



Helping churches provide affordable housing.



Annual Report 2017

Vision

Churches empowered and enabled to provide housing for the vulnerable and marginalised.

Mission

Unleashing church resources for housing through collaboration, partnerships, education and capacity building

Our five strategic goals for 2017/20 :

Increasing the supply of affordable housing

Advocacy and Support for Affordable Housing

Development of an appropriate technology platform

Brokering partnerships

Ensuring ongoing financial viability

Churches Housing Inc.

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Helping churches provide affordable housing.

Report - Chairman

Do you ever stop and think how did housing become so unaffordable? Surely our planners and officials would see the impending problem, and respond accordingly. We plan for new schools, hospitals, roads (or at least toll roads) - yet house prices continue to rise and rise. How did the system seem to get so out of control, and nobody thought about those that were being left behind?

For many years, I've believed that the issue with housing affordability has been the lack of supply, however with all the high-rise developments underway throughout the Sydney region, there still doesn't appear to be much of a dent in housing affordability. Perhaps this has more to do with how the system is not working. Recently I was reviewing a planning proposal seeking to increase the zoning of a residential tower from 7 stories to 25 stories - in return the developer was offering only 3 affordable housing units!! How can we possibly expect that suitable affordable housing will be provided to those in desperate need, when we allow such proposals as this.

The answer to me seems very simple. Our planning system should require developers to contribute a reasonable percentage of units as affordable housing. Despite claims from numerous government ministers that it is more complicated than this, every developer that I have spoken to does not have an issue with inclusionary zoning, as long as the system is transparent and fair.

I was recently reflecting on how housing affordability was managed in biblical times. Whilst there are not direct references to housing affordability issues, Jesus certainly made reference to the needy in the community.

'Lord, when did we see you hungry or thirsty or a stranger or needing clothes or sick or in prison, and did not help you?' ... 'Truly I tell you, whatever you did not do for one of the least of these, you did not do for me.' (Matt 25:44-45)

The responsibility for helping others must happen at all levels, whether if be my own individual response, my role within my work, my role within my church, my role as a member of society advocating for the needy.

Over the past twelve months, we have seen some of our members partner with the New South Wales government in the Social and Affordable Housing Fund. Congratulations to Uniting, the St Vincent de Paul Society and BaptistCare on their tenders to collectively supply over 1,500 social and affordable dwellings over the next 25 years. It has been a pleasing outcome to see our member organisations to directly seek to help those needy members in our community through the practical provision of housing.

What may not be known to all is the role that Churches Housing played in our members success in the Social and Affordable Housing Fund tenders. Our assistance goes way back many years before the tender was released. Churches Housing has assisted these organisations to develop

their housing capabilities and strategies, such that when an opportunity arose, they were in a position to be able to respond and deliver the requirements to be successful in the tender.

I am pleased to say that our relationship with NSW Family and Community Services (incorporating what was formerly Housing NSW) continues to be strong. Under our new funding contract, FACS has moved to an outcomes based framework, that aligns very closely with our newly developed strategic framework. As always, we are thankful for the funding assistance provided by FACS as we seek to further the church housing network and it is pleasing to see the outcomes achieved (such as the SAHF) from previous work done by Churches Housing with our members.

Thank you to Magnus for leading the team over the past year and for helping us to implement our new strategic framework. Thanks also to Donna, Kathy and Rob for the work that they perform in supporting the organisation.

On a final note, I am also both pleased and saddened to bid a temporary farewell to one of our founding directors, Myree Harris. Myree will be taking a sabbatical from serving on the board of Churches Housing and I would like to take this opportunity to say a huge thank you for the contribution that you have made. For those that know Myree, I am sure that you know that she won't be putting her feet up - rather she will be devoting even extra energy to the work that she already does.



Report - Executive Officer

Churches Housing is first and foremost an association of the key church social service organisations engaged in housing. It is about our members working together for a common cause, which is to unleash the potential within the church to support the vulnerable in our communities through the provision of social and affordable housing. I am proud that the church sector has not only advocated strongly for more proactive government policies and funding but have also stepped up to the crease, picked up their bat and have swatted a few sixers this last year. Here is a summary of the year:

The biggest six this year is the church winning approximately 70% of the first round of the State Government's Social and Affordable Housing Fund, the billion dollar bank that will be funding 25 year service agreements for the provision of social (at least 70% has to be social) and affordable housing. A key criteria here was that one had to bring land to the table and it is encouraging to see that the church sector responded so strongly.

Strong advocacy through submissions to government, including the Productivity Commission in partnership with BaptistCare Australia - [click here to read the report](#), participation with government and other peaks in social housing reform and homelessness and advocacy for increased supply of affordable housing through inclusionary zoning with the Sydney Alliance.

Continued consultancy, advice, networking and information to dioceses, parishes, churches and para-church organisations exploring the development of social and affordable housing on

their land. Churches Housing has worked strongly with the Sydney Alliance in advocating for clear and real targets for social and affordable housing.

Expansion of a network of organisations and individuals that can provide sound and ethical support, services and advice to church organisations. We have continued to consult with a range of churches and church organisations who have land or aged/underutilised assets that may be used for affordable housing.

Support with expert skills to organisations either registering for the first time as a Community Housing Provider with the Housing Registrar, or re-registering and requiring support to move across tiers or with updated policy and/or process. This is a fee for service activity, but one that has been jumped upon by our members as a means of training up new staff or gaining helpful support in updating policies.

Networking together our members both with each other and with other parts of our sector. Our networking breakfasts have been feeding our members with knowledge, relationships and opportunities as well as cappuccinos and eggs.

We are looking forward to the year ahead and are thankful that God's heart for the poor and vulnerable is very much at work through our members. We will in the next few months be sending out a member survey which will become an annual measurement of our effectiveness as a peak body. Please take the time to reflect and fill this out so we can continue to ensure we are assisting you in the best ways that we can.



Board Member Profiles



Rob Burnelek

Rob is the Chief Executive Officer of Axis Housing. Prior to this, Rob has had a number of roles in the non-profit sector, particularly in the community and affordable housing sector. He was previously the head of the community and affordable housing operations of The Salvation Army (East Australian Territory) covering Queensland, New South Wales and the Australian Capital Territory. Before that, Rob 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.



Reverend Derek Yule

Derek Yule was the founding Executive Officer of Churches Housing Inc., where he served for 17 years. Previously, he worked 12 plus years with the CBA and then re-trained with the intention of moving into pastoral ministry. Initially while training in NZ he pastored a small ecumenical congregation at Massey in West Auckland. He returned to Australia with the intention of undertaking similar work, however this proved not to be the case and he ended up working for Mission Australia (SCM) opening one of the first Proclaimed Places that focused on young people with drug and alcohol dependency. This work was initially located in Kings Cross and he was involved in the management of supported accommodation, ultimately expanded to projects at Fairlight, Manly, Minto and Crow's Nest. While still employed with Mission Australia he developed training programmes for young people at Green Valley, Campbelltown and Wollongong. After being called from the congregation to ministry at Castle Hill he provided pastoral support for over 500 persons who were part of the congregations outreach. This work later led to the planting of a new congregation in the NorthWest Sector development. Derek is an ordained Minister of Religion, holds degrees in Theology, and has completed a Master of Management with a focus on the

management of non-profit organisations. Derek is currently serving as Associate Pastor at a Baptist Church in Quakers Hill. He has also trained as an individual and family therapist and as a Spiritual Director.

Board Meeting attendance 2016/17		
<i>Board Members</i>	<i>eligible</i>	<i>attended</i>
Rob Burnelek	6	3
Mike Furner	6	5
Sue King	6	6
Mark Khoo	6	4
Myree Harris	6	2
Michael Kerans	6	4
Brian Murnane	6	4
Derek Yule	4	4



Financial Reports

CHURCHES HOUSING INCORPORATED

FINANCIAL REPORT

For the year ended

30th June, 2017



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

STATEMENT BY THE COMMITTEE OF MANAGEMENT

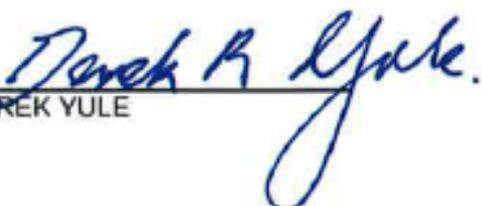
The Committee of Management of the Association has determined that these financial statements are special purpose financial statements prepared in accordance with the accounting policies outlined in Note 1 to the accounts.

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 2017;
- (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

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 2017

2016			2017
\$		Notes	\$
	CURRENT ASSETS		
65,250.68	Cash and Cash Equivalents	2	96,956.19
4,250.00	Other	3	4,250.00
<u> </u>	Trade and Other receivables	4	<u> </u> -
69,775.68	TOTAL CURRENT ASSETS		101,206.19
	NON-CURRENT ASSETS		
<u> 3,216.42</u>	Plant & Equipment	5	<u> 5,568.18</u>
<u> 3,216.42</u>	TOTAL NON-CURRENT ASSETS		<u> 5,568.18</u>
<u> </u>			<u> </u>
<u>72,992.10</u>	TOTAL ASSETS		<u>106,774.37</u>
	CURRENT LIABILITIES		
	Accounts Payable	6	-
<u>18,294.65</u>	Other Payables	7	<u>29,796.04</u>
21,044.65	TOTAL CURRENT LIABILITIES		29,796.04
<u> </u>	NON-CURRENT LIABILITIES		<u> </u> -
<u> </u>			<u> </u> -
<u>21,044.65</u>	TOTAL LIABILITIES		<u>29,796.04</u>
<u> </u>			<u> </u>
<u>51,947.45</u>	NET ASSETS		<u>76,978.33</u>
	MEMBERS FUNDS		
<u>51,947.45</u>	Retained Profits/(Losses)	8	<u>76,978.33</u>
<u>51,947.45</u>	TOTAL MEMBERS' FUNDS		<u>76,978.33</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 2017

2016		2017
\$	INCOME	\$
268,614.00	Government Grants Received	297,126.37
1,093.04	Interest Income	675.65
1,950.00	Membership Fees Income	2,650.00
13,212.50	Fee for Service Income	1,615.00
<u>1,030.96</u>	Miscellaneous Income	<u>1,044.05</u>
285,900.50	Total Income	303,111.07

EXPENDITURE

800.00	Audit Fees	830.00
2,320.94	Computer Software / Website Maintenance	471.79
3,914.00	Computer Support	3,635.00
2,550.00	Contactors & Consultants	-
7,482.87	Conferences & Meetings	10,439.47
1,629.46	Depreciation	1,301.27
1,173.93	Electricity Expenses	923.43
3,727.27	Insurance	3,818.18
-	Loss on Sale of Assets	310.48
829.68	Miscellaneous Expenses	530.00
1,590.12	Motor Vehicle Allowances	1,987.64
1,265.56	Office Supplies	1,279.58
193,960.65	Salaries & Wages	194,967.00
2,500.00	Promotional Expenses	-
926.49	Provision for Annual & Long Service Leave	286.19
1,047.95	Staff Amenities	773.17
236.63	Staff Development Costs	3,855.86
312.08	Staff Functions/Gifts	339.64
18,426.15	Superannuation	18,522.14
1,595.76	Workers Compensation Insurance	1,022.30
7,944.29	Fringe Benefits Tax	7,893.00
20,155.69	Rent	19,931.94
729.99	Subscriptions	1,849.99
2,242.51	Telephone / Internet Expenses	1,682.85
1,015.75	Travel Expenses	1,429.27
<hr/>		<hr/>
278,377.77	Total Expenditure	278,080.19
<hr/>		<hr/>
7,522.73	Profit/(Loss) from ordinary activities	25,030.88
<hr/>		<hr/>
-	Other Comprehensive Income for the year	-
<hr/>		<hr/>
7,522.73	Total Comprehensive Income for the year	25,030.88
<hr/>		<hr/>
7,522.73	Profit attributable to the members of the entity	25,030.88
<hr/>		<hr/>
7,522.73	Total Comprehensive Income attributable to members of the entity	25,030.88
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CHURCHES HOUSING INCORPORATED
A.B.N. 94 142 146 245

STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE YEAR ENDED 30TH JUNE 2017

	Retained Profits/ (Losses)	Reserves	Total
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
	<hr/>		<hr/>
Balance as at 30 June 2016	51,947.45	-	51,947.45
Profit attributable to the entity for the year	25,030.88	-	25,030.88
Total Other Comprehensive Income for the year	-	-	-
Balance as at 30 June 2017	<u>76,978.33</u>	<u>-</u>	<u>76,978.33</u>

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2017

2016		Note	2017
\$			\$
Inflows (Outflows)			Inflows (Outflows)
	Cash flows from operating activities		
1,093.04	Interest received		675.65
268,614.00	Grants received		297,126.37
15,918.46	Other receipts		5,584.05
<u>(266,589.52)</u>	Payments to suppliers and employees		<u>(267,717.05)</u>
<u>19,035.98</u>	Net cash provided by / (used in) operating activities	9	<u>35,669.02</u>
	Cash flow from investing activities		
<u>-</u>	Payments for property, plant and equipment		<u>(3,963.51)</u>
<u>-</u>	Net cash provided by / (used in) investing activities		<u>(3,963.51)</u>
19,035.98	Net increase / (decrease) in cash held		31,705.51
<u>46,214.70</u>	Cash at the beginning of the financial year		<u>65,250.68</u>
<u>65,250.68</u>	Cash at the end of the financial year	2	<u>96,956.19</u>

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 2017

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 & Equipment

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.

2016
\$

2017
\$

NOTE 2 - CURRENT ASSETS - CASH AND CASH EQUIVALENTS

65,050.68	Cash at Bank	96,756.19
<u>200.00</u>	Cash at Hand	<u>200.00</u>
<u>65,250.68</u>		<u>96,956.19</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>

2016
\$

2017
\$

NOTE 4 - CURRENT ASSETS - TRADE & OTHER RECEIVABLES

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

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

18,811.60	Plant & Equipment - at cost	17,223.90
<u>15,595.18</u>	Less: Accumulated Depreciation	<u>11,655.72</u>
<u>3,216.42</u>		<u>5,568.18</u>

NOTE 6 - CURRENT LIABILITIES - ACCOUNTS PAYABLES

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

NOTE 7 - CURRENT LIABILITIES - OTHER PAYABLES

6,316.27	Sundry Creditors	10,312.37
5,965.78	Annual Leave	6,251.97
6,012.60	GST Payable	8,231.70
-	Income in Advance	<u>5,000.00</u>
<u>18,294.65</u>		<u>29,796.04</u>

NOTE 8 - RETAINED PROFITS

38,633.12	Retained Profits at the Beginning of the Financial Year	51,947.45
7,522.73	Net Profit/(Loss) for the year	25,030.88
-	Other Comprehensive Income	-
5,791.60	Transfer from Sundry Payables	-
<u>51,947.45</u>	Retained Profits/(Loss) at the End of the Financial Year	<u>76,978.33</u>

NOTE 9 - RECONCILIATION OF CASH FLOWS

7,522.73	Operating Profit / (Loss) from Ordinary Activities	25,030.88
	<i>Non cash items</i>	
1,629.46	Amortisation and Depreciation	1,301.27
-	(Profit) / loss on sale of assets	310.48
	<i>Change in operating assets and liabilities</i>	
(275.00)	(Increase) / Decrease in Trade and Other Receivables	275.00
-	(Increase) / Decrease in Other Assets	-
2,750.00	Increase / (Decrease) in Accounts Payable	(2,750.00)
7,408.79	Increase / (Decrease) in Other Payable	11,501.39
<u>19,035.98</u>	Cash flows provided by / (used in) Operating Activities	<u>35,669.02</u>



THOMAS DAVIS & CO
CHARTERED ACCOUNTANTS
ESTABLISHED 1894

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

10 October, 2017

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, 2017 and have pleasure in furnishing herewith the following statements:-

- (1) Statement of Financial Position as at 30th June, 2017.
- (2) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2017.
- (3) Statement of Changes in Members' Funds for the year ended 30 June 2017.
- (4) Statement of Cashflows for the year ended 30 June 2017.
- (5) Notes to and Forming part of the Financial Statements for the year ended 30th June, 2017.
- (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, 2017.

Yours faithfully,

Thomas Davis & Co.



THOMAS DAVIS & CO
CHARTERED ACCOUNTANTS
ESTABLISHED 1894

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

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 2017 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.

THOMAS DAVIS & CO.

J.G. Ryan

J.G. RYAN PARTNER

Chartered Accountants

Sydney

10 October, 2017



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

Opinion

We have audited the financial report of Churches Housing Incorporated, which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in members' funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by committee of management .

In our opinion, the financial report of Churches Housing Incorporated has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including;

- (a) giving a true and fair view of the associations financial position as at 30 June, 2017 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and the Australian Charities and Not-for-profits Commission Regulation 2013.

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 association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (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.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling Churches Housing Incorporated's financial reporting responsibilities under the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Committee of Management for the Financial Report

The committee of management of Churches Housing Incorporated is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the needs of the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and is appropriate to meet the needs of the members. The committee of managements' responsibility also includes such internal control as the committee of management determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee of management is responsible for assessing Churches Housing Incorporated's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee of management either intend to liquidate Churches Housing Incorporated or to cease operations, or have no realistic alternative but to do so.

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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to audit 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.
- Conclude on the appropriateness of the Committee of Managements' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee of management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



THOMAS DAVIS & CO.



J.G. RYAN

PARTNER

Chartered Accountants

SYDNEY,

10 October, 2017

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Ecclesia Housing



Gethsemane Community Inc.



Habitat for Humanity NSW



Integricare



Parramatta Mission



Salvos Legal



The Salvation Army



Uniting



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Wesley Mission





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