



(A.B.N 78 115 629 662)

General Purpose Financial Report
for the Year Ended
30 June 2025

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Directors' Report

Directors

The following persons were directors of the Group during the whole of the financial year and up to the date of this report:

Mr Paul Lakey (Chair)
Ms Josephine Buontempo
Mr Peter Lee
Mr David Ligovich
Ms Janelle Marr
Ms Gail McGowan
Ms Felicity Zimmermann

Your directors present their report on the consolidated entity consisting of Foundation Housing Limited (Foundation Housing) and the entities it controlled at the end of, or during, the year ended 30 June 2025. Throughout the report, the consolidated entity is referred to as the Group.

Principal activities and review of operations

The principal activity of the Group during the year continued to be the supply and management of suitable rental accommodation for very low to moderate income people, whilst focusing on strategies to increase positive outcomes for tenants.

Foundation Housing retains its ongoing compliance with the Community Housing Regulatory Framework, and therefore its continued registration as a Tier 1 Community Housing Provider.

The housing portfolio has remained fairly constant over the past 12 months, servicing over 2,100 units of accommodation, and 3,600 people & families in need. This includes a range of services across the housing continuum, including lodging, social, affordable, and specialist disability accommodation.

Tenants and residents remain the focus of the organisation's Positive Tenancies Framework which aims to positively impact people's lives in areas such as safety, stability, health & wellbeing, and broader connection with the community. This is a strategic response to deliver positive tenancies and drive front-line activities, including areas of work such as tenant support and community engagement.

Foundation Housing maintains its key strategic focus on Leverage Growth, with a raft of development and acquisition projects under consideration. The Federal Government's proposed \$10 billion Housing Australia Future Fund (HAFF) is expected to deliver between 30,000 and 40,000 new social and affordable homes across Australia during its first five years of operation. Foundation Housing, as an eligible Community Housing Provider, has been successful in obtaining provisional approval for four HAFF submissions that are expected to deliver an additional ~450 units of accommodation.

The corporate structure of the business has therefore changed to facilitate these growth plans, which includes the establishment of five wholly owned subsidiary entities.

Foundation Housing continues to provide flexible working arrangements for its employees to ensure that the business can respond rapidly to legislative requirements, in addition to providing an enhanced ongoing working environment.

Directors' Report (continued)

Corporate Strategy

Foundation Housing has recently developed a new 2024-29 Strategic Plan.

The strategic goals ensure that staff, tenants, and partners have confidence in the plans in place to deliver on our vision and mission.

Purpose	To improve people's lives with safe and secure housing.
Vision	A home for everyone.
Mission	To provide community housing options for Australians on very low to moderate incomes.
Strategic Goals	Deliver our growth strategy. Manage and sustain positive tenancies. Embed a continuous improvement approach that underpins our commitment to business excellence.

Directors' Report (continued)

Directors' Information

Mr Paul Lakey

Title

Chair of the Board of Directors

Qualifications

Bachelor of Engineering, Fellow of the Australian Institute of Management, Fellow of the Australian Institute of Project Management.

Experience

Paul has over 30 years' experience in the property and construction sectors in a range of senior management and executive positions with developers, design consultants, contractors, and project management specialists. Additionally, Paul has been a Non-Executive Director/ Board member for several Western Australian state government Boards including Development WA, Metropolitan Redevelopment Authority and Landcorp as well as a former President of the Urban Development Institute of Australia WA and a member of the Urban Development Institute of Australia's National Board.

Special Responsibilities

Chair of the Board of Directors

Member of the Development and Asset Committee

Member of the Governance, Nominations and Remuneration Committee

Ms Josephine Buontempo

Title

Non-Executive Director

Qualifications

Graduate Certificate in Migration Law & Practice and qualifications in Management & Leadership, Training & Assessment and Social Sciences. Associate Fellow of the Australian Institute of Management. Member, Australian Institute of Company Directors.

Experience

Jo Buontempo has, for over three decades, held senior and executive leadership positions across the profit for purpose, government, legal and corporate sectors. Currently, she is Managing Director of a global migration consultancy practice focussed on Australia's economic development, is an Independent Director of the Julalikari Aboriginal Corporation in the Northern Territory and Panel Assessor for the Australian Institute of Company Director's scholarship programs.

Jo has been appointed in governance and advisory capacities for government agencies, ministerial advisory and review panels, peak social service industry bodies and certification and standards organisations. Most recently this has included the Deputy Chair and Member roles with the Australian Broadcasting Corporation Advisory Council.

She studied as a Fellow at the Graduate Centre for Philanthropy and Civil Society, City University of New York whilst a Director of the Fremantle Foundation, a registered charity and public ancillary fund.

Special Responsibilities

Deputy Chair of the Board of Directors

Chair of the Tenant Services and Engagement Committee

Member of the Governance, Nominations and Remuneration Committee

Mr Peter Lee OAM

Title

Non-Executive Director

Qualifications

Bachelor of Architecture, Registered Architect, Chartered Architect, Life Fellow Australian Institute of Architects, Member of the Australian Institute of Directors

Experience

Peter Lee is an Equity Principal of Hassell (since 2004) who is responsible for leading a multidisciplinary international design team engaged in a diverse range of major local, national, and international projects. He is an Adjunct Professor at Curtin University in Faculty of Humanities and on the Boards of FORM and Rottnest Island Authority.

Special Responsibilities

Chair of the Development and Asset Committee.

Directors' Report (continued)

Mr David Ligovich

Title	Non-Executive Director
Qualifications	Fellow Chartered Accountants, Bachelor of Business, Diploma in Accounting.
Experience	David Ligovich has over 40 years' experience in finance and business management in leading private and not-for-profit businesses both within Australia and internationally. David is highly skilled in Financial Management, Operational and Strategic Leadership, Governance, Risk Management, and Mergers & Acquisitions
Special Responsibilities	Chair of the Finance, Risk & Compliance Committee Chair of the Governance, Nominations and Remuneration Committee

Ms Janelle Marr

Title	Non-Executive Director
Qualifications	Bachelor of Arts (Politics and Industrial Relations), Master of Business Administration, INSEAD Certified Director, Global Competent Boards Sustainability and ESG Certified, Fellow Australian Institute of Company Directors, Fellow Governance Institute Australia, Associate AusIMM and Associate Member Singapore Institute of Directors.
Experience	Janelle is an experienced company director and leading strategic advisor who has resided on a wide range of private company, government and not-for-profit Boards. She has extensive board and committee experience, including chairmanship, in diverse industries and situations. She is also Founding Director Step Beyond Strategy and both a Telstra Business Award and WA Business News 40Under40 Award winner.
Special Responsibilities	Member of the Tenant Services and Engagement Committee Member of the Finance, Risk & Compliance Committee

Ms Gail McGowan

Title	Non-Executive Director
Qualifications	Bachelor of Arts, Graduate Diploma in Public Policy, FAICD, Fellow of the Institute of Public Administration of Australia (WA)
Experience	Gail McGowan is a former Director General of the Department of Planning, Lands and Heritage. Gail was appointed Chancellor of Murdoch University and Chair of the University Senate in 2019. She has had a distinguished public sector career spanning more than 30 years across a broad range of portfolio areas.
Special Responsibilities	Member of the Development and Asset Committee

Ms Felicity Zimmermann

Title	Non-Executive Director
Qualifications	Bachelor of Laws (Honours), Bachelor of Commerce (Accounting and Finance), Graduate Certificate in Applied Finance and Investment, Graduate of the Australian Institute of Company Directors.
Experience	Felicity Zimmermann is a non-executive director, C Suite executive, lawyer and finance professional, with over 20 years international experience gained in private practice, banking, government and not for profit across a broad range of industries and complex transactions. Felicity is a non-executive director at Foundation Housing and Development WA, Chief Risk Officer at Keystart, and has held senior management roles at ANZ Banking Group in Perth and worked as a finance lawyer in London and Perth.
Special Responsibilities	Member of the Finance, Risk and Compliance Committee

Directors' Report (continued)

Mr Jeremy Jacobs

Title	Company Secretary
Qualifications	Member Australian Institute of Company Directors, Member CPA Australia, Bachelor of Commerce.
Experience	Jeremy has extensive experience in the provision of commercial management and corporate strategy across a diverse range of industries including not-for-profit, aged care, consulting, banking, and finance. Jeremy also holds board positions within the not-for-profit sector.
Special Responsibilities	Company Secretary Chief Financial Officer Chief Risk Officer

The number of Directors' meetings (including Sub-Committees) held during the period and the number of meetings attended by each Director is as follows:

	Board of Directors		Finance, Risk & Compliance Committee		Development & Asset Committee	
	Eligible to attend	Meetings attended	Eligible to attend	Meetings attended	Eligible to attend	Meetings attended
Mr Paul Lakey (Chair)	6	6	0	0	11	11
Ms Josephine Buontempo	6	5	0	0	0	0
Mr Peter Lee	6	5	0	0	11	10
Mr David Ligovich	6	6	6	6	0	0
Ms Janelle Marr	6	6	1	1	0	0
Ms Gail McGowan	6	5	0	0	11	8
Ms Felicity Zimmermann	6	6	6	6	0	0

	Tenancy Services & Engagement Committee		Governance, Nominations & Remuneration Committee	
	Eligible to attend	Meetings attended	Eligible to attend	Meeting attended
Mr Paul Lakey (Chair)	0	0	1	1
Ms Josephine Buontempo	4	4	5	4
Mr Peter Lee	0	0	0	0
Mr David Ligovich	0	0	5	5
Ms Janelle Marr	4	3	0	0
Ms Gail McGowan	0	0	0	0
Ms Felicity Zimmermann	0	0	0	0

Directors' Report (continued)

Contributions on Winding Up

The Group is incorporated under the ACNC Act 2012 and is an entity limited by guarantee. If the entity is wound up, the Constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the entity. At 30 June 2025, the total amount in aggregate that members of the Entity are liable to contribute if the Entity is wound up is \$1,300 (2024: \$1,300).

Significant changes in state of affairs

There were no significant changes in the state of affairs of the Group during the financial year ending 30 June 2025.

Insurance of Officers

During the financial year, the Group paid a premium to insure against legal costs that might be incurred in defending an action against one or any of the directors or officers of the Group and any other payments arising from liabilities incurred by the directors or officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty in relation to the Group.

Indemnification of Auditors

The Group has agreed to indemnify their auditors, BDO Audit Pty Ltd, to the extent permitted by law, against any claim by a third party arising from the Group's breach of their agreement. The indemnity stipulates that the Group will meet the full amount of any such liabilities including a reasonable amount of legal costs.

Future Developments

The Group expects to continue to build social, affordable, lodging, and specialist disability accommodation into the future. This will involve the use of external funding, Government grants, and cash generated by the Group.

Rounding off

The amounts presented in the consolidated financial statements have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Matters subsequent to the end of the financial year

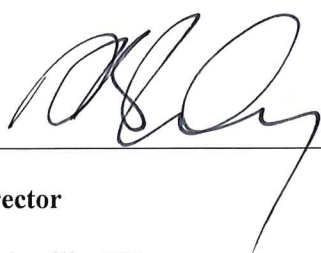
There are no matters or circumstances that have arisen since 30 June 2025 that has significantly affected the Group's operation, the results of those operations, or state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this director's report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Director



Director

Leederville, WA

Dated: 21st day of October 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2025

	Notes	Consolidated		Foundation Housing Ltd	
		2025	2024	2025	2024
		\$000's	Restated \$000's	\$000's	Restated \$000's
Revenue					
Rental Revenue	2	28,913	26,137	28,723	26,137
Other Income					
Fair Value Gain on Investment Properties	2	51,367	43,129	43,939	43,129
Present Value Benefit on Concessional Loan	2	1,000	-	-	-
Other Income	2	3,552	5,193	3,490	5,193
Total Revenue and Other Income		84,832	74,459	76,152	74,459
Expenses					
Depreciation and Amortisation	2	(1,476)	(1,585)	(1,476)	(1,585)
Property Management Expenses		(11,717)	(11,426)	(11,615)	(11,426)
Administration Expenses		(11,242)	(11,191)	(11,151)	(11,191)
Property Development Expense	2	(74)	(67)	(74)	(67)
Finance Costs	2	(2,034)	(1,957)	(1,821)	(1,957)
Total Expenses		(26,543)	(26,226)	(26,137)	(26,226)
Surplus before income tax expense		58,289	48,233	50,015	48,233
Income tax expense		-	-	-	-
Surplus after income tax expense for the year attributable to the members of Foundation Housing Ltd		58,289	48,233	50,015	48,233
Other Comprehensive Income for the year, net of tax		-	-	-	-
Total Comprehensive Income for the year attributable to the members of Foundation Housing Ltd		58,289	48,233	50,015	48,233

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

as at 30 June 2025

	Notes	Consolidated		Foundation Housing Ltd	
		2025	2024	2025	2024
		\$000's	Restated \$000's	\$000's	Restated \$000's
CURRENT ASSETS					
Cash and Cash Equivalents	3	26,190	21,937	23,950	21,937
Trade and Other Receivables	4	1,199	716	5,729	3,677
Prepayments		716	666	693	666
TOTAL CURRENT ASSETS		28,105	23,319	30,372	26,280
NON-CURRENT ASSETS					
Investment Properties	5	363,437	296,869	339,244	293,908
Property, Plant and Equipment	6	6,455	6,935	6,455	6,935
Intangibles		4	24	4	24
Other Non-Current Assets		-	-	1,003	-
TOTAL NON-CURRENT ASSETS		369,896	303,828	346,706	300,867
TOTAL ASSETS		398,001	327,147	377,078	327,147
CURRENT LIABILITIES					
Trade and Other Payables	8	2,736	2,262	2,576	2,262
Grant Liability		2,680	-	-	-
Contract Liabilities	7	596	539	584	539
Short Term Provisions		921	949	921	949
Lease Liability		375	429	375	429
TOTAL CURRENT LIABILITIES		7,308	4,179	4,456	4,179
NON-CURRENT LIABILITIES					
Borrowings	9	89,636	79,807	79,839	79,807
Long Term Provisions		142	160	142	160
Lease Liability		373	748	373	748
Make Good Provision		92	92	92	92
TOTAL NON-CURRENT LIABILITIES		90,243	80,807	80,446	80,807
TOTAL LIABILITIES		97,551	84,986	84,902	84,986
NET ASSETS		300,450	242,161	292,176	242,161
EQUITY					
Retained Surpluses		242,161	161,716	242,161	161,716
Surplus for the year		58,289	80,445	50,015	80,445
TOTAL EQUITY		300,450	242,161	292,176	242,161

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

as at 1 July 2023

	Consolidated	Foundation Housing Ltd
	1 July 2023 Restated \$000's	1 July 2023 Restated \$000's
CURRENT ASSETS		
Cash and Cash Equivalents	20,057	20,057
Trade and Other Receivables	1,999	1,999
Prepayments	1,046	1,046
TOTAL CURRENT ASSETS	23,102	23,102
NON-CURRENT ASSETS		
Investment Properties	249,827	249,827
Property, Plant and Equipment	7,258	7,258
Intangibles	47	47
TOTAL NON-CURRENT ASSETS	257,132	257,132
TOTAL ASSETS	280,234	280,234
CURRENT LIABILITIES		
Trade and Other Payables	2,345	2,345
Contract Liabilities	1,164	1,164
Borrowings	167	167
Short Term Provisions	906	906
Lease Liability	345	345
TOTAL CURRENT LIABILITIES	4,927	4,927
NON-CURRENT LIABILITIES		
Borrowings	80,049	80,049
Long Term Provisions	131	131
Lease Liability	1,107	1,107
Make Good Provision	92	92
TOTAL NON-CURRENT LIABILITIES	81,379	81,379
TOTAL LIABILITIES	86,306	86,306
NET ASSETS	193,928	193,928
EQUITY		
Retained Surpluses	193,928	193,928
TOTAL EQUITY	193,928	193,928

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2025

	Consolidated		Foundation Housing Ltd	
	Retained Surpluses \$000's	Total \$000's	Retained Surpluses \$000's	Total \$000's
Balance at 1 July 2023, as previously reported	161,716	161,716	161,716	161,716
Impact of change in accounting policy	32,212	32,212	32,212	32,212
Restate balance at 1 July 2023	193,928	193,928	193,928	193,928
Surplus for the year ended 30 June 2024	8,571	8,571	8,571	8,571
Impact of change in accounting policy	39,662	39,662	39,662	39,662
Total Comprehensive Income for the year	48,233	48,233	48,233	48,233
Restate balance at 30 June 2024	242,161	242,161	242,161	242,161
Restate balance at 1 July 2024	242,161	242,161	242,161	242,161
Surplus for the year ended 30 June 2025	58,289	58,289	50,015	50,015
Total Comprehensive Income for the year	58,289	58,289	50,015	50,015
Balance at 30 June 2025	300,450	300,450	292,176	292,176

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

for the year ended 30 June 2025

Notes	Consolidated		Foundation Housing Ltd	
	2025	2024	2025	2024
	\$000's	Restated \$000's	\$000's	Restated \$000's
Cash Flows from Operating Activities				
Cash Receipts from Operations	30,833	27,403	30,625	27,403
Interest Received	905	779	910	779
Operating Grants Received	3,178	3,281	230	3,281
Payments to Suppliers and Employees	(23,053)	(16,195)	(23,034)	(16,195)
Interest Paid	(1,902)	(1,805)	(1,800)	(1,805)
Net cash inflow from Operating Activities	9,961	13,463	6,931	13,463
Cash Flows from Investing Activities				
Payments for Purchase of Investment Properties	(15,465)	(10,400)	(1,398)	(7,439)
Payments for Purchase of Plant, Equipment, Furniture, Fittings and Leasehold Improvements	(975)	(933)	(975)	(933)
Proceeds from Sale of Motor Vehicles	7	-	7	-
Payments for investment in Associated Entities	-	-	(1,004)	-
Net cash outflow from Investing Activities	(16,433)	(11,333)	(3,370)	(8,372)
Cash Flows from Financing Activities				
Payments for Lease Liability	(65)	(83)	(65)	(83)
Proceeds/(Repayment) of Housing Australia Borrowings	10,790	(167)	-	(167)
Payment of Intercompany Loan to Associated Entity	-	-	(1,483)	(2,961)
Net cash inflow/(outflow) from Financing Activities	10,725	(250)	(1,548)	(3,211)
Net increase in Cash and Cash Equivalents	4,253	1,880	2,013	1,880
Cash and Cash Equivalents at the beginning of the financial year	21,937	20,057	21,937	20,057
Cash and Cash Equivalents at the end of the financial year	26,190	21,937	23,950	21,937

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The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

for the year ended 30 June 2025

1. Summary of material accounting policies

The consolidated financial statements comprise the financial results of Foundation Housing Limited (“the Entity”) and its subsidiaries, FHL Affordable Project 1 Ltd, FHL Affordable Project 2 Ltd, FHL Affordable Project 3 Ltd, FHL Affordable Project 4 Ltd, and FHL Affordable Project 5 Ltd (collectively “the Group”) for the year ended 30 June 2025, incorporated and domiciled in Australia. The Group is a company limited by guarantee.

The financial statements were authorised for issue on 21st October 2025 by the Board of Directors.

The principal place of business is 297 Vincent Street, Leederville, WA, 6007.

Basis of Preparation

These consolidated financial statements of the Group have been prepared in accordance with and in compliance with the Australian Accounting Standards – Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB) and Australian Charities and Not-for-profits Commission Act 2012. The Group is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these consolidated financial statements are presented below and have been consistently applied unless stated otherwise.

The consolidated financial statements, except for the cash flow information, 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.

A controlled entity is any entity of which the Entity has the power to govern the financial and operating policies, so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date at which the Group ceases to have control.

All intercompany balances and transactions have been eliminated. The financial statements of subsidiaries are prepared for the same reporting period as the Group, using consistent accounting policies.

The financial statements are presented in Australian Dollars, being the Entity’s functional currency.

Going Concern

As at 30 June 2025 the Directors are satisfied the Group is a going concern and that the Group has complied with all covenants related to borrowing facilities.

Changes in Accounting Policies

The accounting policies adopted in the preparation of the consolidated financial statements have been consistently applied throughout all periods, unless otherwise stated.

For the year ended 30 June 2025, the Group has elected to change the accounting policy applicable to land and buildings, to transition from the cost model under AASB 116 *Property, Plant and Equipment* to the fair value model under AASB 140 *Investment Properties*, as it provides more reliable and relevant information. Refer to Note 1 (f) for the accounting policy. As this is a voluntary change in accounting policy AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* requires a retrospective restatement of the comparative information presented for the year ended 30 June 2024 and opening balances of the comparative period being 1 July 2023 in the financial statements.

The following tables summarise the impacts of adopting AASB 140 *Investment Properties*:

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2024

	Consolidated		Foundation Housing Ltd		
	As previously reported	AASB 140 Impacts	As Restated	As previously reported	As Restated
	\$000's	\$000's	\$000's	\$000's	\$000's
Revenue					
Rental Revenue	26,137	-	26,137	26,137	26,137
Other Income					
Fair Value Gain on Investment Properties	-	43,129	43,129	43,129	43,129
Other Income	5,193	-	5,193	5,193	5,193
Total Revenue & Other Income	31,330	43,129	74,459	31,330	74,459
Expenses					
Depreciation and Amortisation	(6,217)	4,632	(1,585)	(6,217)	4,632
Impairment Gain/(Reversal)	6,488	(6,488)	-	6,488	(6,488)
Property Management Expenses	(9,815)	(1,611)	(11,426)	(9,815)	(1,611)
Administration Expenses	(11,191)	-	(11,191)	(11,191)	(11,191)
Property Development Expense	(67)	-	(67)	(67)	(67)
Finance Costs	(1,957)	-	(1,957)	(1,957)	(1,957)
Total Expenses	(22,759)	(3,467)	(26,226)	(22,759)	(3,467)
Surplus before income tax expense	8,571	39,662	48,233	8,571	48,233
Income tax expense	-	-	-	-	-
Surplus after income tax expense for the year attributable to the members of Foundation Housing Ltd	8,571	-	48,233	8,571	48,233
Other Comprehensive Income for the year, net of tax	-	-	-	-	-
Total Comprehensive Income for the year attributable to the members of Foundation Housing Ltd	8,571	-	48,233	8,571	48,233

Consolidated Statement of Financial Position

as at 1 July 2023

	Consolidated		
	As Previously Reported \$000's	AASB 140 Impacts \$000's	As Restated \$000's
CURRENT ASSETS			
Cash and Cash Equivalents	20,057	-	20,057
Trade and Other Receivables	1,999	-	1,999
Prepayments	1,046	-	1,046
TOTAL CURRENT ASSETS	23,102	-	23,102
NON-CURRENT ASSETS			
Investment Properties	-	249,827	249,827
Property, Plant and Equipment	224,873	(217,615)	7,258
Intangibles	47	-	47
TOTAL NON-CURRENT ASSETS	224,920	32,212	257,132
TOTAL ASSETS	248,022	32,212	280,234
CURRENT LIABILITIES			
Trade and Other Payables	2,345	-	2,345
Contract Liabilities	1,164	-	1,164
Borrowings	167	-	167
Short Term Provisions	906	-	906
Lease Liability	345	-	345
TOTAL CURRENT LIABILITIES	4,927	-	4,927
NON-CURRENT LIABILITIES			
Borrowings	80,049	-	80,049
Long Term Provisions	131	-	131
Lease Liability	1,107	-	1,107
Make Good Provision	92	-	92
TOTAL NON-CURRENT LIABILITIES	81,379	-	81,379
TOTAL LIABILITIES	86,306	-	86,306
NET ASSETS	161,716	32,212	193,928
EQUITY			
Retained Surpluses	161,716	32,212	193,928
TOTAL EQUITY	161,716	32,212	193,928

Statement of Financial Position

as at 1 July 2023

	Foundation Housing Ltd		
	As Previously Reported \$000's	AASB 140 Impacts \$000's	As Restated \$000's
CURRENT ASSETS			
Cash and Cash Equivalents	20,057	-	20,057
Trade and Other Receivables	1,999	-	1,999
Prepayments	1,046	-	1,046
TOTAL CURRENT ASSETS	23,102	-	23,102
NON-CURRENT ASSETS			
Investment Properties	-	249,827	249,827
Property, Plant and Equipment	224,873	(217,615)	7,258
Intangibles	47	-	47
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TOTAL ASSETS	248,022	32,212	280,234
CURRENT LIABILITIES			
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Contract Liabilities	1,164	-	1,164
Borrowings	167	-	167
Short Term Provisions	906	-	906
Lease Liability	345	-	345
TOTAL CURRENT LIABILITIES	4,927	-	4,927
NON-CURRENT LIABILITIES			
Borrowings	80,049	-	80,049
Long Term Provisions	131	-	131
Lease Liability	1,107	-	1,107
Make Good Provision	92	-	92
TOTAL NON-CURRENT LIABILITIES	81,379	-	81,379
TOTAL LIABILITIES	86,306	-	86,306
NET ASSETS	161,716	32,212	193,928
EQUITY			
Retained Surpluses	161,716	32,212	193,928
TOTAL EQUITY	161,716	32,212	193,928

Consolidated Statement of Financial Position

as at 30 June 2024

	Consolidated		
	As Previously Reported \$000's	AASB 140 Impacts \$000's	As Restated \$000's
CURRENT ASSETS			
Cash and Cash Equivalents	21,937	-	21,937
Trade and Other Receivables	716	-	716
Prepayments	666	-	666
TOTAL CURRENT ASSETS	23,319	-	23,319
NON-CURRENT ASSETS			
Investment Properties	-	296,869	296,869
Property, Plant and Equipment	231,930	(224,995)	6,935
Intangibles	24	-	24
TOTAL NON-CURRENT ASSETS	231,954	71,874	303,828
TOTAL ASSETS	255,273	71,874	327,147
CURRENT LIABILITIES			
Trade and Other Payables	2,262	-	2,262
Contract Liabilities	539	-	539
Short Term Provisions	949	-	949
Lease Liability	429	-	429
TOTAL CURRENT LIABILITIES	4,179	-	4,179
NON-CURRENT LIABILITIES			
Borrowings	79,807	-	79,807
Long Term Provisions	160	-	160
Lease Liability	748	-	748
Make Good Provision	92	-	92
TOTAL NON-CURRENT LIABILITIES	80,807	-	80,807
TOTAL LIABILITIES	84,986	-	84,986
NET ASSETS	170,287	71,874	242,161
EQUITY			
Retained Surpluses	170,287	71,874	242,161
TOTAL EQUITY	170,287	71,874	242,161

Statement of Financial Position

as at 30 June 2024

	Foundation Housing Ltd		
	As Previously Reported \$000's	AASB 140 Impacts \$000's	As Restated \$000's
CURRENT ASSETS			
Cash and Cash Equivalents	21,937	-	21,937
Trade and Other Receivables	3,677	-	3,677
Prepayments	666	-	666
TOTAL CURRENT ASSETS	26,280	-	26,280
NON-CURRENT ASSETS			
Investment Properties	-	293,908	293,908
Property, Plant and Equipment	228,969	(222,034)	6,935
Intangibles	24	-	24
TOTAL NON-CURRENT ASSETS	228,993	71,874	300,867
TOTAL ASSETS	255,273	71,874	327,147
CURRENT LIABILITIES			
Trade and Other Payables	2,262	-	2,262
Contract Liabilities	539	-	539
Short Term Provisions	949	-	949
Lease Liability	429	-	429
TOTAL CURRENT LIABILITIES	4,179	-	4,179
NON-CURRENT LIABILITIES			
Borrowings	79,807	-	79,807
Long Term Provisions	160	-	160
Lease Liability	748	-	748
Make Good Provision	92	-	92
TOTAL NON-CURRENT LIABILITIES	80,807	-	80,807
TOTAL LIABILITIES	84,986	-	84,986
NET ASSETS	170,287	71,874	242,161
EQUITY			
Retained Surpluses	170,287	71,874	242,161
TOTAL EQUITY	170,287	71,874	242,161

Notes to the consolidated financial statements

for the year ended 30 June 2025

1. Summary of material accounting policies (continued)

New Accounting Standards Issued but not yet Effective

AASB 18 *Presentation and Disclosure in Financial Statements* will supersede AASB 101 *Presentation of Financial Statements* and introduces new presentation and disclosure requirements as follows:

- Mandatory classification of income and expenses into operating, investing, and financing activities;
- Presentation of two newly defined subtotals: operating profit and profit before financing and income taxes;
- Disclosure of management-defined performance measures; and
- Enhanced requirements on aggregation and disaggregation principles in the financials statements and related notes.

For not-for-profit private sector entities, AASB 18 applies to annual reporting periods beginning on or after 1 January 2028. The Group will adopt AASB 18 for the year ended 30 June 2029.

a) Revenue Recognition

Rental revenue represents revenue earned when the service has been provided. Rental income is recognised on straight line basis over the life of the lease.

Grant income arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when each performance obligation is satisfied.

Within grant agreements there may be some performance obligations where control transfers at a point in time and others which continues transfer of control over the life of the contract. If control is transferred over time, then revenue will be recognised based on cost or time incurred of which best reflects the transfer of control.

Where the grant contract is not enforceable or does not have sufficiently specific performance obligations, the Group:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9 *Financial Instruments*, AASB 16 *Leases*, AASB 116 *Property, Plant and Equipment* and AASB 138 *Intangible Assets*)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer), and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount in accordance with AASB 1058 *Income of Not-for-Profit Entities*.

The Group receives non-reciprocal contributions of assets from the Government for zero or nominal value. These assets are recognised at fair value on the date of acquisition in the Consolidated Statement of Financial Position with a corresponding amount of income recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

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

b) Unexpected Grants / Unused Capital Funds

The contract assets primarily relate to the Groups rights to consideration for work completed mainly on government grants or contributions. The contract liabilities relate to advanced consideration received from government, for which revenue is recognised either as expended or on completion of specific project funds.

The Group receives grant and capital monies to fund projects either for contracted periods of time or for specific projects irrespective of the period required to complete those projects.

Notes to the consolidated financial statements

for the year ended 30 June 2025

1. Summary of material accounting policies (continued)

It is the policy of the Group to treat the monies as unexpended grants and unused capital funds in the Consolidated Statement of Financial Position where the Group is contractually obliged to provide the services in a subsequent financial period to when the funds are received or, in the case of specific project funds, where the related project work has not been completed.

c) Income Tax

No provision for income tax has been raised as the Group is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

d) Financial Instruments

Recognition and Initial Measurement

Financial Instruments, incorporating Financial Assets and Financial Liabilities, are recognised when the Group becomes a party to the contractual provisions of the instrument.

Trade date accounting is adopted for Financial Assets that are delivered within timeframes established by marketplace convention.

Financial Instruments are initially measured at fair value plus transaction costs where the instruments are classified as at fair value through profit or loss. Transaction costs related to instruments classified as fair value through profit or loss are expensed to profit or loss immediately. Financial Instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires, or the asset is transferred to another party whereby the Group no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled, or expire.

The difference between the carrying value of the financial liability extinguished or transferred to another party and the value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

i. Financial Assets at Amortised Cost

Financial Assets at amortised cost are non-derivative Financial Assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

ii. Financial Liabilities

Non-derivative Financial Liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective rate method.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a Financial Instrument has been impaired. Impairment losses are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Impairment of trade receivables is based on expected credit losses from events that are possible within 12 months.

e) Impairment of Non-Financial Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired.

Notes to the consolidated financial statements

for the year ended 30 June 2025

1. Summary of material accounting policies (continued)

If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Impairment losses can be reversed where the recoverable amount of non-financial assets has increased. A reversal of an impairment loss can never increase the carrying value of an asset to an amount in excess of what the asset would have been carried at had no impairment loss been recognised in prior years.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Group would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset class, the Group estimates the recoverable amount of the cash-generating unit to which the class of assets belong. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of the reporting period.

The Group has conducted external independent valuations of the Land and Buildings portfolio held as security for their loan facilities on their highest and best use basis ignoring any restrictive covenant placed on the properties by the Housing Authority. There is a formal legal agreement between the lending Financier and the Housing Authority which allows the Financier to realise the value of these assets with the restrictive covenant removed if necessary.

These valuations are used as a base to evaluate the individual values of the Land and Buildings owned by the Organisation each year.

f) Investment Properties

Investment properties comprise investment interests in land and buildings held to earn rental income and/or for capital appreciation. Investment properties include land and investment properties under construction, which will become investment properties once construction is completed. All investment properties, other than those under construction, are measured at fair value. The calculation of fair value may require reasonable estimates and assumptions which are based on historical data and expectations of future events.

Investment properties are not depreciated but are remeasured to fair value at each reporting date. Changes in the fair value of investment properties are recognised directly in the income statement.

Independent valuations are obtained on a rotational basis, at least every three years, to determine the fair values of investment properties. At each reporting date, approximately 1/3 of the portfolio is valued by way of comprehensive external independent valuations conducted by a recognised valuer. The remaining 2/3 of the portfolio is valued by way of management valuations determined by an indexation report, provided by a recognised independent external valuer, and applied to prior years' comprehensive external independent valuations.

Due to the inherent difficulty in valuing investment properties under construction, and the absence of an active market, fair values of investment properties under construction are not reliably measurable until construction is complete. As such, investment property under construction shall be measured at cost, being capitalised costs to date until its fair value becomes reliably measurable or construction is completed.

Investment property carrying values include the costs of acquiring the assets and transaction costs such as professional fees and property transfer taxes, and subsequent costs of development, including costs of labour and materials used in construction, costs of managing the projects, and borrowing costs incurred during development.

Lease incentives are capitalised and amortised on a straight-line basis over the lease term as a reduction of rental income.

Notes to the consolidated financial statements

for the year ended 30 June 2025

1. Summary of material accounting policies (continued)

g) Property, Plant and Equipment

Each class of Property, Plant, and Equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. The carrying amount of an item of property, plant, and equipment shall be derecognised when disposed of or when no future economic benefits are expected from its use. Any gains or losses shall be recognised in the profit and loss.

Plant and Equipment

Plant and Equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually to ensure it is not more than the recoverable amount from these assets. The recoverable amount is assessed based on depreciated replacement cost.

Plant and Equipment that have been contributed at no cost or for nominal cost are valued at the fair value of the asset at the date it is acquired.

Depreciation

Fixed assets are depreciated on a straight-line basis over their useful lives to the Group from the time the asset is held ready for use. Leasehold Improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Motor Vehicles	15%	
Property - Plant & Equipment, Leasehold Improvements	10%	(Bathrooms, kitchens, flooring etc)
Property - Leasehold Improvements	6.67%	(Roofs, electrical, plumbing etc)
Property - Furniture and Fittings	10%	
Office - Plant & Equipment, Furniture & Fittings	10%	
Office - Leasehold Improvements	20%	
Computer Equipment	33.33%	

Service Concession Arrangements

The Group recognises an intangible asset arising from a service concession arrangement when it has the right to charge for usage of the concession facility. An intangible asset received as a consideration for operating the facility is calculated as the present value of future lease payments plus the fair value of the property, plant and equipment acquired. Subsequent to initial recognition, the intangible asset is measured at cost, less accumulated amortisation, and accumulated impairment losses.

h) Economic Dependence

Foundation Housing Limited is dependent on the Housing Authority for the majority of its houses used to generate revenue and operate the business. At the date of this report the Board of Directors has no reason to believe the Housing Authority will not continue to support Foundation Housing Limited.

i) Contributed Equity

The Group is incorporated under the ACNC Act 2012 and is limited by guarantee and has no paid-up capital.

j) Borrowings

Loans and Borrowings are initially recognised at fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Notes to the consolidated financial statements

for the year ended 30 June 2025

1. Summary of material accounting policies (continued)

k) Fair Value Measurements and Valuation Processes

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs, and minimising the use of unobservable inputs.

l) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgments incorporated into the financial report on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Fair Value of Investment Properties

The calculation of fair value of investment properties may require reasonable estimates and assumptions which are based on historical data and expectations of future events. Refer to accounting policy note 1(f) for methodology and cadence of valuations on the portfolio.

Estimation of Useful Lives of Assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment, and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of Trade Receivables

Included in accounts receivable is an impairment of Trade Receivables of \$219,163 (2024: \$264,777). This is based on the expected collectability of the debt and the age of the related debts. Tenant receivables are fully provided as bad debts other than that portion covered by a security bond.

Treatment of Peppercorn Leased Properties

The Group has a 50-year lease for the Foyer Land and Buildings. Whilst this is a peppercorn lease from the Housing Authority, this arrangement has not been assessed as being a Service Concession Arrangement due to the price setting arrangements being outside of the Community Housing Agreement and with parties other than the Housing Authority. The amounts recognised reflect the construction cost of the asset.

The Group has reviewed the accounting treatment of their “peppercorn” leased properties owned by the Housing Authority.

The Group has a right (licence) to charge users of these properties and believe many of the contracts are “service concession arrangements” within the scope of AASB Interpretation 12. Under AASB Interpretation 12, service concession arrangements potentially should be recognised as intangible assets at the time of the arrangement, representing the future benefits expected to flow to the Group.

On the date that the Group entered into the service concession arrangements only the provision of service was required and not construction or upgrade of the properties. As such the service concession arrangements are considered executory contracts and therefore no intangible asset would be recognised.

Notes to the consolidated financial statements

for the year ended 30 June 2025

1. Summary of material accounting policies (continued)

Impairment of non-current assets

The Group assesses impairment of non-current assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. During the period verification of property, plant & equipment as well as intangibles is undertaken and where required assets will be derecognised upon disposal or where there is no future economic benefit to Foundation Housing.

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

2. (a) Revenue from contracts with customers

	Consolidated		Foundation Housing Ltd	
	2025	2024	2025	2024
	\$000's	Restated \$000's	\$000's	Restated \$000's
Revenue				
Rental Income ¹	28,913	26,137	28,723	26,137
	51,367	43,129	43,939	43,129
	1,000	-	-	-
	431	1,300	431	1,300
	45	803	45	803
	682	735	682	735
	2,394	2,355	2,332	2,355
	55,919	48,322	47,429	48,322
Total Revenue and Other Income	84,832	74,459	76,152	74,459

¹ All Rental Income is earned in Western Australia.

Other Income

Fair Value Gain on Investment Properties
Present Value Benefit on Concessional Loan
Grant Income
Housing Authority Recovery
Tenancy Recovery Costs
Other Income

Total Revenue and Other Income

	Notes	Consolidated		Foundation Housing Ltd	
		2025	2024	2025	2024
		\$000's	Restated \$000's	\$000's	Restated \$000's
(b) Expenses					
<i>Operating Activities</i>					
Salary and On Cost		7,354	7,565	7,354	7,565
Superannuation Expense		818	795	818	795
Depreciation & Amortisation	6	1,103	1,247	1,103	1,247
Depreciation – ROU Assets	6	373	338	373	338
Maintenance and Supplies for Tenancies		6,005	5,968	6,005	5,968
Rates and Taxes – Tenancies		3,037	2,818	2,974	2,818
Direct Housing Costs		2,419	2,411	2,380	2,411
Finance Costs		2,034	1,957	1,821	1,957
Other Operating Costs		2,042	1,852	1,951	1,852
Offices, Premises and Equipment		1,028	979	1,028	979
Impairment Losses – Trade Receivables		256	229	256	229
Property Development Expenses		74	67	74	67
		26,543	26,226	26,137	26,226

Notes to the consolidated financial statements

for the year ended 30 June 2025

3. Current Assets – Cash and Cash Equivalents

	Consolidated		Foundation Housing Ltd	
	2025	2024	2025	2024
	\$000's	Restated \$000's	\$000's	Restated \$000's
Cash in Bank	16,665	14,454	14,751	14,454
Term Deposits	399	399	399	399
Restricted Cash – Hedland 125	8,774	7,084	8,774	7,084
Restricted Cash – Kenwick Trust	26	-	26	-
Other Restricted Cash	326	-	-	-
	26,190	21,937	23,950	21,937

4. Current Assets – Trade and Other Receivables

	Consolidated		Foundation Housing Ltd	
	2025	2024	2025	2024
	\$000's	Restated \$000's	\$000's	Restated \$000's
Trade Receivables	666	758	669	758
Accrued Income	71	-	10	-
Less: Provision for Doubtful Debts	(219)	(265)	(219)	(265)
GST Receivables	292	75	240	75
Grant Receivables	389	148	389	148
FAP1 Inter-Company Loan	-	-	4,640	2,961
	1,199	716	5,729	3,677

Current trade receivables are non-interest bearing. Non-tenant debtors are generally on 30-day terms. Tenant debtors' terms are payment on invoice date.

Tenant receivables are fully provided as bad debts other than that portion covered by a security bond. Movement in the provision for impairment is as follows:

	Consolidated		Foundation Housing Ltd	
	2025	2024	2025	2024
	\$000's	Restated \$000's	\$000's	Restated \$000's
Provision for impairment at beginning of year	265	265	265	265
Amount written off	(302)	(229)	(302)	(229)
Charge for year	256	229	256	229
Provision for expected credit losses at end of year	219	265	219	265

5. Non-Current Assets – Investment Properties

	Consolidated		Foundation Housing Ltd	
	2025	2024	2025	2024
	\$000's	Restated \$000's	\$000's	Restated \$000's
Investment Properties	358,095	293,392	337,330	293,392
Investment Properties – Under Construction	5,342	3,477	1,914	516
Total Investment Properties	363,437	296,869	339,244	293,908

Notes to the consolidated financial statements

for the year ended 30 June 2025

5. Non-Current Assets – Investment Properties (continued)

	Consolidated		Foundation Housing Ltd	
	2025	2024	2025	2024
	\$000's	Restated \$000's	\$000's	Restated \$000's
<i>Investment Properties</i>				
Carrying amount at beginning of year	293,392	249,343	293,392	249,343
Fair value gain/(loss) on revaluation	51,367	43,129	43,939	43,129
Additions	11,894	920	-	920
Transfers	1,443	-	(1)	-
Carrying amount at end of year	358,095	293,392	337,330	293,392
<i>Investment Properties – Under Construction</i>				
Carrying amount at beginning of year	3,477	485	516	485
Additions	4,344	2,992	2,435	31
Transfers	(2,479)	-	(1,037)	-
Carrying amount at end of year	5,342	3,477	1,914	516

6. Non-Current Assets – Property, Plant and Equipment

	Consolidated		Foundation Housing Ltd	
	2025	2024	2025	2024
	\$000's	Restated \$000's	\$000's	Restated \$000's
Office: P&E, F&F & Leasehold Improvements – at cost	1,308	1,308	1,308	1,308
Accumulated Depreciation	(1,258)	(1,237)	(1,258)	(1,237)
	50	71	50	71
Office: ROU Office Lease – at cost	2,384	2,652	2,384	2,652
Accumulated Depreciation	(1,911)	(1,844)	(1,911)	(1,844)
	473	808	473	808
Office: ROU Office Equipment – at cost	153	153	153	153
Accumulated Depreciation	(48)	(10)	(48)	(10)
	105	143	105	143
Plant and Equipment – at cost	1,272	1,240	1,272	1,240
Accumulated Depreciation	(883)	(804)	(883)	(804)
	389	436	389	436
Furniture & Fittings – at cost	2,024	2,012	2,024	2,012
Accumulated Depreciation	(1,899)	(1,858)	(1,899)	(1,858)
	125	154	125	154
Leasehold Property: Refurbishment & Improvements – at cost	15,949	15,064	15,949	15,064
Accumulated Depreciation	(10,708)	(9,796)	(10,708)	(9,796)
	5,241	5,268	5,241	5,268

Notes to the consolidated financial statements

for the year ended 30 June 2025

6. Non-Current Assets – Property, Plant and Equipment (continued)

	Consolidated		Foundation Housing Ltd	
	2025	2024 Restated	2025	2024 Restated
	\$000's	\$000's	\$000's	\$000's
Motor Vehicles – at cost	19	34	19	34
Accumulated Depreciation	(19)	(31)	(19)	(31)
	-	3	-	3
Computer Equipment – at cost	283	238	283	238
Accumulated Depreciation	(211)	(186)	(211)	(186)
	72	52	72	52
Total Property, Plant and Equipment	6,455	6,935	6,455	6,935

Included in the Right of Use assets above are the following:

	Foundation Housing Ltd Consolidated Right of Use - Office Lease		Foundation Housing Ltd Consolidated Right of Use - Office Equipment	
	\$000's	\$000's	\$000's	\$000's
Balance at 1 July 2023	1,026	1,026	-	-
Modification - Restated	110	110	153	153
Depreciation - Restated	(328)	(328)	(10)	(10)
Balance as at 30 June 2024	808	808	143	143
Balance at 1 July 2024	808	808	143	143
Modification	-	-	-	-
Depreciation	(335)	(335)	(38)	(38)
Balance as at 30 June 2025	473	473	105	105

Notes to the consolidated financial statements

for the year ended 30 June 2025

6. Non-Current Assets – Property, Plant and Equipment (continued)

Movement in carrying amounts

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

Consolidated - \$'000's	Office	Plant & Equipment	Furniture & Fittings	Leasehold Property	Motor Vehicles	Computer Equipment	Total
Carrying amount at 1 July 2023							
- Restated	1,121	395	262	5,442	8	30	7,258
Additions	153	120	10	799	-	48	1,130
Transfers	110	-	-	-	-	-	110
Depreciation Expenses	(362)	(79)	(118)	(973)	(5)	(26)	(1,563)
Carrying amount at 30 June 2024 / 1 July 2024							
- Restated	1,022	436	154	5,268	3	52	6,935
Additions	-	32	12	885	-	45	974
Transfers	-	-	-	-	-	-	0
Depreciation Expenses	(394)	(79)	(41)	(912)	(3)	(25)	(1,454)
Carrying amount at 30 June 2025	628	389	125	5,241	-	72	6,455

Foundation Housing Ltd - \$'000's	Office	Plant & Equipment	Furniture & Fittings	Leasehold Property	Motor Vehicles	Computer Equipment	Total
Carrying amount at 1 July 2023 - Restated	1,121	395	262	5,442	8	30	7,258
Additions	153	120	10	799	-	48	1,130
Transfers	110	-	-	-	-	-	110
Depreciation Expenses	(362)	(79)	(118)	(973)	(5)	(26)	(1,563)
Carrying amount at 30 June 2024 / 1 July 2024							
- Restated	1,022	436	154	5,268	3	52	6,935
Additions	-	32	12	885	-	45	974
Depreciation Expenses	(394)	(79)	(41)	(912)	(3)	(25)	(1,454)
Carrying amount at 30 June 2025	628	389	125	5,241	-	72	6,455

The Group has entered into various joint venture arrangements with the Housing Authority, whereby the Group owns a proportion of land and buildings subject to these arrangements. The underlying land and buildings are subject to various caveats lodged against the titles. The arrangements limit the use and disposal rights of the properties.

Refer to Note 9 for information on non-current assets pledged as security by the Group.

Concessionary Lease - Foyer

The Group has the right to use the Land & Buildings (98 apartments at 196 Oxford Street Leederville) for the purpose of its business to supply accommodation to low-income people in Western Australia and focusing on strategies for positive outcomes for the tenants. The Group is dependent on the lease which has significantly below-market terms and conditions principally to enable it to further its' objectives. The term of the lease is for 50 years and is recognised on the Consolidated Statement of Financial Position at cost.

Notes to the consolidated financial statements

for the year ended 30 June 2025

7. Current Liabilities – Contract Liabilities

	Consolidated		Foundation Housing Ltd	
	2025	2024	2025	2024
	\$000's	Restated \$000's	\$000's	Restated \$000's
Deferred Grant Revenue	-	6	-	6
Unused Funds for programs	-	45	-	45
Rental Income in Advance	596	488	584	488
	596	539	584	539

8. Current Liabilities – Trade and Other Payables

Trade Creditors	670	510	615	510
Accrued Expenses	1,859	1,512	1,756	1,512
Tenant Bonds / Key Deposits	160	145	158	145
Other Current Payables	47	95	47	95
	2,736	2,262	2,576	2,262

9. Non-Current Liabilities – Borrowings

Mortgage Loans Payable	89,269	79,807	79,839	79,807
Concessional Loan	367	-	-	-
	89,636	79,807	79,839	79,807

Mortgage loans are secured by the issuance of relevant government backed bonds over the Group's share of freehold land and buildings owned.

The mortgage loan facility with Housing Australia, is based on a fixed term 10-year loan at a fixed interest rate of 2.07% \$35M & 2.39% \$45M. The loan contains covenants as follows that are tested monthly and reported quarterly:

- 1.5:1 - Interest Cover Ratio [Operating EBITDA : Financing Costs]
- 45% - Loan to Value Ratio [Total Housing Australia Debt / Market Value of Mortgaged Properties]

The \$9.5M mortgage loan facility with Housing Australia, is based on a fixed term 25-year loan at a fixed interest rate of 5.23%. The loan contains covenants as follows that are tested monthly and reported bi-annually:

- 1.09:1 - Debt Service Cover Ratio [Cashflow available for debt service during that period : Debt service for that period]
- 70% - Loan to Value Ratio on 5th drawdown anniversary, reducing by 5% on 11th, 17th, 23rd & 25th anniversaries. [Facility Limit / Market Value of Properties]

The \$1.359M concessional loan with Housing Australia, is a 25-year non-interest-bearing fixed term loan, maturing February 2050. As the loan is non-interest bearing, on initial recognition it has been fair valued to \$359,000 with a gain of \$1.0M recognised in the statement of comprehensive income. Amortised interest of \$8,000 was recognised in the period to 30 June 2025.

	Consolidated		Foundation Housing Ltd	
	2025	2024	2025	2024
	\$000's	\$000's	\$000's	\$000's
Loan Facilities				
- Mortgage Loans Facilities	89,430	80,000	80,000	80,000
- Concessional Loan	1,359	-	-	-
- Amount Utilised	(90,789)	(80,000)	(80,000)	(80,000)
Total Unused Borrowing Facilities	-	-	-	-

Notes to the consolidated financial statements

for the year ended 30 June 2025

9. Non- Current Liabilities – Borrowings (continued)

The fair value of assets pledged as security for borrowings are:

	Consolidated		Foundation Housing Ltd	
	2025	2024	2025	2024
	\$000's	Restated \$000's	\$000's	Restated \$000's
Investment Properties	358,095	293,391	337,330	293,391
Total Assets Pledged as Security	358,095	293,391	337,330	293,391

10. Equity

The Group is incorporated under the ACNC Act 2012 and is limited by guarantee and has no paid-up capital. The member's guarantee is limited to \$100. Members of the Entity will be any person, corporations or organisations who have agreed in writing to support the objects specified in the Constitution and whom the Directors have agreed to admit to membership.

At general meetings each member is entitled to one vote when a poll is called, otherwise each member has one vote on a show of hands.

At 30 June 2025 the number of members was 7 (2024:13).

11. Key Management Personnel Compensation

	Consolidated		Foundation Housing Ltd	
	2025	2024	2025	2024
	\$000's	\$000's	\$000's	\$000's
Key Management Personnel Compensation	1,641	1,389	1,641	1,389

12. Contingent Liabilities

There are no contingent liabilities as at 30 June 2025.

13. Subsidiaries

The consolidated financial statements include Foundation Housing Limited, and its wholly owned subsidiaries, FHL Affordable Project 1 Ltd, FHL Affordable Project 2 Ltd, FHL Affordable Project 3 Ltd, FHL Affordable Project 4 Ltd, and FHL Affordable Project 5 Ltd. All intercompany transactions have been eliminated in full on consolidation as follows:

	Foundation Housing Ltd	
	2025	2024
	\$000's	\$000's
Intercompany loan receivable – FAP1	4,640	2,961
Investment in associated entity – FAP2	1,004	-

Notes to the consolidated financial statements

for the year ended 30 June 2025

14. Related Party Transactions

Transactions between related parties are on normal commercial terms and with conditions no more favourable than those available to other persons.

During the year \$8,182 (2024: \$2,783) of costs were incurred with Kingston Development, which is a related party of a Development Committee Member. The work related to consulting services for the Gardens Towers plan review.

15. Commitments

Operating Lease

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

	Consolidated		Foundation Housing	
	2025	2024	2025	2024
	\$000's	\$000's	\$000's	\$000's
Payable – minimum lease payment				
- not later than 12 months	63	41	63	41
- greater than 12 months, less than 5 years	10	-	10	-
	73	41	73	41

Construction Contracts

	Consolidated		Foundation Housing	
	2025	2024	2025	2024
	\$000's	Restated \$000's	\$000's	Restated \$000's
Payable not later than 12 months	-	11,672	-	-
Payable greater than 12 months	11,880	11,880	-	-
	11,880	23,552	-	-

16. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by accounting firm BDO, the auditor for Foundation Housing Ltd:

	Consolidated		Foundation Housing Ltd	
	2025	2024	2025	2024
	\$000's	\$000's	\$000's	\$000's
<i>Audit services – BDO</i>				
Audit of the financial statements	85	56	67	56
<i>Other services – BDO</i>				
Assistance with FBT tax return	4	4	4	4
Audit of Grant acquittals	-	2	-	2
Tax advice	5	-	5	-
Total Other Services	9	6	9	6
	94	62	76	62

17. Events Subsequent to Reporting Date

No matters or circumstances have arisen since the end of the financial year which 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 years.

Directors' Declaration

In the directors' opinion:

- The attached consolidated financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards – Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012, the Corporations Regulations 2001 and other mandatory professional reporting requirements.
- The attached consolidated financial statements and notes give true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and
- There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5) (a) of the Corporations Act 2001.

On behalf of the Directors



Paul Lakey
Chair of the Board of Directors

Signed at Leederville this 21st day of October 2025

INDEPENDENT AUDITOR'S REPORT

To the members of Foundation Housing Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Foundation Housing Limited (the registered entity) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, and the responsible entities' declaration.

In our opinion the accompanying financial report of Foundation Housing Limited, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The responsible entities of the registered entity are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the registered entity's annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The responsible entities of the registered entity are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd



Jackson Wheeler

Director

Perth, 21 October 2025



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DECLARATION OF INDEPENDENCE BY JACKSON WHEELER TO THE DIRECTORS OF FOUNDATION HOUSING LIMITED

As lead auditor of Foundation Housing Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Foundation Housing Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'J. Wheeler', is written over a horizontal line.

Jackson Wheeler

Director

BDO Audit Pty Ltd

Perth

21 October 2025