

**HOMESSELLERS & HOMEBUYERS
PROTECTION FUND LTD**

ABN 13 101 154 152

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007

HOMESELLERS & HOMEBUYERS PROTECTION FUND LTD
ABN 13 101 154 152

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HOMESSELLERS & HOMEBUYERS PROTECTION FUND LTD
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STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
Revenues from ordinary activities	2	524,091.18	473,368.00
Employee benefits expense		(116,648.59)	(118,787.00)
Depreciation and amortisation expenses	3	(1,955.00)	(2,006.00)
Other expenses from ordinary activities		(456,321.35)	(523,182.00)
Profit (loss) from ordinary activities before income tax expense	3	(50,833.76)	(170,607.00)
Income tax expense relating to ordinary activities		-	-
Net profit (loss) from ordinary activities after income tax attributable to member of the company	11	(50,833.76)	(170,607.00)
Total changes in equity other than those resulting from transactions with the owner as owner		(50,833.76)	(170,607.00)

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 2007

	Note	2007 \$	2006 \$
CURRENT ASSETS			
Cash assets	5	66,637.89	128,586.00
Receivables	6	-	27,250.00
TOTAL CURRENT ASSETS		<u>66,637.89</u>	<u>155,836.00</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	3,257.02	5,212.00
Intangibles	8	-	179.00
TOTAL NON-CURRENT ASSETS		<u>3,257.02</u>	<u>5,391.00</u>
TOTAL ASSETS		<u><u>69,894.91</u></u>	<u><u>161,227.00</u></u>
CURRENT LIABILITIES			
Payables	9	43,433.74	85,054.00
TOTAL CURRENT LIABILITIES		<u>43,433.74</u>	<u>85,054.00</u>
NON-CURRENT LIABILITIES			
Other liabilities	10	20,495.93	19,374.00
TOTAL NON-CURRENT LIABILITIES		<u>20,495.93</u>	<u>19,374.00</u>
TOTAL LIABILITIES		<u><u>63,929.67</u></u>	<u><u>104,428.00</u></u>
NET ASSETS		<u><u>5,965.24</u></u>	<u><u>56,799.00</u></u>
EQUITY			
Retained profits	11	5,965.24	56,799.00
TOTAL EQUITY		<u><u>5,965.24</u></u>	<u><u>56,799.00</u></u>

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HOMESSELLERS & HOMEBUYERS PROTECTION FUND LTD
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CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007	2006
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Flow from Receipts			
Agent Contributions		418,619.00	417,174.00
REMar Contributions		130,667.00	46,605.00
Other Receipts		2,055.00	9,589.00
Cash Flow from Expenses			
Staff Costs		116,649.00	118,152.00
Legal Expenses		371,688.00	315,634.00
Other Operating Expenses		124,952.00	201,579.00
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans to another company		-	(4,022.00)
Net increase in cash held		(61,948.00)	(166,018.00)
Cash at beginning of year		128,586.00	294,604.00
Cash at end of year	13	<u>66,638.00</u>	<u>128,586.00</u>

The accompanying notes form part of these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

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 guarantee, 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

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.

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.

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

The entity is preparing and managing the transition to Australian Equivalents to International Financial Reporting Standards (AIFRS) effective for the financial years commencing from 1 January 2005. The adoption of AIFRS will be reflected in the entity's financial statements for the year ended 30 June 2006. On first time adoption of AIFRS, comparatives for the financial year ended 30 June 2005 are required to be restated. The majority of the AIFRS transitional adjustments will be made retrospectively against retained earnings at 1 July 2004.

The entity's management have assessed the significance of the expected changes and are preparing for their implementation. The impact of the alternative treatments and elections under AASB 1: First Time Adoption of Australian Equivalents to International Financial Reporting Standards, has been considered where applicable.

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

HOMESSELLERS & HOMEBUYERS PROTECTION FUND LTD
ABN 13 101 154 152

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
2. REVENUE			
Operating activities of the company:			
Interest received	2(a)	1,504.71	6,089.00
Agent Contributions		391,369.15	417,174.00
Consumer Contributions		550.00	3,500.00
Real Estate Monitors Contributions		130,667.32	46,605.00
		<u>524,091.18</u>	<u>473,368.00</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		1,955.00	2,006.00
Total depreciation		<u>1,955.00</u>	<u>2,006.00</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		66,637.89	128,586.00
6. RECEIVABLES			
CURRENT			
Trade debtors		-	27,250.00
7. PROPERTY, PLANT AND EQUIPMENT			
Plant and equipment		3,257.02	5,212.00

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

HOMESELLERS & HOMEBUYERS PROTECTION FUND LTD
ABN 13 101 154 152

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
(a) Movement in carrying amounts For disclosure on movement in carrying amounts please refer to note 14(a) in the end of this financial report.			
8. INTANGIBLE ASSETS			
Formation expenses		-	179.00
9. PAYABLES			
CURRENT			
Good and services tax		6,165.72	3,861.00
Trade creditors		37,268.02	81,193.00
		<u>43,433.74</u>	<u>85,054.00</u>
10. OTHER LIABILITIES			
NON-CURRENT			
Loan - Jenman Group Clearing Account		<u>20,495.93</u>	<u>19,374.00</u>
11. RETAINED EARNINGS			
Retained profits at the beginning of the financial year		56,799.00	227,406.00
Net profit (loss) attributable to the member of the company		<u>(50,833.76)</u>	<u>(170,607.00)</u>
Retained profits at the end of the financial year		<u>5,965.24</u>	<u>56,799.00</u>
12. COMPANY DETAILS			
The registered office of the company is: Homesellers & Homebuyers Protection Fund Ltd C/- Johnson Corney & Co 4th Floor, 55 Phillip Street Parramatta NSW 2150 The principal place of business is: Homesellers & Homebuyers Protection Fund Ltd Unit 25 7 Anella Avenue Castle Hill NSW 2154			

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


DIRECTORS' DECLARATION

The directors of the company declare that:

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.

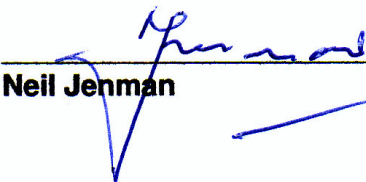
This declaration is made in accordance with a resolution of the Board of Directors.

Director



John Corney

Director



Neil Jenman

29th November, 2007

HOMESELLERS & HOMEBUYERS PROTECTION FUND LTD
ABN 13 101 154 152

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
HOMESELLERS & HOMEBUYERS PROTECTION FUND LTD

Scope

I have audited the financial report of Homesellers & Homebuyers Protection Fund Ltd for the financial year ended 30 June 2007 as set out on pages 2 to 9. The company's directors are responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My 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 my 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.

Independence

In conducting my audit, I followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In my opinion, the financial reports of Homesellers and Homebuyers Protection Fund Ltd 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 2007 and of its performance for the year ended on that date; and
 - (b) complying with Accounting Standards and the Corporations Regulations; and
- 2 other mandatory professional reporting requirements in Australia.

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



20th November, 2007

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 2007.

DIRECTORS

The directors in office at the date of this report are

Geoffrey Roberson	Foundation Director
Sam Pennisi	Foundation Director
John Corney	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 \$50,834.

DIVIDENDS

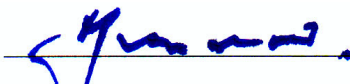
The company is not permitted to pay dividends.

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, in which director Neil Jenman has a financial interest, and to Pittard Training Group, from which Neil Jenman receives license fees and royalties.
2. The company paid legal fees to Champion Legal, in which directors Geoffrey Roberson and Jason Sprague have, or had, 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

John Corney

Dated 29th November 2007