



*Helping churches provide affordable housing.*



# Annual Report 2016

## **ABOUT US: Vision and Mission**

**We see the church ministering to their communities through the development of affordable community housing.**

**We do this by:**

**Providing consultation, information, inspiration and education** in the area of affordable housing to churches of all denominations

**Brokering partnerships** between churches, government and businesses to facilitate the development of affordable housing

**Networking Community Housing Providers** with one another, the sector and the church

**Advocating for affordable housing** as a representative of the ecumenical church to government at all levels.

**Churches Housing Inc.**

Suite 107, 55 Phillip St,

Parramatta, NSW 2150

612-9633-5999

[www.churcheshousing.org.au](http://www.churcheshousing.org.au)

[info@churcheshousing.org.au](mailto:info@churcheshousing.org.au)



*Helping churches provide affordable housing.*

# Report - Chairman

As I reflect on the year that has just passed, I am reminded of the idiom, 'Be careful of what you wish for, lest it may come true'. It seems like we have been calling for action to address homelessness and the lack of affordable housing for many years, with no apparent action - and now, there are a number of initiatives underway that provide the opportunity to begin to address this.

This year has seen the launch of the Social and Affordable Housing Fund, a number of Communities Plus initiatives and recently the announcement from FACS of the transfer of an additional 18,000 social housing properties to the community housing sector. From these initiatives, it is the Social and Affordable Housing Fund (SAHF) that has attracted significant interest from the church sector.

In very simplistic terms, the funding available from SAHF is for the purchase of up to 3,000 Social and Affordable accommodation services for a period of 25 years (with a minimum number of 500 accommodation units). The agreements require the provider to supply;

Access to accommodation

Asset management and tenancy management services

Coordination of access to support services tailored to each household member

Performance and data reporting

Of the nine proponents that were short listed from the Expression of Interest phase, four of these were from the church sector. It is interesting to speculate why there was such a high participation rate (and initial indications of success from the church sector). No doubt some of the key factors that favoured the church sector include;

Access to land in key locations.

The availability of sites in suitable locations (usually with little or no debt) assisted the church sector to provide competitive pricing for the accommodation services.

Inclusion of Tailored Support Services Coordination. Generally the church sector has had a focus on the provision of support services, which resonates well with the Support Services coordination under SAHF.

Scale. The minimum scale of 500 accommodation units is a considerable undertaking for any organisation, requiring the organisation to commit to developments in excess of \$100 million. Whilst this is still a significant undertaking by the church sector, the scale of the major churches does enable them to undertake such an undertaking.

Despite the positive steps for the church sector, I imagine there is also a degree of trepidation considering the size of the undertaking. The financial commitment for each of the organisations is significant and perhaps more importantly, there is the risk of having the organisation's mission being diluted as a result of the contractual requirements.

While it is encouraging to see the government beginning to engage with the church sector in a more positive way, I still feel that it is important that we do not rely solely on government assistance to help those in need. The following extract from the 'Parable of the Sheep and Goats' suggests to me that it is each of our responsibility to care for the needy.

*<sup>37</sup> "Then the righteous will answer him, 'Lord, when did we see you hungry and feed you, or thirsty and give you something to drink?'<sup>38</sup> When did we see you a stranger and invite you in, or needing clothes and clothe you? <sup>39</sup> When did we see you sick or in prison and go to visit you?"*

*<sup>40</sup> "The King will reply, 'Truly I tell you, whatever you did for one of the least of these brothers and sisters of mine, you did for me.' (Matthew 25:37-40 NIV)*

I've been encouraged in recent months on the generosity of many in our local community. I was recently contacted by a developer that was keen to 'give back' some of the profits that he had made, by providing more affordable housing. I have also witnessed numerous cases of generous individuals that have offered assistance where they can.

One case that stands out to me concerns a couple who downsized their home (due to adult children leaving home). They offered their 5 bedroom house to a church on a

reduced rent. The house was offered to a refugee family that had no income. In addition to them receiving the basics of food, safety and shelter, each member of the family has made a commitment to Jesus - and they cite one of the main reasons was the unconditional love and generosity for each of those who helped when they needed it most. Hearing this is truly a highlight of my working career.

Whilst stories such as these are wonderful to hear, I know that the motivation of most of us is based on the genuine desire to help those that are in need. We may never know the true impact that we have or perhaps become discouraged by the lack of results.

I recall a meeting that Magnus and I had with FACS around 18 months ago. One of the FACS representatives questioned how many houses had been built as a direct result of Churches Housing. While it may be easy to argue that the question is not really fair, I have continued to reflect on this since that meeting. If we were to hypothesise that the 4 church based organisations are each successful under the Social and Affordable Housing fund and assume that each

developed 500 accommodation units valued at \$500,000 each - then this would be 2,000 new properties with a value of \$1 billion. When we consider that each of those 4 organisations has been assisted by Churches Housing over many years... it is quite an achievement of Churches Housing.

On behalf of the board, I'd like to thank Magnus and his team for their tireless effort in seeking to promote the capabilities of the church sector to government and also for their efforts in developing the church sector.

Regards,  
Rob Burnelek  
General Manager - Salvos Housing  
The Salvation Army  
Australia Eastern Territory



# Report - Executive Officer

This last year has seen an incredible escalation in both political and media pressure on governments to address rising housing unaffordability issues with barely a week going by without extensive media coverage. This has seen our State government implement a range of new policies based around its “Future Directions” blueprint, including “Communities Plus” (rebuilding a number of large public housing estates) and the \$1B SAHF (Social and Affordable Housing Fund). With the SAHF being almost tailor made for church agencies, as part of the requirement to apply was BYO land, we see four of our members engaged in the final stages of bidding for these 25 year service agreements to supply housing and other wrap around services. We wish St Vincent de Paul, Salvation Army, BaptistCare and Uniting every blessing as they seek to expand their portfolios of social housing to care for some of the most vulnerable in our communities. Churches Housing is pleased that we were able to play an important role early on in the SAHF phase in clarifying and identifying what was being looked for in any consortia application.

A federal election also saw lots of talk about housing and taxation policies, however it is unfortunate that these arguments have become bogged down along party lines rather

than a genuine attempt to explore solutions. Churches Housing is thankful for our partnership with BaptistCare Australia in delivering a federal government submission focused on innovative ways of structuring and financing future affordable housing development. This report is available on our website.

A big push across our sector has been for the State government to implement “Inclusionary Zoning”; with a mandated minimum percentage of social and affordable housing being included in large developments, especially the urban growth corridors being targeted for urban renewal by government. This will see local communities sharing in the tremendous \$\$ value of zoning uplifts along with the government and developers, but in the form of housing in which locals can still afford to live. Churches Housing has become an active member of the Sydney Alliance and I have been engaged on the Housing Team, participating with others to see a campaign organised to see inclusionary zoning advocated for and implemented.

In between other things Churches Housing has been busy consulting and advising members. We continue

to assist new players enter the field as registered Community Housing Providers (CHPs) and, on a fee for service basis, can assist to lead either new or established organisations towards registration. This has now become a mandatory requirement for those organisations wishing to apply for government funded programs and we encourage organisations, such as aged care providers, to consider becoming part of the landscape as more opportunities open up. Affordable aged care is an enormous and growing issue and we would particularly love to assist established aged care providers in becoming registered CHPs.

Churches Housing has also been busy advising, informing and networking churches and diocese with others who may assist in developing church property in order to see social and affordable housing units built. From a 10-12 unit affordable aged care complex in the Illawarra, a 30 unit affordable housing complex in the inner west to a potential 30 bed development in the western suburbs housing women and kids fleeing domestic and family violence, Churches Housing stands with churches to support them in working out issues related to our sector. Please do not hesitate to seek advice from us, as usually this is delivered free of any charge.

Looking ahead there are many changes in government thinking and subsequent policy. We value hearing from you our members in advocating for the right things at the right time and asking for changes that will enhance your ability to serve those people you are seeking to assist. If you want to make suggestions for future submissions, just talk or even just vent, I am always open to an invitation from our members for a coffee and a chat.

We look forward to ongoing partnership in 2016/17.

Best regards,

*Magnus Linder*

Executive Officer

Churches Housing Inc.



# Board Member Profiles



## **Rob Burnelek**

Rob is the General Manager of Salvos Housing. He heads the community and affordable housing operations of The Salvation Army (East Australian Territory) covering Queensland, New South Wales and the Australian Capital Territory. The Salvation Army has had a long history in helping the needy particularly in homelessness and through his work in Salvos Housing, Rob is seeking to extend this compassion through a range of transitional and affordable housing options.

Prior to joining Salvos Housing, Rob has had a number of roles in the non-profit sector, particularly in the community and affordable housing sector. He previously was a consultant with Churches Housing, and assisted a number of churches in developing strategies for the development of affordable housing. Rob also has extensive experience in a number of government sponsored initiatives to increase the supply of affordable housing in the community, particularly the National Rental Affordability Scheme (NRAS). Rob has directly prepared NRAS submissions for nine NRAS proposals, involving over 500 accommodation units. Before entering the non-profit sector, Rob had 20 year experience in the Financial Services and Information Technology industries.

Rob has a passion for working with churches to assist them realising their mission through the provision of affordable housing.



## **Brian Murnane**

Brian is the CEO of Amelie Housing with 30 years' experience in the community housing sector. From founding Macarthur Community Tenancy in 1983 through its evolution into Argyle Community Housing, Brian has been at the forefront of the development in this sector. While at Argyle, he was responsible for the successful tender and transfer of over 1,000 properties. Brian has also had a distinguished voluntary career with the St Vincent de Paul Society culminating as President and Australian delegate to the St Vincent de Paul Society International Council (Paris) in 1991. Brian is a member of the St Vincent de Paul Society NSW Social Justice Committee and the NSW Government's Community Housing Advisory Committee.



**Sue King**  
Manager Research and Advocacy  
Anglicare Sydney

Sue and her team in the Social Policy Research Unit develop a strong evidence base using primary research to develop an advocacy agenda. The focus of their work has been on the most marginalised and socially excluded groups of people in our community and a key area of research has been both food and housing insecurity and the links between the two. Her team has also conducted an annual Rental Affordability Snapshot which monitors the number of affordable rental properties across Sydney for people on Newstart, single parent and low income families. ANGLICARE has a fundamental belief that secure and affordable housing is one of the most significant pathways out of entrenched disadvantage.



**Mike Furner**  
General Manager Housing & Retirement Living  
Baptist Community Services NSW & ACT

Mike joined BCS in 2001 to head up the newly created Aged and Community Care Operations Division and has undertaken GM level roles within the Aged Care operational structures, managing residential and community care and retirement villages. For four years he took on the broader role as GM Strategic Development for the whole Organisation. This role was to improve the Organisation's capability to achieve its strategic objectives through effective long term property planning, research analysis, service design and service delivery models. This led to the establishment of social housing within BCS. Mike is now the GM Housing and Retirement Living Division. Prior to joining BCS Mike had 20 years senior management experience in the community development, health, rehabilitation and aged care fields in NSW, the Northern Territory and Tasmania. A significant part of his work has been in rural and remote areas of Australia including Aboriginal communities. Social justice issues are an important part of Mike's life. This combined with his qualifications in human services management has led to many opportunities to pursue these social development interests and use of his business management skills.



## **Myree Harris rsj**

**BA (Macq), MPS (Loyola), GradDip (Religious Studies) (ACU)**

**Myree is a sister of the congregation of the Sisters of St Joseph of the Sacred Heart (the Josephites) and has been a member of the CHI board since 1998. She is community leader and public officer of Gethsemane Community Inc and the chair of the Australian Catholic Disability Council. Co-founder and convenor of CASA: Coalition for Appropriate Supported Accommodation for people with disabilities in NSW and Member of the Boarding House Expert Advisory Group (BHEAG). Myree received the OAM in 2011 for service to people with mental illness and to the homeless.**



## **Mark Khoo**

**Mark is a Partner at Salvos Legal, which is an award winning law firm owned and run by The Salvation Army. Salvos Legal practises in commercial/property law and uniquely, all of its profits are used to fund Salvos Legal Humanitarian, which provides free 'legal aid' services to the disadvantaged and marginalised, primarily in the areas of criminal law, family and children's law, debt, migration/refugee law, social security and of course, housing. Mark has over fourteen years' experience as a property lawyer, nine of which were gained in leading/top tier firms (most recently at Minter Ellison). Mark has all round experience in housing, having acted for community housing providers, developers, financiers and residential 'mums and dads'. Mark also has the privilege of having been an Associate to Justice Murray Wilcox at the Federal Court of Australia. He graduated from law school with first class honours in 2001. Mark is a Fellow of the Australian Property Institute and was a Finalist in the inaugural Lawyers Weekly 2016 Partner of the Year Awards, in the Real Estate category.**



## Michael Kerans

Michael has over 30 years property industry experience including 8 years consulting to and researching the development and financing of affordable housing, 2 years in community housing management, and prior to this 21 years' experience in the unlisted and listed property trust sectors principally for the ING Group. Within these roles he completed the portfolio management of three unlisted residential property trusts, direct property valuations and acquisitions and was employed in the launch of the integrated \$239m Heine Industrial and \$1.6b Armstrong Jones industrial, office and retail property funds with the Mercantile Mutual portfolios. Michael received a national award in 2009 from the Australian Property Institute for his research into affordable rental housing financing. Michael holds a Bachelor of Commerce (Land Economics), a Graduate Diploma in Property Investment and Finance, a Masters in Applied Science (Building Studies) and is an Associate of the Australian Property Institute. Michael is a registered valuer and licensed Real Estate Agent.

Board Meeting attendance 2015/16		
<i>Board Members</i>	<i>eligible</i>	<i>attended</i>
Rob Burnelek	6	6
Mike Furner	6	5
Sue King	6	4
Mark Khoo	6	3
Myree Harris	6	1
Michael Kerans	6	4
Brian Murnane	6	2
Derek Yule	4	4



# **Financial Reports**

CHURCHES HOUSING INCORPORATED

FINANCIAL REPORT

For the year ended

30th June, 2016



**CHURCHES HOUSING INCORPORATED**  
**A.B.N. 94 142 146 245**

**STATEMENT BY THE COMMITTEE OF MANAGEMENT**

The Committee of Management of the Association has determined that these financial statements are special purpose financial statements prepared in accordance with the accounting policies outlined in Note 1 to the accounts.

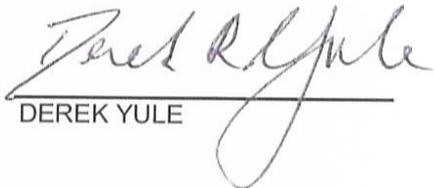
In the opinion of the Committee of Management of Churches Housing Incorporated (the Association):

- (a) the accompanying Statement of Profit or Loss and Other Comprehensive Income gives a true and fair view of the surplus/(deficit) of the Association for the year ended 30 June 2016;
- (b) the accompanying Statement of Financial Position gives a true and fair view of the state of affairs of the Association as at that date;
- (c) at the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable; and
- (d) the financial statements have satisfied the requirements of the ACNC Act.

This declaration is made in accordance with a resolution of the Committee and is signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.



ROBERT BURNELEK



DEREK YULE

SYDNEY,  
21 October, 2016

**The Accompanying notes form part of these Financial Statements**

**CHURCHES HOUSING INCORPORATED**  
**A.B.N. 94 142 146 245**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE 2016**

2015 \$		Notes	2016 \$
	<b>CURRENT ASSETS</b>		
46,214.70	Cash and Cash Equivalents	2	65,250.68
4,250.00	Other	3	4,250.00
<u>-</u>	Trade and Other receivables	4	<u>275.00</u>
50,464.70	<b>TOTAL CURRENT ASSETS</b>		69,775.68
	<b>NON-CURRENT ASSETS</b>		
<u>4,845.88</u>	Plant & Equipment	5	<u>3,216.42</u>
<u>4,845.88</u>	<b>TOTAL NON-CURRENT ASSETS</b>		<u>3,216.42</u>
<u>55,310.58</u>	<b>TOTAL ASSETS</b>		<u>72,992.10</u>
	<b>CURRENT LIABILITIES</b>		
-	Accounts Payable	6	2,750.00
<u>16,677.46</u>	Other Payables	7	<u>18,294.65</u>
16,677.46	<b>TOTAL CURRENT LIABILITIES</b>		21,044.65
<u>-</u>	<b>NON-CURRENT LIABILITIES</b>		<u>-</u>
<u>-</u>			<u>-</u>
<u>16,677.46</u>	<b>TOTAL LIABILITIES</b>		<u>21,044.65</u>
<u>38,633.12</u>	<b>NET ASSETS</b>		<u>51,947.45</u>
	<b>MEMBERS FUNDS</b>		
<u>38,633.12</u>	Retained Profits/(Losses)	8	<u>51,947.45</u>
<u>38,633.12</u>	<b>TOTAL MEMBERS' FUNDS</b>		<u>51,947.45</u>

**CHURCHES HOUSING INCORPORATED**  
**A.B.N. 94 142 146 245**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

<b>2015</b>		<b>2016</b>
<b>\$</b>	<b>INCOME</b>	<b>\$</b>
272,780.25	Government Grants Received	268,614.00
1,411.76	Interest Income	1,093.04
800.00	Membership Fees Income	1,950.00
531.25	Fee for Service Income	13,212.50
<u>697.95</u>	Miscellaneous Income	<u>1,030.96</u>
276,221.21	Total Income	285,900.50

## EXPENDITURE

1,400.00	Audit Fees	800.00
694.77	Computer Software	1,709.30
3,420.50	Computer Support	3,914.00
-	Contactors & Consultants	2,550.00
6,033.16	Conferences & Meetings	7,482.87
1,732.28	Depreciation	1,629.46
1,001.38	Electricity Expenses	1,173.93
3,636.36	Insurance	3,727.27
340.00	Internet Expenses	611.64
151.68	Miscellaneous Expenses	829.68
2,166.72	Motor Vehicle Expenses	1,590.12
437.14	Office Supplies	1,265.56
188,593.35	Salaries & Wages	193,960.65
-	Promotional Expenses	2,500.00
1,480.89	Provision for Annual & Long Service Leave	926.49
885.82	Staff Amenities	1,047.95
936.63	Staff Development Costs	236.63
309.14	Staff Functions/Gifts	312.08
17,916.47	Superannuation	18,426.15
1,606.37	Workers Compensation Insurance	1,595.76
7,383.43	Fringe Benefits Tax	7,944.29
19,935.98	Rent	20,155.69
2,070.26	Subscriptions	729.99
2,361.01	Telephone Expenses	2,242.51
2,246.42	Travel Expenses	1,015.75
<hr/>		<hr/>
266,739.76	Total Expenditure	278,377.77
<hr/>		<hr/>
9,481.45	<b>Profit/(Loss) from ordinary activities</b>	<b>7,522.73</b>
<hr/>		<hr/>
-	<b>Other Comprehensive Income for the year</b>	-
<hr/>		<hr/>
<b>9,481.45</b>	<b>Total Comprehensive Income for the year</b>	<b>7,522.73</b>
<hr/>		<hr/>
<b>9,481.45</b>	<b>Profit attributable to the members of the entity</b>	<b>7,522.73</b>
<hr/>		<hr/>
<b>9,481.45</b>	<b>Total Comprehensive Income attributable to members of the entity</b>	<b>7,522.73</b>

**CHURCHES HOUSING INCORPORATED**  
**A.B.N. 94 142 146 245**

**STATEMENT OF CHANGES IN MEMBERS' FUNDS**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	<b>Retained Profits/ (Losses)</b>	<b>Reserves</b>	<b>Total</b>
Balance as at 30 June 2014	29,151.67	-	29,151.67
Profit attributable to the entity for the year	9,481.45	-	9,481.45
Total Other Comprehensive Income for the year	-	-	-
Balance as at 30 June 2015	38,633.12	-	38,633.12
Profit attributable to the entity for the year	7,522.73	-	7,522.73
Total Other Comprehensive Income for the year	-	-	-
Transfers from Sundry Payables	5,791.60		5,791.60
Balance as at 30 June 2016	<b>51,947.45</b>	-	<b>51,947.45</b>



**CHURCHES HOUSING INCORPORATED**  
**A.B.N. 94 142 146 245**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**NOTE 1 - STATEMENT OF ACCOUNTING POLICIES**

**Financial Reporting Framework**

These financial statements are special purpose financial statements which have been prepared to meet the requirements of the Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act) and for use by the Committee of Management and the member churches of Churches Housing Incorporated.

The Committee has determined that the Association is not a reporting entity and hence these statements have been prepared in accordance with the relevant applicable Accounting Standards and other mandatory professional reporting requirements.

Not all applicable Accounting Standards or other mandatory professional reporting requirements have been applied.

The financial statements have been prepared on an accrual basis in accordance with the historical cost convention. Cost is based on the fair values of the consideration given in exchange for assets.

**Significant Accounting Policies**

Accounting Policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

**Recognition of Income**

The timing of the recognition of grants, donations, fundraising, entrance fees and annual subscriptions from members depends when control of these monies is obtained, usually receipt of monies.

**Investment Income**

Investment interest is recognised in the statement of comprehensive income when received.

**Income Tax**

The Association is recognised as a non-profit organisation for Australian Income Tax purposes and is exempt from Income Tax.

**Other Taxes**

Revenues, expenses and assets are recognised net of the amount of GST except:

- (a) where the GST incurred on purchases of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense items as applicable.
- (b) receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable, to the taxation authority is included as part of receivables or payables in the statement of financial position.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Property, Plant & Equip- ment**

Each class of property plant and equipment is carried at cost or deemed cost, where applicable, any accumulated depreciation and any impairment in value.

Plant & Equipment is depreciated over the expected economic life of each asset.

The depreciation rates used for each class of depreciable asset are:-

Plant & Equipment      7.5% - 40%

### **Impairment**

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such an indication exists and where carrying values exceed the recoverable amount, the asset is written down to the recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use.

### **Employee Benefits**

Provision is made for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, and long service leave which will be settled after one year, have been measured at the amount expected to be paid.

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

### **Payables**

Sundry Creditors and Accruals are shown in the Statement of Financial Position at the aggregate value of monies owed for goods and services provided and other amounts unpaid as at 30th June, 2016. These amounts are unsecured and usually paid within 30 days of recognition.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand and cash held with financial institutions which are subject to insignificant risk of changes in value.

**2015**  
**\$**

**2016**  
**\$**

**NOTE 2 - CURRENT ASSETS - CASH AND CASH EQUIVALENTS**

46,014.70	Cash at Bank	65,050.68
<u>200.00</u>	Cash at Hand	<u>200.00</u>
<u>46,214.70</u>		<u>65,250.68</u>

**NOTE 3 - CURRENT ASSETS - OTHER**

<u>4,250.00</u>	Security Deposit - Bond	<u>4,250.00</u>
<u>4,250.00</u>		<u>4,250.00</u>

**2015**  
**\$**

**2016**  
**\$**

**NOTE 4 - CURRENT ASSETS - TRADE & OTHER RECEIVABLES**

<u>-</u>	Trade & Other Receivables	<u>275.00</u>
<u>-</u>		<u>275.00</u>

**NOTE 5 - NON-CURRENT ASSETS - PROPERTY, PLANT & EQUIPMENT**

18,811.60	Plant & Equipment - at cost	18,811.60
<u>13,965.72</u>	Less: Accumulated Depreciation	<u>15,595.18</u>
<u>4,845.88</u>		<u>3,216.42</u>

**NOTE 6 - CURRENT LIABILITIES - ACCOUNTS PAYABLES**

<u>-</u>	Accounts Payable	<u>2,750.00</u>
<u>-</u>		<u>2,750.00</u>

**NOTE 7 - CURRENT LIABILITIES - OTHER PAYABLES**

11,639.79	Sundry Creditors	6,316.27
5,039.29	Annual Leave	5,965.78
<u>(1.62)</u>	GST Payable	<u>6,012.60</u>
<u>16,677.46</u>		<u>18,294.65</u>

#### NOTE 8 - RETAINED PROFITS

29,151.67	Retained Profits at the Beginning of the Financial Year	38,633.12
9,481.45	Net Profit/(Loss) for the year	7,522.73
-	Transfer from Sundry Payables	5,791.60
<u>38,633.12</u>	Retained Profits/(Loss) at the End of the Financial Year	<u>51,947.45</u>

#### NOTE 9 - RECONCILIATION OF CASH FLOWS

9,481.45	Operating Profit / (Loss) from Ordinary Activities	7,522.73
	<i>Non cash items</i>	
1,732.28	Amortisation and Depreciation	1,629.46
	<i>Change in operating assets and liabilities</i>	
-	(Increase) / Decrease in Trade and Other Receivables	(275.00)
279.84	(Increase) / Decrease in Other Assets	-
-	Increase / (Decrease) in Accounts Payable	2,750.00
(678.40)	Increase / (Decrease) in Other Payable	7,408.79
<u>10,815.17</u>	Cash flows provided by / (used in) Operating Activities	<u>19,035.98</u>



**THOMAS DAVIS & CO**  
CHARTERED ACCOUNTANTS  
ESTABLISHED 1894

www.thomasdavis.com.au  
mail@thomasdavis.com.au

21 October, 2016

The Committee of Management of the Association,  
Churches Housing Incorporated  
Suite 107, 55 Phillip Street  
PARRAMATTA N.S.W. 2150

Dear Sirs

We have completed our examination of Churches Housing Incorporated's books of account for the year ended 30th June, 2016 and have pleasure in furnishing herewith the following statements:-

- (1) Statement of Financial Position as at 30th June, 2016.
- (2) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2016.
- (3) Statement of Changes in Members' Funds for the year ended 30 June 2016.
- (4) Statement of Cashflows for the year ended 30 June 2016.
- (5) Notes to and Forming part of the Financial Statements for the year ended 30th June, 2016.
- (6) Statement by Committee of Management of the Association, Auditor's Independence Declaration & Auditor's Report in respect to the Financial Report for the year ended 30th June, 2016.

Yours faithfully,

A member of



Independent legal & accounting firms

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*Independence*

In conducting our audit, we have complied with the independence requirements of the ACNC Act and any applicable code of professional conduct in relation to the audit.

*Opinion*

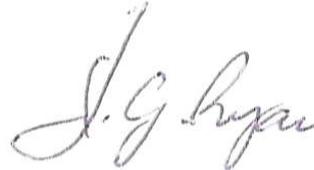
In our opinion, the financial report gives true and fair view in all material respects, the financial position of Churches Housing Incorporated as at 30 June 2016 and of its financial performance for the year then ended in accordance with the financial reporting requirements of Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act), complying with Australian Accounting Standards to the extent described in Note 1 and the Australian Charities and Not-for-profits Regulation 2013..

*Basis of Accounting*

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Churches Housing Incorporated to meet the requirements of the ACNC Act. As a result, the financial report may not be suitable for another purpose.



**THOMAS DAVIS & CO.**



J.G. RYAN

PARTNER

Chartered Accountants

SYDNEY,

21 October, 2016

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
CHURCHES HOUSING INCORPORATED  
A.B.N. 94 142 146 245**

We have audited the accompanying financial report, being a special purpose financial report, of Churches Housing Incorporated which comprises the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, the statement of changes in members' funds and the statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and statement by the Committee of Management.

*Committee's Responsibility for the Financial Report.*

The Committee of Management of Churches Housing Incorporated is responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act) and is appropriate to meet the needs of the members. The Committee of Management's responsibility also includes such internal control as the Committee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we 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 auditor's 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 of the financial report that gives a true and fair view, 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 Committee of Management, as well as evaluating the overall presentation of the financial report.

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

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**CHURCHES HOUSING INCORPORATED**  
A.B.N. 94 142 146 245

**Auditor's Independence Declaration to the Committee of Management of Churches Housing Incorporated under section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there have

- (a) no contraventions of the auditor independence requirements of section 60-40 of the ACNC Act in relation to the audit; and.
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

**THOMAS DAVIS & CO.**

J.G. RYAN PARTNER

Chartered Accountants

Sydney  
21 October, 2016

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