

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

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

HOMESELLERS & HOMEBUYERS PROTECTION FUND LIMITED

A.B.N. 13 101 154 152

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FOR THE YEAR ENDED 30TH JUNE 2011**

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DIRECTOR'S REPORT

Your directors present this report on the company for the financial year ended 30th June, 2011.

Directors

The name of the directors in office at any time during or since the end of the year are:

Geoffrey Roberson - Foundation Director
Sam Pennisi - Foundation Director
John Corney - Foundation Director
Neil Jenman - Foundation Director
Gerald Crough - Nominees Director

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

Review of Operations

The loss of the company for the financial year after providing for income tax amounted to \$64,409 (2010: Loss of \$10,489).

Significant Changes in the State of Affairs

No significant change in the company's state of affairs occurred during the financial year.

Principal Activities

The principal activity of the company during the financial year was assisting consumers of real estate agent services resolve complaints about the services rendered.

Events Subsequent to the End of the Reporting Period

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

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

No significant change in the nature of these activities occurred during the year.

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DIRECTOR'S REPORT (CONTINUED)

Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.


The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the entity.

Directors Benefits

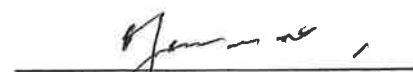
Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the company or related company with the director or an entity of which he is a member, or with a company in which he has a substantial financial interest, except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

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

Signed in accordance with a resolution of the directors.



John Corney



Neil Jenman

Dated this day of November, 2011

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE 2011

	NOTE	2011 \$	2010 \$
Revenue	2	611,196	602,013
Depreciation and amortisation expenses		(298)	(478)
Employee benefits expenses		(238,470)	(218,000)
Other expenses	3	(436,837)	(394,024)
		<u>(64,409)</u>	<u>(10,489)</u>
Total comprehensive income for the year		<u>(64,409)</u>	<u>(10,489)</u>
<u>Total comprehensive income attributable to</u> <u>members of the entity</u>		<u>(64,409)</u>	<u>(10,489)</u>

(A) The entity did not recognise any components of other comprehensive income in the period ended 2011.

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STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2011

	NOTE	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	5,403	62,552
Trade and other receivables	5	20,000	21,875
TOTAL CURRENT ASSETS		<u>25,403</u>	<u>84,427</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	496	794
TOTAL ASSETS		<u>25,899</u>	<u>85,221</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	57,645	35,491
Borrowings	8	15,135	32,202
		<u>72,780</u>	<u>67,693</u>
TOTAL LIABILITIES		<u>72,780</u>	<u>67,693</u>
NET ASSETS		<u>(46,881)</u>	<u>17,528</u>
EQUITY			
Retained earnings/(accumulated losses)	9	<u>(46,881)</u>	<u>17,528</u>

The accompanying notes form part of these financial statements

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2011

	NOTE	Retained earnings/ (Accumulated losses)	Total
Balance at 1st July, 2009		28,017	28,017
Profit attributable to equity shareholders		(10,489)	(10,489)
Balance at 30th June, 2010		<u>17,528</u>	<u>17,528</u>
Profit attributable to equity shareholders		(64,409)	(64,409)
Balance at 30th June, 2011		<u>(46,881)</u>	<u>(46,881)</u>

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2011

	2011 \$	2010 \$
<u>Cash flows from operating activities</u>		
Cash receipts from contributors	613,068	580,167
Other receipts	-	3,200
Cash paid to suppliers and employees	653,155	(630,815)
<u>Net cash from operating activities</u>	<u>(40,087)</u>	<u>(47,448)</u>
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	-	-
Proceeds from sales of equipment	-	-
Interest received	4	8
<u>Net cash flow from investing activities</u>	<u>4</u>	<u>8</u>
<u>Cash flows from financing activities</u>		
Proceeds from borrowings	-	102,343
Payments of borrowings	(17,066)	-
Net increase/decrease in cash held	(57,149)	54,903
Cash and cash equivalents at beginning of year	62,552	7,649
<u>Cash and cash equivalents at end of year</u>	<u>5,403</u>	<u>62,552</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2011

1. Statement of Significant Accounting Policies

The financial statements cover Homesellers and Homebuyers Protection Fund Limited as an individual entity. Homesellers and Homebuyers Protection Fund Limited is a company limited by guarantee, incorporated and domiciled in Australia.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue on 15th November, 2011 by the directors of the company.

Accounting Policies

Going Concern

Notwithstanding the deficiency of net assets in the company, the financial report of the company has been prepared on a going concern basis. This basis has been applied as the directors have received a guarantee of continuing financial support and it is the director's belief that such financial support will continue to be made available.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2011

Revenue and Other Income

Interest revenue is recognised using the effective interest rate method.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Contributions received are recognised in the statement of comprehensive income when received.

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

Property, Plant and Equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment.

In the event the carrying value of plant and equipment is greater than the estimated recoverable amount, the carrying value is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2011

Depreciation

The depreciation method and useful life for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the company. Depreciation commences from the time the asset is held ready for use. The depreciation method and useful life of assets is reviewed annually to ensure they are still appropriate.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of the reporting period.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

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

Financial Instruments

(i) *Financial Liabilities*

Non-derivative financial liabilities such as loans and payables are subsequently measured at cost.

(ii) *Cash Investments*

Cash investments are non-derivative financial assets held for working capital purposes. They are subsequently measured at cost.

(iii) *Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at cost.

Cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2011

Cash and Cash Equivalents

Cash and cash equivalents can include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that Standard.

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

Impairment testing is performed for goodwill and intangible assets with indefinite lives.

Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of a liability.

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 Taxation Office (ATO).

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2011

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

2. Revenue and Other Income

Revenue

Rendering of services	-	3,200
Other revenue:		
Interest received	4	8
Other revenue	611,192	598,805
	<hr/>	<hr/>
Total revenue	611,196	602,013
	<hr/> <hr/>	<hr/> <hr/>

Interest revenue from:

Cash investments	4	8
	<hr/>	<hr/>
Total interest revenue on financial assets not at fair value through profit or loss	4	8
	<hr/> <hr/>	<hr/> <hr/>

Other revenue from:

Contributions received	611,192	598,505
	<hr/>	<hr/>
Total other revenue	611,192	598,505
	<hr/> <hr/>	<hr/> <hr/>

3. Loss for the year

The loss from continuing operations includes the following specific expenses:

Expenses

Auditor's remuneration	1,400	1,350
Depreciation of property, plant and equipment	298	478
Consultancy fees	12,000	6,000
Legal costs - casework	286,166	199,276
Management fees	31,437	29,333
Reference and research material	23,940	24,553
Salaries and wages	-	181,818
Security costs	70,077	45,896
Staff costs	238,469	82,017

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011

4. Cash and Cash Equivalents

Cash at bank	5,403	62,552
	5,403	62,552

5. Trade and Other Receivables

Current Sundry debtors	20,000	21,875
	20,000	21,875

The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

6. Property, Plant and Equipment

Plant and Equipment - at cost	6,222	6,255
Less: Accumulated depreciation	(5,726)	(5,461)
	496	794

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land and Buildings \$	Plant and Equipment \$	Low Value Pool \$	Total \$
Balance at beginning of year	-	6,166	89	6,255
Additions at cost	-	-	-	-
Disposals	-	-	-	-
Depreciation	-	(5,726)	(33)	(5,759)
	-	440	56	496

7. Trade and Other Payables

<u>Current</u>		
Trade creditors	61,852	17,298
GST Payable	(4,209)	(4,636)
Withholding taxes payable	-	13,557
	57,645	35,491

8. Borrowings

Loans from other entities - unsecured	15,135	32,202
	15,135	32,202

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2011

	2011	2010
	\$	\$
9. <u>(Accumulated Losses) Retained Earnings</u>		
Retained earnings at the beginning of the financial year	17,528	28,017
Net loss attributable to members of the company	(64,409)	(10,489)
	<u>(46,881)</u>	<u>17,528</u>

10. Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans from other entities.

The total for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are as follows:

	2011	2010
	\$	\$
<u>Financial Assets</u>		
Cash at bank	5,403	62,552
Sundry debtors	20,000	21,875
	<u>20,403</u>	<u>84,427</u>
<u>Financial Liabilities</u>		
Loans from other entities - unsecured	15,136	32,202
Trade creditors	61,852	17,298
	<u>76,988</u>	<u>49,500</u>

Financial Risk Management Policies

The director's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. This includes appropriate funding risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for company operations.

The company does not have any derivative instruments at 30th June, 2011.

The accompanying notes form part of these financial statements

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2011

11. Related Party Transactions

Key Personnel

The directors of Homesellers and Homebuyers Protection Fund Limited have the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, and are considered key personnel of the fund. No directors were compensated during the year for these services.

Other Related Parties

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 The Neil Jenman Group, in which director Neil Jenman has a financial interest. Hence, the company subsequently has an outstanding liability to The Neil Jenman Group. The amount payable is unsecured, interest free and payable on demand.

	2011	2010
	\$	\$
Balance of loan at beginning of year	32,202	70,141
Net amount repaid during year	(17,067)	(37,939)
Balance of loan at end of year	<u>15,135</u>	<u>32,202</u>

2. The company paid legal fees to Champion Legal, in which director Geoffrey Roberson has a financial interest.

12. Company Details

The registered office of the company is:
Homesellers and Homebuyers Protection Fund Limited
1st Floor, 460 Church Street,
NORTH PARRAMATTA. N.S.W. 2151

The principal place of business is:
Homessllers & Homebuyers Protection Fund Limited
Unit 25, 7 Anella Avenue,
CASTLE HILL. N.S.W. 2154

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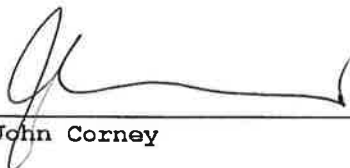
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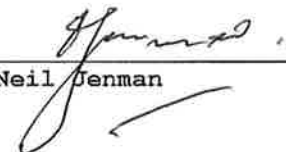
DIRECTOR'S DECLARATION

1. The financial statements and notes, as set out on pages 3 to 14, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - (b) give a true and fair view of the financial position as at 30th June, 2011 and of the performance for the year ended on that date of the company.
2. In the director's 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 directors.



John Corney



Neil Jenman

Dated this

day of November, 2011

HOMESELLERS & HOMEBUYERS PROTECTION FUND LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Report on the Financial Report

I have audited the accompanying financial report of Homesellers & Homebuyers Protection Fund Limited (the company) which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure requirements (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the Corporations Act 2001. I confirm that the independence declaration required by the Corporations Act 2001 was provided to the directors, a copy of which is included in this annual report.

HOMESELLERS & HOMEBUYERS PROTECTION FUND LIMITED

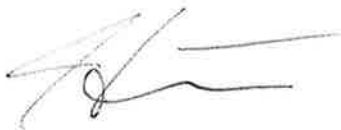
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Auditor's Opinion

In my opinion the financial report of Homesellers and Homebuyers Protection Fund Limited is in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.



10 Nov 2011

John Storey CPA (Registered Company Auditor No. 2408)
P O Box 2574
Carlingford Court NSW 2118

HOMESSELLERS & HOMEBUYERS PROTECTION FUND LIMITED

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AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 30th June, 2011 there have been:

- a) No contravention of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit: and
- b) No contraventions of any applicable code of professional conduct in relation to the audit.



10 Nov 2011

John Storey CPA (Registered Company Auditor No. 2408)