 |
| Robert Elvy | 8 | 8 | 4 | 4 |
| Vanessa Morschel | 8 | 8 | 4 | 4 |
| Stephen Quill | 8 | 8 | 2 | 2 |
| Tony Waters | 8 | 6 | 2 | 1 |
| Jeremy Brasington | 0 | 0 | 0 | 0 |

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

FINANCIAL STATEMENTS

BLUECHP LIMITED FOR THE YEAR ENDED 30 JUNE 2023

COMPANY SECRETARY

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

CHARLES NORTHCOTE

Chief Executive Officer

Qualifications BCom AgEc, MBA, MCT (UK), GAICD

Experience Thirty 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, FCG, FGIA

Experience Governance professional and qualified chartered secretary for over 30 years. Senior executive roles in listed, non-listed entities in transport, venture capital, pharmaceuticals and consumer products.

FINANCIAL STATEMENTS

BLUECHP LIMITED FOR THE YEAR ENDED 30 JUNE 2023

MEMBERS' GUARANTEE

BlueCHP Limited is incorporated under the *Corporations Act 2001* and is a public 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 2023 the number of members was 9.

On behalf of the directors



CRAIG LEE

Director



ROBERT ELVY

Director

Sydney, 6 October 2023

FINANCIAL STATEMENTS

BLUECHP LIMITED FOR THE YEAR ENDED 30 JUNE 2023

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | 2023 \$ | 2022 \$ |
|--|-------------------|-------------------|
| Operating revenue | 54,398,619 | 13,759,263 |
| Expenses | | |
| Employee benefits expense | (3,226,329) | (3,341,669) |
| Depreciation and amortisation expense | (317,888) | (283,810) |
| Finance costs | (1,758,521) | (2,051,375) |
| Property operating expense | (5,698,704) | (4,509,259) |
| Property consultants' expense | (234) | (223) |
| Administration expense | (1,460,480) | (1,711,571) |
| Gain on disposal of investment properties | 28,492 | 392,797 |
| Surplus before equity accounting, fair value adjustments and income tax | 41,964,955 | 2,254,153 |
| Share of the profit of joint ventures accounted for using the equity method | 474,289 | 9,298,378 |
| (Loss)/gain on revaluation of investment property | (6,014,641) | 51,000,300 |
| Surplus before income tax | 36,424,603 | 62,552,831 |
| Income tax expense | - | - |
| Surplus after income tax expense for the year | 36,424,603 | 62,552,831 |
| Other comprehensive income for the year, net of tax | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 36,424,603 | 62,552,831 |

FINANCIAL STATEMENTS

BLUECHP LIMITED FOR THE YEAR ENDED 30 JUNE 2023

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | 2023 \$ | 2022 \$ |
|--|--------------------|--------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | 16,148,561 | 12,184,849 |
| Trade and other receivables | 3,369,551 | 4,293,888 |
| Other current assets | 341,435 | 1,251,602 |
| Non-current assets classified as held for sale | - | 4,307,634 |
| TOTAL CURRENT ASSETS | 19,859,547 | 22,037,973 |
| NON-CURRENT ASSETS | | |
| Interests in joint ventures | 11,705,882 | 10,752,726 |
| Property, plant and equipment | 1,615,469 | 1,701,159 |
| Right-of-use assets | 39,983 | 160,921 |
| Investment properties | 462,679,830 | 412,129,116 |
| TOTAL NON-CURRENT ASSETS | 476,041,164 | 424,743,922 |
| TOTAL ASSETS | 495,900,711 | 446,781,895 |

FINANCIAL STATEMENTS

BLUECHP LIMITED FOR THE YEAR ENDED 30 JUNE 2023

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | 2023 \$ | 2022 \$ |
|--------------------------------------|--------------------|--------------------|
| CURRENT LIABILITIES | | |
| Trade and other payables | 3,648,464 | 3,464,284 |
| Contract liabilities | 24,777,184 | 4,845,241 |
| Lease liabilities | 140,502 | 116,381 |
| Employee benefits | 287,090 | 267,585 |
| TOTAL CURRENT LIABILITIES | 28,853,240 | 8,693,491 |
| NON-CURRENT LIABILITIES | | |
| Lease liabilities | - | 141,695 |
| Employee benefits | 158,985 | 110,046 |
| Contract liabilities | 8,393,405 | 29,019,906 |
| Borrowings | 83,253,721 | 70,000,000 |
| TOTAL NON-CURRENT LIABILITIES | 91,806,111 | 99,271,647 |
| TOTAL LIABILITIES | 120,659,351 | 107,965,138 |
| NET ASSETS | 375,241,360 | 338,816,757 |
| EQUITY | | |
| Retained surpluses | 375,241,360 | 338,816,757 |
| TOTAL EQUITY | 375,241,360 | 338,816,757 |

FINANCIAL STATEMENTS

BLUECHP LIMITED FOR THE YEAR ENDED 30 JUNE 2023

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | RETAINED SURPLUSES \$ | TOTAL EQUITY \$ |
|---|-----------------------------|-----------------------|
| Balance as at 1 July 2021 | 276,263,926 | 276,263,926 |
| Surplus after income tax expense for the year | 62,552,831 | 62,552,831 |
| Other comprehensive income for the year, net of tax | - | - |
| Total comprehensive income for the year | 62,552,831 | 62,552,831 |
| Balance as at 30 June 2022 | 338,816,757 | 338,816,757 |
| Balance as at 1 July 2022 | 338,816,757 | 338,816,757 |
| Surplus after income tax expense for the year | 36,424,603 | 36,424,603 |
| Other comprehensive income for the year, net of tax | - | - |
| Total comprehensive income for the year | 36,424,603 | 36,424,603 |
| Balance as at 30 June 2023 | 375,241,360 | 375,241,360 |

FINANCIAL STATEMENTS

BLUECHP LIMITED FOR THE YEAR ENDED 30 JUNE 2023

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

| | 2023 \$ | 2022 \$ |
|--|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | 13,994,906 | 10,883,086 |
| Payments to suppliers and employees | (10,280,741) | (10,263,691) |
| Receipt of grants – National Rental Affordability Scheme ('NRAS') Incentives | 1,335,650 | (30,262) |
| Interest received | 178,129 | 263,629 |
| Finance costs paid | (2,062,014) | (2,051,375) |
| Net cash from operating activities | 3,165,930 | (1,198,613) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payments for property, plant and equipment | (114,474) | (1,424,437) |
| Proceeds from sale of property, plant & equipment | 894,870 | - |
| Proceeds from sale of investment property | 4,334,289 | 14,382,785 |
| Payments for investment property | (57,035,380) | (36,993,836) |
| Distributions from Home4Life | 32,713 | - |
| Net cash used in investing activities | (51,887,982) | (24,035,488) |

FINANCIAL STATEMENTS

BLUECHP LIMITED FOR THE YEAR ENDED 30 JUNE 2023

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

| | 2023 \$ | 2022 \$ |
|---|-------------------|--------------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of lease liabilities | (120,000) | (130,692) |
| Receipt of capital grants | 39,552,043 | 15,410,220 |
| Proceeds from borrowings | 13,253,721 | - |
| Repayment of borrowings | - | - |
| Net cash from financing activities | 52,685,764 | 15,279,528 |
| Net increase/(decrease) in cash and cash equivalents | 3,963,712 | (9,954,573) |
| Cash and cash equivalents at beginning of the financial year | 12,184,849 | 22,139,422 |
| Cash and cash equivalents at the end of the financial year | 16,148,561 | 12,184,849 |

NOTES TO FINANCIAL STATEMENTS

BLUECHP LIMITED FOR THE YEAR ENDED 30 JUNE 2023

DISCUSSION AND ANALYSIS

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The Group's operating revenue has increased by \$40,639,356 since the prior year and expenses have decreased by \$928,554. The large increase in operating revenue is driven largely by the recognition of \$40,246,601 in capital grants.

The Group achieved a surplus before fair value adjustments and recognition of share of profits from the joint venture of \$41,964,955 (2022: \$2,254,153). After allowing for these adjustments, the surplus for the Group amounted to \$36,424,603 (2022: \$62,552,831).

Individual items that have significantly impacted the 2023 result include:

- ... Development management fees decreases by \$807,163;
- ... Capital Grants recognised increased by \$39,766,669;
- ... Property operating expenses increased by \$1,189,445;
- ... Employee benefits expense decreased by \$115,340;
- ... Administration expenses decreased by \$251,091;
- ... Loss on revaluation of investment properties of \$6,014,641 compared to gain of \$51,000,300 in the prior year; and
- ... Share of profit on joint venture of \$474,289 compared to a profit of \$9,298,378 in the prior year.

NOTES TO FINANCIAL STATEMENTS

BLUECHP LIMITED FOR THE YEAR ENDED 30 JUNE 2023

DISCUSSION AND ANALYSIS

SUMMARY STATEMENT OF FINANCIAL POSITION

The Group's net assets have increased by \$36,424,603 since the prior year which has resulted in the company being in a net asset position of \$375,241,360 at the year end. There has been an increase in total assets of \$49,118,816 in addition to an increase in total liabilities of \$12,694,213.

The increase in total assets for the year is mainly attributed to an increase in the investment property portfolio which had a net increase of \$50,550,714 which includes the loss on revaluation of \$6,014,641. There was also an increase in the carrying value in the joint venture entity by \$953,156. The net movement in the investment in the joint venture entity is attributable to the equity adjustment taking up the Group's share of the joint ventures profits for the year ended 30 June 2023 and the accumulated interest on the loan receivable from the joint venture entity.

The increase in total liabilities is mainly attributed to the increase in borrowings of \$13,253,721. The increase was a result of planned debt drawdowns for on-going capital development projects which are expected to be completed in the 2024/25 financial years.

NOTES TO FINANCIAL STATEMENTS

BLUECHP LIMITED FOR THE YEAR ENDED 30 JUNE 2023

DISCUSSION AND ANALYSIS

SUMMARY STATEMENT OF CASH FLOWS

Operating activities generated a net cash inflow of \$3,165,930 an increase of \$4,364,543 when compared to the previous year.

Net cash outflow from investing activities was \$51,887,982 which predominately relates to \$57,035,380 of payments for investment properties, offset by \$5,229,159 of net proceeds from the sale of investment properties and PPE.

Net cash raised in financing activities was \$52,685,764 for the current year as a result of increased borrowings and capital grants for projects.

As a result of these cash flows, the net cash held during the year increased by \$3,963,712 compared to the previous year's decrease of \$9,954,573.

Cash at the end of the financial year amounted to \$16,148,561 compared to last year's balance of \$12,184,849.

NOTES TO FINANCIAL STATEMENTS

BLUECHP LIMITED FOR THE YEAR ENDED 30 JUNE 2023

DISCUSSION AND ANALYSIS

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 2023.

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

No 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.

NOTES TO FINANCIAL STATEMENTS

BLUECHP LIMITED FOR THE YEAR ENDED 30 JUNE 2023

DIRECTORS' DECLARATION

The Directors of the Company declare that the accompanying summary financial statements of the Company for the financial year ended 30 June 2023 are an extract from the full financial report for the year ended 30 June 2023 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

Sydney, 6 October 2023



ROBERT ELVY

Director

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the members of BlueCHP Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

OPINION

The accompanying summary financial statements of BlueCHP Limited, which comprise the summary consolidated statement of financial position as at 30 June 2023, 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 6 October 2023.

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 2023 are consistent, in all material respects, with that audited financial report, on the basis described in the accounting policies.

SUMMARY FINANCIAL STATEMENTS

The summary financial statements do not contain all the disclosures required by Australian Accounting Standards – Simplified Disclosures. 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 AUDIT PTY LTD



CLAYTON EVELEIGH DIRECTOR

Sydney, 6 October 2023

PARTNERS

BUILDERS

- ... Hutchinson Builders
- ... Mono Constructions
- ... Rose and Gold Australia Pty Ltd
- ... Academy Construction and Development
- ... ANSA Homes
- ... Fowler Homes
- ... Empak Homes Pty Ltd
- ... Metricon
- ... Harnest

SERVICE PROVIDERS

- ... Home In Place
- ... Jacaranda Housing
- ... Argyle Housing
- ... Southern Cross Community Housing
- ... Evolve Housing
- ... Mangrove Community Housing

SIL PROVIDERS PARTNERS

- ... SILC
- ... The Disability Trust
- ... New Horizons
- ... Life Without Barriers
- ... Cerebral Palsy Alliance
- ... Scope Australia
- ... Afea Care Services
- ... Bayley House
- ... Northcott





GENERAL

- ... National Disability Insurance Agency
- ... NSW Government Department of Communities and Justice
- ... Homes Victoria
- ... QLD Government Department of Housing
- ... OT Home Options
- ... Vista Access Architects
- ... Westmont Real Estate
- ... Cloverleaf Impact Capital
- ... Housing Australia (formally National Housing Finance and Investment Corporation)
- ... For Purpose Investment Partners
- ... Community Housing Industry Association – NSW, QLD, VIC and National
- ... PowerHousing Association
- ... Global Mark Consulting
- ... Summer Foundation
- ... Housing Hub
- ... SDA Alliance
- ... Q Shelter
- ... Western Sydney Dialogue
- ... Professional Advantage
- ... BNS IT Services?
- ... EMS BASIX

bluechp

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