



*Helping churches provide affordable housing.*



# Annual Report 2018



## **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 :**

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

The housing market (and its unaffordability) continue to be reported in the media on a regular basis. Despite the gloomy reports of a housing price crash (which ironically would make housing more affordable!!) and the seemingly never-ending supply of apartment buildings being constructed in many areas of Sydney, I feel that reports of a housing crash are overstated.

The population of New South Wales has hit 8 million (and Sydney has over 5 million). With population increases of around 1.7-1.9% a year, we are looking at an increase in Sydney alone of nearly 100,000 people each year. With an average household size of 2.6 people/household - just to keep pace, we need around 35,000-40,000 dwellings each year in Sydney alone.

Whilst there is an increase in the supply of housing (which I greatly support), most of this appears to be targeted at the middle- to upper-income households. As is often the case, it is those on lower incomes who suffer the most and are impacted disproportionately by the high cost of housing. We continue to support and be advocates for inclusionary zoning - and we will continue to prosecute this case.

In contrast to the apparent 'doom and gloom', this seems to be the season where

we are seeing the church sector make some major in-roads into providing affordable accommodation. If we look back a few years, we can see that Churches Housing has

often had a significant role in assisting these churches to move into providing affordable housing for those in need. It is encouraging to be able to look back, and to feel a sense of satisfaction that some of the earlier approaches are now bearing fruit.

Recently, a number of us were talking about some of the 'trendy' terminology that comes into vogue - particularly in dealing with our funding bodies. Two of the words that we are currently experiencing are 'collaboration' and 'community'. A quick lookup of an internet dictionary gives the following definitions.

Collaboration - the action of working with someone to produce something

Community - sharing or having certain attitudes and interests in common

When I look at our members, I feel that these two words capture how we operate. There is a genuine desire for us to support each other (regardless of denomination or location) and where possible, to provide direct assistance and sharing of information. In our own special way, I think that we have captured some of Paul's intentions to the church in Corinth, where he writes "Just as



a body, though one, has many parts, but all its many parts form one body, so it is with Christ” (1 Corinthians 12:12 NIV).

When Magnus and I meet with FACS, one of the questions that we are frequently asked is ‘How do we know that the funds that we provide you are resulting in more social and affordable housing?’

My response is to look at what is happening in the church sector right now. (Apologies for any significant omissions)

- The St Vincent de Paul Society - 500 units from SAHF Round 1
- BaptistCare - 500 units from SAHF Round 1
- Uniting - 500 units from SAHF Round 1
- Anglicare - Shortlisted for SAHF Round 2
- Wesley/Uniting - Shortlisted for SAHF Round 2

In addition, I am also aware of other initiatives from The Salvation Army and Churches of Christ - each of which do not involve government funding.

We all know that there is a lot more work to be done - however if we look at the SAHF respondents alone (assuming Round 2 proponents are successful), then we are looking at an additional 2,500 properties in the coming couple of years.

As Churches Housing looks towards the future, we are keen to see where we can continue to support our members where we can. With the upcoming supply of new ‘Affordable Housing Units’ from the SAHF, we have been working on the ‘WelcomeMat’ project - which we believe will greatly assist both churches and other Community Housing

Providers to source suitable tenants for their affordable housing.

We are also in early stages of looking at another initiative, which if successful, will allow our larger church providers to greatly increase the number of accommodation units on offer.

We remain thankful to the Department of Family and Community Services (FACS) for the funding and support that they provide Churches Housing, and we also welcome the opportunity to share with them the housing outcomes that are being delivered. In addition, we are also very thankful for funding programs such as the Social and Affordable Housing Fund (SAHF), which has enabled many of our members to deliver on their housing strategies.

On behalf of the board, I’d also like to take the opportunity to thank Magnus and his team, as they continue to serve each of us, as their member organisations. Thankyou to Rob, Kathy and Philippa (and a special welcome to you, Philippa).

Yours in Christ

Rob Burnelek



# Report - Chief Executive Officer

I give thanks to God for a great year that has seen some significant growth in the Church sector's contribution to social and affordable housing. Vinnies, BaptistCare and Uniting have been keeping incredibly busy after winning their bids to participate in the first round of the Social and Affordable Housing Fund, together delivering about 1,600 units of housing. Other church organisations have also been busy, from individual churches exploring development of housing, to entire denominations exploring how they can re-direct unused or aged assets for housing purposes.

I always try and remember that it is first and foremost God's mission to care for the poor, the marginalised, the vulnerable, the widow, the homeless, the asylum seeker. We can get very caught up in our own KPIs and models of sustainability or of good governance or business strategy - all good things - but sometimes at the expense of having a clear vision from God as to what He wants us to be doing for His people with His assets. At the end of the day it is not actually about our own organisations, but much more about the people we are seeking to serve in His name.

Churches Housing has had an exciting year in the area of innovation and we have

launched a new company trading under the name WelcomeMat. [welcomemat.com.au](http://welcomemat.com.au) will be a new on-line affordable housing platform, connecting people with affordable homes. Until now there has been no one place to which a person can go to actually find an affordable rental home, so we look forward to being a positive disruptor in this space. Currently we have been receiving encouraging feedback and assistance from the Community Housing sector, a new board for the new company has been established and we look forward to a more formal launch of the platform early in the new year.



Churches Housing has also been actively engaged and providing leadership and direction to the Sydney Alliance's Affordable Housing Team. In a partnership with

Vinnies, the Sydney Alliance has been able to establish 11 local teams working to positively advocate with their local councils and MPs for greater powers for councils to demand inclusion of affordable housing in larger developments. Many teams have also been organising local assemblies to demonstrate the depth of feeling within the electorate and for elected members to be reminded that the power really does rest with the people. In the leadup to both State and Federal elections, this is a crucial time

to be engaging with our communities and political leaders on affordable housing.

Finally, I would like to express thanks to a visionary and progressive board, ably led by our Chair Rob Burnelek. I also want to acknowledge Donna Easthorpe, who finished up with us this past year but has contributed much, especially in the advocacy space. We have also welcomed aboard Philippa Yelland as Research & Communications Officer and she has hit the

ground running. She has an extensive background in journalism and we look forward to her contribution. Meanwhile both Rob (Project Officer) and Kathy (Accounts) continue as unsung heroes in supporting both Churches Housing and our member organisations. We have new and exciting plans for the year ahead and we look forward to being on this journey with you, our members and stakeholders.

# Board Member Profiles



## Rob Burnelek

Rob Burnelek, chairman of Churches Housing, was recently appointed as General Manager - Housing for Anglicare Sydney to lead its community and affordable housing programs.

Before this, Rob established Axis Housing, a new social venture providing affordable housing through partnerships with investors, developers, churches and the private sector.

In 2013, he was general manager of the newly formed Salvos Housing to head 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 sought to extend this compassion through a range of transitional and affordable housing options.

Before joining Salvos Housing, Rob had various roles in the non-profit sector, particularly in the community and affordable housing sector. He was a consultant with Churches Housing, helping various churches in developing strategies to develop affordable housing.

Rob also has extensive experience in government-sponsored initiatives to increase the supply of affordable housing in the community, particularly the National Rental Affordability Scheme (NRAS). He directly prepared NRAS submissions for nine NRAS proposals, involving over 500 accommodation units. Before entering the non-profit sector, Rob had 20 years in the financial services and information technology industries.

Rob has a passion for working with churches to help them realise their mission through providing affordable housing.



## Brian Murnane

Brian Murnane has held both paid and voluntary positions in community organisations for the past 45 years. He was a local community representative on the then-Housing Commission's planning project to establish the public housing estates in Campbelltown during the 1970s. He has a deep understanding of the issues generated by the public housing estates, and has spent much of his working life engaged with people living on the estates

In 1982 Brian founded Argyle Community Housing and was Executive Manager-Development at Argyle until December 2010. In this position he coordinated the management transfer of 1,500 properties from Housing NSW to Argyle.

From January 1992 to December 1994, he was President of the St Vincent de Paul Society National Council. In this role he held a seat on the Society's International Council in Paris and participated in development projects throughout Southeast Asia.

Brian has served on ministerial advisory committees in the areas of homelessness, community housing, drug & alcohol and regional development.

In 2007, Brian co-founded BlueCHP Ltd which was established to provide property development services for five community housing member organisations.

From 2013 to the present he has been CEO St Vincent de Paul Housing Limited, which trades under the name of Amélie Housing.



## Susan King

Susan King is the manager of Advocacy and Research at Anglicare Sydney. Before this, she was attached to the University of Sydney in a research capacity in the Faculty of Economics.

Over the last nine years, she has implemented an advocacy agenda based on a strong evidence base arising from Anglicare's local services. Key research has centred on social exclusion and financial hardship, food and housing insecurity, children living in disadvantage and issues and interventions for carers.

One of the most compelling issues for people accessing services in the last six years has been access to affordable and sustainable accommodation.

The annual Rental Snapshot, conducted in collaboration with a number of Anglicare agencies, provides compelling evidence of housing stress.

Sue is firmly convinced that the best advocacy to government for changing policy, rests on a strong, well-researched evidence platform.





## Mike Furner

Mike Furner is the General Manager Housing & Retirement Living at BaptistCare - NSW & ACT. His focus since 2010 has been the establishment and growth of social and affordable housing within BaptistCare. Mike has had 30 years senior management experience in community development, health, rehabilitation, housing and aged care in NSW, the NT and Tasmania across metro, rural, remote and indigenous settings.



## Mark Khoo

Mark is co-founder of WelcomeMat Holdings Pty Ltd, an exciting new startup. Before this, he was a property partner at Salvos Legal, an award-winning social enterprise law firm owned by The Salvation Army.

Salvos Legal practices in commercial/property law to fund its free humanitarian legal service to the disadvantaged and marginalised.

Mark is also Fellow of the Australian Property Institute (FAPI) and a Member of the Law Society of NSW's Diversity & Inclusion Committee.

He is also a member of the society's management committee of All Together Now (an anti-racism charity).



## Michael Kerans

Michael has over 30 years' property industry experience including 12 years' consulting to and researching the development and financing of affordable housing.

Before this, he had 21 years in the unlisted and listed property trust sectors, principally for the ING Group. In 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.

In 2009 he received the Australian Property Institute medal for 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 licenced Real Estate Agent.



## Derek Yule

Derek Yule was the founding Executive Officer of Churches Housing Inc., where he served for 17 years. Previous work experience included 12 plus years with the CBA before moving into the field of church welfare.

Initially, Derek worked for Mission Australia 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 development and management of supported accommodation for young people. While still employed with Mission Australia he developed training programmes for young people at Green Valley, Campbelltown and Wollongong.

Then followed a period in pastoral ministry, before Derek moved back into the welfare sector for 9 years before commencing his work at Churches Housing Inc.

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 has also trained as a Spiritual Director.

Following Derek's retirement from Churches Housing, he was invited to become a member of the board of the company.

Board Meeting attendance 2017/18		
<i>Board Members</i>	<i>eligible</i>	<i>attended</i>
Rob Burnelek	6	6
Mike Furner	6	4
Sue King	6	4
Mark Khoo	6	5
Michael Kerans	6	6
Brian Murnane	6	4
Derek Yule	6	6



# **Financial Reports**

CHURCHES HOUSING INCORPORATED

FINANCIAL REPORT

For the year ended

30th June, 2018

The Accompanying notes form part of these Financial Statements





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

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

5 October, 2018

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, 2018 and have pleasure in furnishing herewith the following statements:-

- (1) Statement of Financial Position as at 30th June, 2018.
- (2) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2018.
- (3) Statement of Changes in Members' Funds for the year ended 30 June 2018.
- (4) Statement of Cashflows for the year ended 30 June 2018.
- (5) Notes to and Forming part of the Financial Statements for the year ended 30th June, 2018.
- (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, 2018.

Yours faithfully,

*Thomas Davis & Co.*



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Liability limited by a scheme approved under professional standards regulation



**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 2018**

<b>2017</b>			<b>2018</b>
<b>\$</b>			<b>\$</b>
		Notes	
	<b>CURRENT ASSETS</b>		
96,956.19	Cash and Cash Equivalents	2	84,680.88
4,250.00	Other	3	20,876.57
<u>-</u>	Trade and Other receivables	4	<u>467.50</u>
101,206.19	<b>TOTAL CURRENT ASSETS</b>		106,024.95
	<b>NON-CURRENT ASSETS</b>		
<u>5,568.18</u>	Plant & Equipment	5	<u>6,273.42</u>
<u>5,568.18</u>	<b>TOTAL NON-CURRENT ASSETS</b>		<u>6,273.42</u>
<u>106,774.37</u>	<b>TOTAL ASSETS</b>		<u>112,298.37</u>
	<b>CURRENT LIABILITIES</b>		
-	Accounts Payable	6	-
<u>29,796.04</u>	Other Payables	7	<u>20,865.41</u>
29,796.04	<b>TOTAL CURRENT LIABILITIES</b>		20,865.41
<u>-</u>	<b>NON-CURRENT LIABILITIES</b>		<u>-</u>
<u>-</u>			<u>-</u>
<u>29,796.04</u>	<b>TOTAL LIABILITIES</b>		<u>20,865.41</u>
<u>76,978.33</u>	<b>NET ASSETS</b>		<u>91,432.96</u>
	<b>MEMBERS FUNDS</b>		
<u>76,978.33</u>	Retained Profits/(Losses)	8	<u>91,432.96</u>
<u>76,978.33</u>	<b>TOTAL MEMBERS' FUNDS</b>		<u>91,432.96</u>

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



**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 2018**

<b>2017</b>		<b>2018</b>
<b>\$</b>		<b>\$</b>
	<b>INCOME</b>	
297,126.37	Government Grants Received	297,159.55
675.65	Interest Income	625.20
2,650.00	Membership Fees Income	2,600.00
1,615.00	Fee for Service Income	2,380.00
<u>1,044.05</u>	Miscellaneous Income	<u>5,181.79</u>
303,111.07	Total Income	307,946.54
	<b>EXPENDITURE</b>	
830.00	Audit Fees	850.00
471.79	Computer Software / Website Maintenance	1,563.40
3,635.00	Computer Support	2,208.00
10,439.47	Conferences & Meetings	11,470.88
1,301.27	Depreciation	2,403.75
923.43	Electricity Expenses	994.22
3,818.18	Insurance	3,690.00
310.48	Loss on Sale of Assets	-
530.00	Miscellaneous Expenses	451.08
1,987.64	Motor Vehicle Allowances	3,003.07
1,279.58	Office Supplies	2,198.51
194,967.00	Salaries & Wages	203,857.18
<u>286.19</u>	Provision for Annual & Long Service Leave	<u>805.72</u>

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

-	Staff Advertising	204.55
773.17	Staff Amenities	806.41
3,855.86	Staff Development Costs	3,104.20
339.64	Staff Functions/Gifts	205.28
18,522.14	Superannuation	19,369.50
1,022.30	Workers Compensation Insurance	1,414.25
7,893.00	Fringe Benefits Tax	7,566.36
19,931.94	Rent	22,632.22
1,849.99	Subscriptions	2,237.54
1,682.85	Telephone / Internet Expenses	1,436.22
<u>1,429.27</u>	Travel Expenses	<u>1,019.57</u>
278,080.19	Total Expenditure	293,491.91
<u>25,030.88</u>	<b>Profit/(Loss) from ordinary activities</b>	<u>14,454.63</u>
-	<b>Other Comprehensive Income for the year</b>	-
<u><b>25,030.88</b></u>	<b>Total Comprehensive Income for the year</b>	<u><b>14,454.63</b></u>
<u><b>25,030.88</b></u>	<b>Profit attributable to the members of the entity</b>	<u><b>14,454.63</b></u>
<u><b>25,030.88</b></u>	<b>Total Comprehensive Income attributable to members of the entity</b>	<u><b>14,454.63</b></u>

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

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

**STATEMENT OF CHANGES IN MEMBERS' FUNDS**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

	<b>Retained Profits/ (Losses)</b>	<b>Reserves</b>	<b>Total</b>
<b>Balance as at 30 June 2016</b>	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	-	-	-
<b>Balance as at 30 June 2017</b>	76,978.33	-	76,978.33
Profit attributable to the entity for the year	14,454.63	-	14,454.63
Total Other Comprehensive Income for the year	-	-	-
<b>Balance as at 30 June 2018</b>	<b>91,432.96</b>	<b>-</b>	<b>91,432.96</b>

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

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

<b>2017</b>		<b>Note</b>	<b>2018</b>
<b>\$</b>			<b>\$</b>
Inflows			Inflows
(Outflows)			(Outflows)
	<b>Cash flows from operating activities</b>		
675.65	Interest received		625.20
297,126.37	Grants received		297,159.55
5,584.05	Other receipts		9,694.29
(267,717.05)	Payments to suppliers and employees		(301,645.36)
<u>35,669.02</u>	<b>Net cash provided by / (used in) operating activities</b>	9	<u>5,833.68</u>
	<b>Cash flow from investing activities</b>		
-	Payments for investments		(15,000.00)
(3,963.51)	Payments for property, plant and equipment		(3,108.99)
<u>(3,963.51)</u>	<b>Net cash provided by / (used in) investing activities</b>		<u>(18,108.99)</u>
31,705.51	Net increase / (decrease) in cash held		(12,275.31)
65,250.68	Cash at the beginning of the financial year		96,956.19
<u>96,956.19</u>	<b>Cash at the end of the financial year</b>	2	<u>84,680.88</u>

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

**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 2018**

**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.

**2017**  
**\$**

**2018**  
**\$**

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

96,756.19	Cash at Bank	84,480.88
200.00	Cash at Hand	200.00
<u>96,956.19</u>		<u>84,680.88</u>

### NOTE 3 - CURRENT ASSETS - OTHER

4,250.00	Security Deposit - Bond	4,250.00
-	Prepayments	1,626.57
-	Deposit - Welcome Mat shares	15,000.00
<u>4,250.00</u>		<u>20,876.57</u>

2017  
\$

2018  
\$

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

-	Trade & Other Receivables	467.50
-		467.50

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

17,223.90	Plant & Equipment - at cost	18,090.24
11,655.72	Less: Accumulated Depreciation	11,816.82
5,568.18		6,273.42

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

-	Accounts Payable	-
-		-

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

10,312.37	Sundry Creditors	8,317.32
6,251.97	Annual Leave	7,057.69
8,231.70	GST Payable	5,490.40
5,000.00	Income in Advance	-
29,796.04		20,865.41

**NOTE 8 - RETAINED PROFITS**

51,947.45	Retained Profits at the Beginning of the Financial Year	76,978.33
25,030.88	Net Profit/(Loss) for the year	14,454.63
-	Other Comprehensive Income	-
76,978.33	Retained Profits/(Loss) at the End of the Financial Year	91,432.96

2017  
\$

2018  
\$

**NOTE 9 - RECONCILIATION OF CASH FLOWS**

25,030.88	Operating Profit / (Loss) from Ordinary Activities	14,454.63
	<i>Non cash items</i>	
1,301.27	Amortisation and Depreciation	2,403.75
310.48	(Profit) / loss on sale of assets	-
	<i>Change in operating assets and liabilities</i>	
275.00	(Increase) / Decrease in Trade and Other Receivables	(467.50)
-	(Increase) / Decrease in Other Assets	(1,626.57)
(2,750.00)	Increase / (Decrease) in Accounts Payable	-
11,501.39	Increase / (Decrease) in Other Payable	(8,930.63)
<u>35,669.02</u>	Cash flows provided by / (used in) Operating Activities	<u>5,833.68</u>

**NOTE 10 - OPERATING LEASES**

Non-cancellable operating lease rentals are payable as follows:

-	Less than one year	19,510.94
-	Between one and five years	25,884.06
-		<u>45,395.00</u>

**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 2018;
- (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



MICHAEL KERANS

SYDNEY,

5 October, 2018



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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 2018 there have been:

- (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

5 October, 2018



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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 2018, 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, 2018 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.

A member of



Independent legal & accounting firms

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CHARTERED ACCOUNTANTS  
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## 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,

5 October, 2018

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Affordable Housing Australia



Amelie Housing



Anglicare Sydney



Anglicare North Coast



Axis Housing



Baptistcare NSW/ACT



Careworks



Catholic Diocese of Maitland-Newcastle



Ecclesia Housing



Habitat for Humanity NSW



Gethsemane Community Inc.



Ashfield Baptist Homes



Anglicare NSW South West ACT



Integricare



Muslim Care



Parramatta Mission



Salvos Legal



The Salvation Army



Samaritans



Uniting



Wesley Mission





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*Helping churches provide affordable housing.*