



**Faith
Housing
Alliance**

Financial Report

2022

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FAITH HOUSING ALLIANCE INCORPORATED
(Formerly Churches Housing Incorporated)
A.B.N. 94 142 146 245

FINANCIAL REPORT

For the year ended

30th June, 2022



THOMAS DAVIS & CO
CHARTERED ACCOUNTANTS
ESTABLISHED 1894

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mail@thomasdavis.com.au

28 September, 2022

The Committee of Management of the Association,
Faith Housing Alliance Incorporated
Unit 405, Tower B "Sky City" Building
20 Lexington Drive
BELLA VISTA N.S.W. 2128

Dear Sirs

We have completed our examination of Faith Housing Alliance Incorporated's books of account for the year ended 30th June, 2022 and have pleasure in furnishing herewith the following statements:-

- (1) Statement of Financial Position as at 30th June, 2022.
- (2) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2022.
- (3) Statement of Changes in Members' Funds for the year ended 30 June 2022.
- (4) Statement of Cashflows for the year ended 30 June 2022.
- (5) Notes to and Forming part of the Financial Statements for the year ended 30th June, 2022.
- (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, 2022.

Yours faithfully,

Thomas Davis & Co.

A member of



Independent legal & accounting firms

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CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

FAITH HOUSING ALLIANCE INCORPORATED
A.B.N. 94 142 146 245

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2022

2021 \$		Notes	2022 \$
	CURRENT ASSETS		
125,477.48	Cash and Cash Equivalents	2	120,982.28
8,050.00	Other	3	6,519.53
-	Trade and Other receivables	4	-
<u>133,527.48</u>	TOTAL CURRENT ASSETS		<u>127,501.81</u>
	NON-CURRENT ASSETS		
6,732.33	Plant & Equipment	5	13,538.56
-	Right-of-use Assets	6	22,623.00
30,000.00	Financial Assets	7	10,000.00
<u>36,732.33</u>	TOTAL NON-CURRENT ASSETS		<u>46,161.56</u>
<u>170,259.81</u>	TOTAL ASSETS		<u>173,663.37</u>
	CURRENT LIABILITIES		
-	Lease Liabilities		17,136.00
19,742.98	Other Payables	8	26,941.09
20,000.00	Contract Liabilities	9	-
-	Provisions	10	4,048.51
<u>39,742.98</u>	TOTAL CURRENT LIABILITIES		<u>48,125.60</u>
	NON-CURRENT LIABILITIES		
10,693.99	Lease Liabilities		5,953.00
10,693.99	Provisions	11	-
<u>50,436.97</u>	TOTAL NON-CURRENT LIABILITIES		<u>5,953.00</u>
<u>119,822.84</u>	TOTAL LIABILITIES		<u>54,078.60</u>
	NET ASSETS		<u>119,584.77</u>
	MEMBERS FUNDS		
119,822.84	Retained Profits/(Losses)	12	119,584.77
<u>119,822.84</u>	TOTAL MEMBERS' FUNDS		<u>119,584.77</u>

The accompanying notes form part of these Financial Statements

FAITH HOUSING ALLIANCE INCORPORATED
A.B.N. 94 142 146 245

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2022**

2021		2022
\$		\$
	INCOME	
325,067.52	Government Grants Received (Recurrent)	335,207.12
8,000.00	Other Grants Received	27,000.00
73.85	Interest Income	32.45
2,300.00	Membership Fees Income	-
1,062.50	Fee for Service Income	5,392.50
16,416.00	Government Stimulus - Cash Flow Boost	-
<u>352,919.87</u>	Total Income	<u>367,632.07</u>
	EXPENDITURE	
950.00	Audit Fees	1,000.00
10,805.00	Computer Software / Website Maintenance	32,818.71
1,588.02	Contactors & Consultants	5,300.00
1,682.61	Conferences & Meetings	7,453.26
2,364.73	Depreciation and Amortisation	14,295.62
738.36	Electricity Expenses	604.19
5,000.00	Impairment Loss on Financial Asset	20,000.00
4,596.59	Insurance	5,495.04
-	Interest Lease	1,155.00
4,600.00	Legal Fees	6,703.27
461.66	Loss on Sale of Assets	1,168.15
1,305.00	Marketing & Communication	29,060.00
8,000.00	Mercy Foundation Grant Expenses	-
99.00	Miscellaneous Expenses	1,282.38
99.43	Motor Vehicle Allowances	172.57
716.75	Office Supplies	1,525.57
234,619.43	Salaries & Wages	200,724.87
(20,580.43)	Provision for Annual & Long Service Leave	(4,220.06)
-	Research Project Expenses	7,045.45
24,500.00	Staff Advertising	-
932.46	Staff Amenities, Functions & Gifts	308.32
1,299.09	Staff Development Costs	(1,579.31)
19,520.68	Superannuation	18,883.53
1,779.66	Workers Compensation Insurance	1,967.05
6,076.05	Fringe Benefits Tax	-
23,049.49	Rent	11,385.23
-	Relocation Expenses	1,437.47
2,059.99	Subscriptions	1,809.08
922.26	Telephone / Internet Expenses	1,676.10
216.12	Travel Expenses	398.65
<u>337,401.95</u>	Total Expenditure	<u>367,870.14</u>
<u>15,517.92</u>	Profit/(loss) from ordinary activities	<u>(238.07)</u>
-	Other Comprehensive Income for the year	-
<u>15,517.92</u>	Total Comprehensive Income for the year	<u>(238.07)</u>
<u>15,517.92</u>	Profit/(loss) attributable to the members of the entity	<u>(238.07)</u>
<u>15,517.92</u>	Total Comprehensive Income attributable to members of the entity	<u>(238.07)</u>

The accompanying notes form part of these Financial Statements

FAITH HOUSING ALLIANCE INCORPORATED
A.B.N. 94 142 146 245

STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE YEAR ENDED 30TH JUNE 2022

	Retained Profits/ (Losses)	Total
Balance as at 30 June 2020	104,304.92	104,304.92
Profit/(loss) attributable to the entity for the year	15,517.92	15,517.92
Total Other Comprehensive Income for the year	-	-
Balance as at 30 June 2021	119,822.84	119,822.84
Profit/(loss) attributable to the entity for the year	(238.07)	(238.07)
Total Other Comprehensive Income for the year	-	-
Balance as at 30 June 2022	119,584.77	119,584.77

The accompanying notes form part of these Financial Statements

FAITH HOUSING ALLIANCE INCORPORATED
A.B.N. 94 142 146 245

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2022

2021 \$ Inflows (Outflows)		Note	2022 \$ Inflows (Outflows)
	Cash flows from operating activities		
73.85	Interest received		32.45
353,067.52	Grants received		342,207.12
23,064.50	Other receipts		5,392.50
-	Interest paid		(1,155.00)
(354,262.85)	Payments to suppliers and employees		(329,168.27)
<u>21,943.02</u>	Net cash provided by / (used in) operating activities	11	<u>17,308.80</u>
	Cash flow from investing activities		
(2,596.37)	Payments for property, plant and equipment		(10,959.00)
<u>(2,596.37)</u>	Net cash provided by / (used in) investing activities		<u>(10,959.00)</u>
	Cash flow from financing activities		
-	Lease repayments		(10,845.00)
<u>-</u>	Net cash provided by / (used in) financing activities		<u>(10,845.00)</u>
19,346.65	Net increase / (decrease) in cash held		(4,495.20)
106,130.83	Cash at the beginning of the financial year		125,477.48
<u>125,477.48</u>	Cash at the end of the financial year	2	<u>120,982.28</u>

The accompanying notes form part of these Financial Statements

FAITH HOUSING ALLIANCE INCORPORATED
A.B.N. 94 142 146 245

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2022

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 because there no users dependent on general purpose financial statements and have been prepared in accordance with the relevant applicable Accounting Standards and other mandatory professional reporting requirements.

Statement of Compliance

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not-for-profits Commission Act 2012, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101: Presentation of Financial Statements, AASB 107: Cash Flow Statements, AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors, AASB 1031: Materiality and AASB 1054: Australian Additional Disclosures.

The association has concluded that the requirements set out in AASB 10 and AASB 128 are not applicable as the initial assessment on its interests in other entities indicate that it does not have any subsidiaries, associates or joint ventures. Hence, the financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards.

Basis of Preparation

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Significant Accounting Policies

Going Concern

The financial statements have been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Committee of Management consider that the associations financial statements be prepared as a going concern on the basis that expected government funding will continue to be provided.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of taxes paid. Revenue is recognised for items as follows:

Grants and Donations

Contributed assets

If the association receives assets from the government and other parties for nil or nominal consideration in order to further its objectives, these assets would be recognised in accordance with the recognition requirement of other applicable standards (AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, the association recognises related amounts (being contribution from owners, lease liabilities, financial instruments, revenue or contract liabilities arising from a contract with a

The association recognises income immediately in profit and loss and the difference between the initial carrying amount and the asset and the related amount.

FAITH HOUSING ALLIANCE INCORPORATED
A.B.N. 94 142 146 245

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2022

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

Revenue Recognition (continued)

Operating grants and donations

When the association receives operating grant revenue or donations, it assesses whether the contract is enforceable and has sufficient specific performance obligations in accordance with AASB 15. When both these conditions are satisfied the association identifies each performance obligation relating to the grant, recognises a contract liability for these obligations and recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations the association either recognises the asset received in accordance with the requirements of other applicable accounting standards, recognises related amounts or recognises income immediately in profit and loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the association recognises income in profit and loss when or as it satisfies its obligations under the contract.

Investment Income

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

Other Income

Other revenue is recognised when the right to receive the revenue has been established.

Income Tax

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

Trade and Other Receivables

Trade receivables and other debtors are recognised at fair value less provision for doubtful debts. Trade receivables are due for settlement based on normal terms of credit from the date of invoice.

Goods and Services Tax

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.

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%

FAITH HOUSING ALLIANCE INCORPORATED
A.B.N. 94 142 146 245

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2022

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

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 Association 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, 2022. 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.

Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself either purchase or sell the asset (trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Trade receivables are initially measured at transaction price if the trade receivables do not contain significant financing components.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between the initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

FAITH HOUSING ALLIANCE INCORPORATED
A.B.N. 94 142 146 245

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2022

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

Financial Instruments (continued)

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

As per AASB 9 an expected credit loss model is applied, and not an incurred credit loss model as per the previous applicable standard (AASB 139). To reflect changes in credit risk, this expected credit loss model requires the association to account for expected credit losses since initial recognition.

AASB 9 also determines that a loss allowance for expected credit loss be recognised on debt investments subsequently measured at amortised cost or at fair value through other comprehensive income, lease receivables, contract assets, loan commitments and financial guarantee contracts as the impairment provision would apply to them.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing financial difficulty default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

If the credit risk on a financial instrument did not show significant change since initial recognition, an expected credit loss amount equal to the 12 month expected credit loss is used. However, a loss allowance is recognised at an amount equal to the lifetime expected credit loss if the credit risk on that financial instrument has increased significantly since initial recognition, or if the instrument is an acquired credit-impaired financial asset.

The association has adopted the simple approach under AASB 9 in relation to trade receivables, as the loss allowance is measured at the lifetime expected credit loss.

The association reviewed and assessed the existing financial assets and it was determined that there was no significant change in credit risk from the date they were initially recognised and no adjustment was required.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Leases

Leases are recognised under Accounting Standard AASB 16: Leases. Applicable leases whether finance or operating in nature are to be recognised on the statement of financial position as liabilities with corresponding right-of-use assets. These leases are measured at their net present values and include future lease payments under an option where that option is reasonably expected to be taken up. The leases are amortised on a straight-line basis over the term of the lease. For operating leases that do not need to meet the requirements under this standard being leases that are less than 12 months or of minor values, and where substantially all the risks and benefits remain with the lessor, these are recognised as expenses over the term of the lease.

Economic Dependence

The Association is dependent on government funding for financial support.

Comparative Figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

New and Amended Accounting Policies

The association has considered all new and amended accounting standards effective from 1 July, 2021.

FAITH HOUSING ALLIANCE INCORPORATED
A.B.N. 94 142 146 245

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2022

2021 \$		2022 \$
NOTE 2 - CURRENT ASSETS - CASH AND CASH EQUIVALENTS		
125,477.48	Cash at Bank	120,982.28
<u>125,477.48</u>		<u>120,982.28</u>
NOTE 3 - CURRENT ASSETS - OTHER		
4,250.00	Security Deposit - Bond	6,050.00
3,800.00	Prepayments	469.53
<u>8,050.00</u>		<u>6,519.53</u>
NOTE 4 - CURRENT ASSETS - TRADE & OTHER RECEIVABLES		
<u>-</u>	Trade & Other Receivables	<u>-</u>
NOTE 5 - NON-CURRENT ASSETS - PROPERTY, PLANT & EQUIPMENT		
22,452.59	Plant & Equipment - at cost	22,391.05
15,720.26	Less: Accumulated Depreciation	8,852.49
<u>6,732.33</u>		<u>13,538.56</u>
NOTE 6 - NON-CURRENT ASSETS - RIGHT-OF-USE ASSETS		
The association's lease relates to leased premises which is recognised under AASB 16 in the statement of financial position.		
-	Leased Buildings	33,934.00
<u>-</u>	Less: Accumulated Amortisation	11,311.00
<u>-</u>		<u>22,623.00</u>
Related amounts recognised in the statement of profit or loss		
-	Amortisation charge on right-of-use assets	11,311.00
<u>-</u>	Interest expense on lease liabilities	<u>1,155.00</u>
NOTE 7 - NON-CURRENT ASSETS - FINANCIAL ASSETS		
50,000.00	WelcomeMat Holdings Pty Limited - Shares (at cost)	50,000.00
<u>(20,000.00)</u>	Less: Provision for Impairment	<u>(40,000.00)</u>
<u>30,000.00</u>		<u>10,000.00</u>
NOTE 8 - CURRENT LIABILITIES - OTHER PAYABLES		
7,224.78	Sundry Creditors	15,690.33
6,091.49	Annual Leave	8,516.91
6,426.71	GST Payable	2,733.85
<u>19,742.98</u>		<u>26,941.09</u>

FAITH HOUSING ALLIANCE INCORPORATED
A.B.N. 94 142 146 245

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2022

2021 \$		2022 \$
NOTE 9 - CURRENT LIABILITIES - CONTRACT LIABILITIES		
20,000.00	Income in Advance	-
<u>20,000.00</u>		<u>-</u>
NOTE 10 - CURRENT LIABILITIES - PROVISIONS		
-	Long Service Leave	4,048.51
<u>-</u>		<u>4,048.51</u>
NOTE 11 - NON-CURRENT LIABILITIES - PROVISIONS		
10,693.99	Long Service Leave	-
<u>10,693.99</u>		<u>-</u>
NOTE 12 - RETAINED PROFITS/(LOSSES)		
104,304.92	Retained Profits at the Beginning of the Financial Year	119,822.84
15,517.92	Net Profit/(Loss) for the year	(238.07)
-	Other Comprehensive Income	-
<u>119,822.84</u>	Retained Profits/(Loss) at the End of the Financial Year	<u>119,584.77</u>
NOTE 13 - RECONCILIATION OF CASH FLOWS		
15,517.92	Operating Profit / (Loss) from Ordinary Activities	(238.07)
	<i>Non cash items</i>	
2,364.73	Amortisation and Depreciation	14,295.62
5,000.00	Impairment loss on financial asset	20,000.00
461.66	(Profit) / loss on sale of assets	1,168.15
	<i>Change in operating assets and liabilities</i>	
3,286.00	(Increase) / Decrease in Trade and Other Receivables	-
(3,800.00)	(Increase) / Decrease in Other Assets	1,530.47
(3,195.88)	Increase / (Decrease) in Other Payable	7,198.11
20,000.00	Increase / (Decrease) in Income in Advance	(20,000.00)
<u>(17,691.41)</u>	Increase / (Decrease) in Provisions	<u>(6,645.48)</u>
<u>21,943.02</u>	Cash flows provided by / (used in) Operating Activities	<u>17,308.80</u>

NOTE 14 - FINANCIAL ASSET

The Association holds shares in WelcomeMat Holdings Pty Limited with the total investment amounting to \$50,000. A review of the value of the investment indicates that the recoverable value is less than the carrying value and therefore is impaired. An impairment of \$40,000 has been brought to account as at 30 June 2022 on the basis of valuing the investment at its estimated current value at balance date.

NOTE 15 - EVENTS SUBSEQUENT TO THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company in financial years subsequent to the financial year ended 30 June 2022.

FAITH HOUSING ALLIANCE 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 2022;
- (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 Furner

SYDNEY, 28 September
_____ 2022



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FAITH HOUSING ALLIANCE INCORPORATED
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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 2022 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

28 September, 2022

A member of



Independent legal & accounting firms

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

FAITH HOUSING ALLIANCE 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 2022, 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, 2022 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.

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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,

28 September, 2022

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