

**HOMESELLERS & HOMEBUYERS
PROTECTION FUND LTD**

ABN 13 101 154 152

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

HOMESELLERS & HOMEBUYERS PROTECTION FUND LTD
ABN 13 101 154 152

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
Revenues from ordinary activities	2	473,368.00	307,633.00
Staff costs		(118,787.00)	(140,159.00)
Depreciation and amortisation expenses	3	(2,006.00)	(3,604.00)
Other expenses from ordinary activities		<u>(523,182.00)</u>	<u>(323,882.00)</u>
Profit (loss) from ordinary activities before income tax expense	3	(170,607.00)	(160,012.00)
Income tax expense relating to ordinary activities		<u>-</u>	<u>-</u>
Net profit (loss) from ordinary activities after income tax attributable to member of the company	11	<u>(170,607.00)</u>	<u>(160,012.00)</u>
Total changes in equity other than those resulting from transactions with the owner as owner		<u>(170,607.00)</u>	<u>(160,012.00)</u>

The accompanying notes form part of these financial statements.

This report should be read in conjunction with the attached compilation report.

HOMESSELLERS & HOMEBUYERS PROTECTION FUND LTD
ABN 13 101 154 152

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2006

	Note	2006 \$	2005 \$
CURRENT ASSETS			
Cash assets	5	128,586.00	238,057.00
Receivables	6	<u>27,250.00</u>	<u>1,263.00</u>
TOTAL CURRENT ASSETS		<u>155,836.00</u>	<u>239,320.00</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	5,212.00	7,656.00
Intangibles	8	<u>179.00</u>	<u>358.00</u>
TOTAL NON-CURRENT ASSETS		<u>5,391.00</u>	<u>8,014.00</u>
TOTAL ASSETS		<u>161,227.00</u>	<u>247,334.00</u>
CURRENT LIABILITIES			
Payables	9	<u>85,054.00</u>	<u>4,576.00</u>
TOTAL CURRENT LIABILITIES		<u>85,054.00</u>	<u>4,576.00</u>
NON-CURRENT LIABILITIES			
Interest bearing liabilities	10	<u>19,374.00</u>	<u>15,352.00</u>
TOTAL NON-CURRENT LIABILITIES		<u>19,374.00</u>	<u>15,352.00</u>
TOTAL LIABILITIES		<u>104,428.00</u>	<u>19,928.00</u>
NET ASSETS		<u>56,799.00</u>	<u>227,406.00</u>
EQUITY			
Retained profits	11	<u>56,799.00</u>	<u>227,406.00</u>
TOTAL EQUITY		<u>56,799.00</u>	<u>227,406.00</u>

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HOMESSELLERS & HOMEBUYERS PROTECTION FUND LTD
ABN 13 101 154 152

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report is for the entity Homesellers & Homebuyers Protection Fund Ltd as an individual entity. Homesellers & Homebuyers Protection Fund Ltd is a company limited by shares, incorporated and domiciled in Australia.

The financial report has been prepared on an accrual basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Income Tax

The company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit (loss) from ordinary activities adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income are brought to account as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(b) Property, Plant and Equipment

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

Plant and Equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

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HOMESSELLERS & HOMEBUYERS PROTECTION FUND LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on a straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge.

(c) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investment in money market instruments maturing within less than two months and net of bank overdrafts.

(d) Revenue

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

Revenue from the rendering of a service is recognised upon the delivery of a service to the customers.

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

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The directors are of the opinion that the key differences in the economic entity's accounting policies which will arise from the adoption of IFRS are:

(f) Adoption of Australian Equivalents to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The entity's management are assessing the significance of these changes and preparing for their implementation.

HOMESSELLERS & HOMEBUYERS PROTECTION FUND LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
2. REVENUE			
Operating activities of the company:			
Interest received	2(a)	6,089.00	15,413.00
Agent Contributions		417,174.00	277,220.00
Consumer Contributions		3,500.00	15,000.00
Real Estate Monitors Contributions		46,605.00	-
		<u>473,368.00</u>	<u>307,633.00</u>
3. PROFIT (LOSS) FROM ORDINARY ACTIVITIES			
Profit (loss) from ordinary activities before income tax has been determined after:			
Expenses:			
Depreciation of non-current assets: plant and equipment		2,006.00	3,604.00
Total depreciation		<u>2,006.00</u>	<u>3,604.00</u>
4. REMUNERATION AND RETIREMENT BENEFITS			
The names of directors who have held office during the financial year are:			
John Corney			
Neil Jenman			
Geoffrey Roberson			
Jason Sprague			
Sam Pennisi			
Robert Windsor			
5. CASH ASSETS			
*Westpac Cheque account		<u>128,586.00</u>	<u>238,057.00</u>
6. RECEIVABLES			
CURRENT			
Trade debtors		27,250.00	405.00
*Income Tax refundable		-	858.00
		<u>27,250.00</u>	<u>1,263.00</u>

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HOMESSELLERS & HOMEBUYERS PROTECTION FUND LTD
ABN 13 101 154 152

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
7. PROPERTY, PLANT AND EQUIPMENT			
Plant and equipment		<u>5,212.00</u>	<u>7,656.00</u>
8. INTANGIBLE ASSETS			
Formation expenses		<u>179.00</u>	<u>358.00</u>
9. PAYABLES			
CURRENT			
Good and services tax		3,861.00	395.00
Trade creditors		<u>81,193.00</u>	<u>4,181.00</u>
		<u>85,054.00</u>	<u>4,576.00</u>
10. INTEREST BEARING LIABILITIES			
NON-CURRENT			
Loan - Jenman Group Clearing Account		<u>19,374.00</u>	<u>15,352.00</u>
11. RETAINED PROFITS			
Retained profits at the beginning of the financial year		227,406.00	387,418.00
Net profit (loss) attributable to the member of the company		<u>(170,607.00)</u>	<u>(160,012.00)</u>
Retained profits at the end of the financial year		<u>56,799.00</u>	<u>227,406.00</u>
12. COMPANY DETAILS			
The registered office of the company is:			
Homesellers & Homebuyers Protection Fund Ltd			
4Th Floor, 55 Phillip Street			
Parramatta NSW 2150			
The principal place of business is:			
Homesellers & Homebuyers Protection Fund Ltd			
Unit 19			
7 Anella Avenue			
Castle Hill NSW 2154			

These notes should be read in conjunction with the attached compilation report.


HOMESELLERS & HOMEBUYERS PROTECTION FUND LTD
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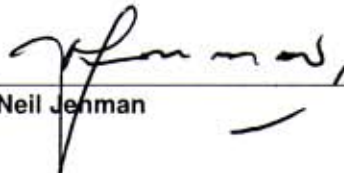
DIRECTORS' DECLARATION

The directors of the company declare that:

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

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

Director 
John Corney

Director 
Neil Jenman

23rd November 2006

**HOMESSELLERS & HOMEBUYERS PROTECTION FUND LTD
ABN 13 101 154 152**

INDEPENDENT AUDIT REPORT

TO THE MEMBER OF

HOMESSELLERS & HOMEBUYERS PROTECTION FUND LTD

Scope

We have audited the financial report of Homesellers & Homebuyers Protection Fund Ltd for the financial year ended 30 June 2006 as set out on pages 2 to 8. The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the member of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of the company's financial position, the results of its operations and its cash flows.

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

Audit Opinion

In my opinion, the financial report of Homesellers and Homebuyers Protection Fund Limited is in accordance with:

- 1 the Corporations Act 2001, including:
 - (a) Giving a true and fair view of the company's financial position as at 30 June 2006 and of its performance for the year ending on that date in accordance with the accounting policies described in Note 1; and
 - (b) Complying with Accounting Standards, comprising AASB 1025: Application of the Reporting Entity Concepts and other amendments and other Accounting Standards to the extent described in Note 1 and the Corporations Regulations; and
- 2 other mandatory professional requirements to the extent described in Note 1.



**Mr John Storey CPA (Registered Company Auditor No.2408)
Certified Practising Accountant**

21st November 2006

HOMESELLERS AND HOMEBUYERS PROTECTION FUND LTD

ABN 13 101 154 152

Directors' Report

Your directors submit the Financial Accounts of the company for the year ended 30 June 2006.

DIRECTORS

The directors in office at the date of this report are

Geoffrey Roberson	Foundation Director
Sam Pennisi	Foundation Director
John Corney	Foundation Director
Jason Sprague	Foundation Director
Neil Jenman	Foundation Director
Rob Windsor	Elected Director

In accordance with the constitution, the Foundation Directors will continue in office as directors of the company.

PRINCIPAL ACTIVITY

The principal activities of the company during the financial year were assistance and advice for property sellers and buyers.

RESULTS

The net loss for the year was \$170,607.

DIVIDENDS


The company is not permitted to pay dividends.

DIRECTORS BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the company or related company with the director or an entity of which he is a member, or with a company in which he has a substantial financial interest, except as follows:

1. The company paid fees for administration and staff services to the Neil Jenman Group and Pittard Training Group, in which the director Neil Jenman has a financial interest.
2. The company paid legal fees to Champion Legal, in which the directors Geoffrey Roberson and Jason Sprague have a financial interest.

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



Neil Jenman



John Corney

Dated 23 November 2006