

The Salvation Army Community Housing Service
ABN 47 152 257 728 (a company limited by guarantee)

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The Salvation Army Community Housing Service
ABN 47 152 257 728 (a company limited by guarantee)
Directors' report for the year ended 30 June 2016

The directors present their report together with the financial report of The Salvation Army Community Housing Service ("the Company") for the year ended 30 June 2016 and the auditor's report thereon.

The Salvation Army Community Housing Service is a not-for-profit community housing provider established in July 2011. The sole member of the Company is The Salvation Army (NSW) Property Trust, which forms part of The Salvation Army Australia Eastern Territory ("TSA").

The key regulation which affects The Salvation Army Community Housing Service is the Australian Charities and Not-for-profit Commissions Act 2012.

The Salvation Army Community Housing Service is a community housing provider which employs professional staff to assist the provision of affordable housing.

Directors

The directors in office at the date and during the financial year of this report are:

Directors	Period of Appointment	Qualifications	Number of Directors meetings eligible to attend	Number attended
Mr Ian Costley Chairperson	Oct 2014 to current		8	8
Major Cecil Reuben Woodward Secretary	July 2011 to current	BSW (Hons), Dip HR, MSWAP, MBA)	8	8
Mr Ian Minnett Director	July 2011 to current	BCom, FCA, GAICD	8	7
Lt-Col Laurie Robertson Non Executive Director	April 2013 to current		8	5
Mr Peter Michael Alward Non Executive Director	July 2011 to current	Dip in Business & Real Estate Management, Licensed Real Estate Agent, Justice of the Peace NSW	8	8
Ms Natalee O'Brien Non Executive Director	April 2013 to February 2016	Dip in Youth Work, Dip in AOD, BA Social Science	5	3
Mr Chris Deighton Non Executive Director	October 2015 to current	Dip Com Serv M/ment, Grad Cert M/ment NFP's	7	7

Directors' Experience

Major Cecil Reuben Woodward

Major Woodward has 43 years experience as an Officer of The Salvation Army as a leader and manager of local and regional churches.

Mr Ian Minnett

Mr Minnett has many years experience in the private and not-for-profit sectors. Mr Minnett is currently the Chief Financial Officer of The Salvation Army Australia Eastern Territory and a Trustee of The Salvation Army Property Trusts - NSW & QLD. He is also a Board Member for Employment Plus and Aged Care Plus' Board of Management with The Salvation Army.

Lieutenant-Colonel Laurie Robertson

Lieutenant-Colonel Laurie Robertson has 35 years experience as an Officer of The Salvation Army as a leader and program secretary of local and regional churches and is currently a Trustee for The Salvation Army Property Trusts - NSW & QLD.

Mr Peter Michael Alward

Mr Alward has many years experience in the private, public and not-for-profit sectors. Mr Alward is currently a Trustee of The Salvation Army Property Trusts - NSW & QLD and also a member of Aged Care Plus' Board of Management with The Salvation Army.

Mr Chris Deighton

Chris has many years experience in social work and has been employed with The Salvation Army for 6 years. He recently began the position of Qld Operations Manager Accommodation and Housing Services for The Salvation Army Territorial Social Department.

Ms Natalee O'Brien

Ms O'Brien has many years experience in social work and has been employed with The Salvation Army for 13 years. She is currently the Assistant Territorial Social Program Director for The Salvation Army.

The Salvation Army Community Housing Service
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Directors' report for the period ended 30 June 2016

Principal activities

The Company's principal activity is to provide accommodation and support for low income households on a not for profit basis, particularly for households in financial need or who have at the time specific physical, mental or social disabilities which impede their acquisition or successful use of private or public housing.

Review of Operations

The net operating surplus of the Company for the financial year is \$300,024. (2015: deficit \$317,699).

State of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in the report or the financial statements.

Environmental regulations and performance

The Company's operations are not regulated by any significant environmental regulations under either Commonwealth or State Legislation.

Events subsequent to balance date

No matters or circumstances have arisen since 30 June 2016 which have significantly affected, or will adversely affect the results of the Company in subsequent financial years.

Likely developments

In the opinion of the directors, there are no likely changes in the operations of the Company which will adversely affect the results of the Company in subsequent financial years.

Insurance of Officers

The Company has insured the directors for any potential claims arising from their work as directors of the Company. The directors have not included the details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

Members/Winding Up

Each person who is a Member, and each person who was a Member during the year ending on the day of the commencement of the winding up of the Company, undertakes to contribute to the property of the Company for:

- payment of debt and liabilities of the Company
- payment of the costs, charges and expenses of the winding up; and
- any adjustment of the rights of the contributories among Members

If the Company is wound up, the liability of the members is limited to the nominal amount that they have guaranteed.

Going concern

As at 30 June 2016, the Company reported a net surplus of \$300,024 (2015: deficit of \$317,699) and net assets of \$0 (2015: net liabilities of \$300,024).

The financial report of the Company has been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The financial report has been prepared on a going concern basis as a result of the following:

- The member of the Company, The Salvation Army (NSW) Property Trust has provided a letter of support confirming that it will provide financial assistance to the Company as and when is needed to enable the Company to continue its operations and fulfil all of its financial obligations. This undertaking is provided by The Salvation Army (NSW) Property Trust for the minimum of the twelve months from the date of the signing of the financial statements.
- The Salvation Army (NSW) Property Trust has also provided in the Letter of Support that it will not call for the payment of any amounts payable by the Company for the minimum of the twelve months from the date of the signing of the financial statements.
- The Salvation Army (NSW) Property Trust acknowledges that the Company may be or become insolvent without the financial support offered in the letter of support and that the Company will rely on the Letter of Support in continuing to trade.

The directors have therefore concluded that it is appropriate to prepare the financial report on a going concern basis. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

The Salvation Army Community Housing Service
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Directors' report for the period ended 30 June 2016

Auditor's independence declaration

The auditor's independence declaration is set out on page 16 and forms part of the Directors' report for the period ended 30 June 2016.

Signed in accordance with a resolution of the Board of Directors.



IC Minnett (BCom, FCA, GAICD)
Director

Dated at Sydney on the 2 November 2016



PM Alward (Dip Business & Real Estate)
Non Executive Director

Dated at Sydney on the 2 November 2016

The Salvation Army Community Housing Service
ABN 47 152 257 728 (a company limited by guarantee)
Statement of Comprehensive Income
For the year ending 30 June 2016

	Notes	2016 \$	2015 \$
Revenue	3	1,016,156	638,683
Other income	4	424,333	55,254
Total revenue		<u>1,440,489</u>	<u>693,937</u>
Expenses			
Interest		10,472	-
Depreciation		399	77
Amortisation		30,716	30,716
Motor vehicles		39,894	34,511
Professional fees		13,888	8,466
Property maintenance		257,223	223,696
Employees salaries & oncosts	5	425,677	340,965
Travel		18,451	14,974
Telecommunication		16,760	15,767
Administration		25,494	74,840
Accounting fees		100,703	96,001
Other property costs		200,788	171,623
Total expenses		<u>1,140,465</u>	<u>1,011,636</u>
Surplus / (Deficit) for the year		<u>300,024</u>	<u>(317,699)</u>
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		<u>300,024</u>	<u>(317,699)</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

The Salvation Army Community Housing Service
ABN 47 152 257 728 (a company limited by guarantee)
Statement of Financial Position
As at 30 June 2016

	Notes	2016 \$	2015 \$
Current assets			
Cash and cash equivalents	6	518,441	995,763
Trade and other receivables	7	72,111	47,179
		<u>590,552</u>	<u>1,042,941</u>
Non-current assets			
Plant & equipment	8	3,724	573
Intangible assets	9	85,019	92,147
		<u>88,743</u>	<u>92,720</u>
Total assets		<u>679,295</u>	<u>1,135,662</u>
Current liabilities			
Trade and other payables	10	591,418	1,394,751
Provisions	11	37,255	18,293
Other liabilities	12	50,622	22,642
		<u>679,295</u>	<u>1,435,686</u>
Total liabilities		<u>679,295</u>	<u>1,435,686</u>
Net liabilities		<u>-</u>	<u>(300,024)</u>
Equity			
Accumulated Deficit		-	(300,024)
Total equity		<u>-</u>	<u>(300,024)</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

The Salvation Army Community Housing Service
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Statement of Changes in Equity
for the year ended 30 June 2016

	Equity \$
Balance at 1 July 2014	17,675
Surplus / (Deficit) for the year	(317,699)
Other comprehensive income	-
Total comprehensive income for the year	-
Balance at 30 June 2015	<u>(300,024)</u>
Balance at 1 July 2015	(300,024)
Surplus / (Deficit) for the year	300,024
Other comprehensive income	-
Total comprehensive income for the year	-
Balance at 30 June 2016	<u>-</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

The Salvation Army Community Housing Service
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Statement of Cash Flows
For the year ending 30 June 2016

	Notes	2016 \$	2015 \$
Operating activities			
Rental income		866,033	597,237
Tenant contributions		16,209	10,017
Management fees		23,129	16,025
Government		-	15,404
Other income		41,917	52,882
Payments to suppliers and employees		(1,402,740)	(46,856)
Interest paid		(21,266)	(11,886)
Net cash provided by / (used in) operating activities		<u>(476,718)</u>	<u>632,823</u>
Investing activities			
Purchase of plant and equipment		(15,624)	-
Interest received		15,020	13,121
Net cash provided by / (used in) investing activities		<u>(604)</u>	<u>13,121</u>
Net change in cash and cash equivalents		(477,322)	645,944
Cash and cash equivalents at the beginning of the year		995,763	349,819
Cash and cash equivalents at the end of the year	6	<u>518,441</u>	<u>995,763</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

The Salvation Army Community Housing Service
ABN 47 152 257 728 (a company limited by guarantee)
Notes to the financial statements
30 June 2016

1 General information and statement of compliance

- (a)** The financial report includes the financial statements and notes of The Salvation Army Community Housing Service.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012. The Salvation Army Community Housing Service is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements for the year ended 30 June 2016 were approved and authorised for issue by the Directors on 2 November 2016

(b) Going concern

As at 30 June 2016, the Company reported an operating surplus of \$300,024 (2015: deficit of \$317,699) and net assets of \$0 (2015: net assets deficit of \$300,024).

The financial report of the Company has been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The financial report has been prepared on a going concern basis as a result of the following:

- The member of the Company, The Salvation Army (NSW) Property Trust has provided a letter of support confirming that it will provide financial assistance to the Company as and when is needed to enable the Company to continue its operations and fulfil all of its financial obligations. This undertaking is provided by The Salvation Army (NSW) Property Trust for the minimum of the twelve months from the date of the signing of the financial statements.
- The Salvation Army (NSW) Property Trust has also provided in the Letter of Support that it will not call for the payment of any amounts payable by the Company for the minimum of the twelve months from the date of the signing of the financial statements.
- The Salvation Army (NSW) Property Trust acknowledges that the Company may be or become insolvent without the financial support offered in the letter of support and that the Company will rely on the Letter of Support in continuing to trade.

The directors have therefore concluded that it is appropriate to prepare the financial report on a going concern basis. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

The Salvation Army Community Housing Service
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Notes to the financial statements
30 June 2016

2 Summary of accounting policies

(a) Overall considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by Australian Accountant Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

(b) Revenue recognition

Revenue comprises rental income, tenant contributions, management fees, Housing NSW income and interest income.

Revenue is measured by reference to the fair value of consideration received or receivable by the Company for services provided, excluding goods and services tax (GST) payable to the Australian Taxation Office.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Company's different activities have been met. Details of the activity-specific recognition criteria are described below.

(i) Rental Income

Rental income from the provision of housing is recognised upon the delivery of services to tenants.

(ii) Tenant Contributions

Tenant Contributions are recognised as revenue when received and are collected exclusive of goods and services tax (GST).

(iii) Management Fees

Management fees are recognised as revenue when received for services provided to third parties.

(iv) Housing NSW Income

Income from Housing New South Wales (NSW) is recognised as revenue when received.

(v) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(c) Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

(d) Income tax

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

(d) Cash and cash equivalents

Cash and cash equivalents comprise of cash balances with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short term commitments. These include mainly cash at bank.

(e) Trade & other receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. The majority of receivables are due for settlement 7 days in advance being for rent.

Collectability of debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

The Salvation Army Community Housing Service
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Notes to the financial statements
30 June 2016

2 Summary of significant accounting policies (con't)

(f) Plant & equipment

Plant & equipment are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management.

Plant and equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of plant and equipment. The following useful lives are applied:

- Plant & equipment: 5 years

Material residual value estimates and estimates of useful lives are updated as required, but at least annually.

Gains or losses arising on the disposal of plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

(g) Intangible assets

Recognition

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install specific software.

Subsequent measurement

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date as well as being subject to impairment testing. The following useful lives are applied:

- Software: 5 years

Amortisation has been included in the statement of comprehensive income in the amortisation expense.

Subsequent expenditures on the maintenance of computer software and brand names are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in the statement of profit or loss and other comprehensive income within other income or other expenses.

(h) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid under normal business terms.

The Salvation Army Community Housing Service
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Notes to the financial statements
30 June 2016

2 Summary of significant accounting policies (con't)

(i) Employee benefits

Short term employee benefits that are expected to be wholly settled within 12 months of the reporting date, are recognised as current liabilities in respect of employees' services up to the reporting date and measured on an undiscounted basis and expensed as the related service is provided.

The Salvation Army Community Housing Service provides post-employment benefits through defined contribution plans.

(j) Deferred income

The Salvation Army Community Housing Service recognises revenue upon delivery of services to tenants. Payments received in advance from tenants for services occurring in future periods are recorded as deferred income and are recognised as revenue when the services have been provided.

(k) Good and services tax

Revenues, expenses and assets are recognised net of the amounts of goods and service tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Cash Flows are included in the statement of cash flows on a gross basis.

(l) Resident bonds

The Salvation Army Community Housing Service collects bonds from tenants on an instalment basis which are to be paid to the Bond Authority in the relevant state. The bonds are recognised as a liability until such time as the bond has been received in full and forwarded to the relevant Bond Authority or the tenant vacates the premises and the bond is returned to the tenant less any outstanding rent or expenses.

(m) Volunteer workers

No monetary value has been attributed to the valuable services provided by the many volunteer workers.

(n) Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain IT equipment.

Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(o) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact The Salvation Army Community Housing Service in the period of initial application. They are available for early adoption at 30 June 2016, but have not been applied in preparing these Financial Statements.

- AASB 15 Revenue from Contracts with Customers: The Salvation Army Community Housing Service is assessing the potential impact on the financial statements resulting from the application of AASB 15 for the financial year ending 30 June 2019.
- AASB 9 Financial Instruments: This standard is not expected to have a material impact on the financial statements.
- AASB 16 Leases: The Salvation Army Community Housing Service is assessing the potential impact on the financial statements resulting from the application of AASB 16 for the financial year ending 30 June 2019.

The Salvation Army Community Housing Service

ABN 47 152 257 728 (a company limited by guarantee)

Notes to the financial statements

30 June 2016

	2016 \$	2015 \$
3 Revenues		
Rental income	866,033	597,237
Tenant contributions	16,209	10,017
Management fees	133,914	16,025
Housing NSW income	-	15,404
	<u>1,016,156</u>	<u>638,683</u>
4 Other income		
The Salvation Army Contribution	365,777	-
Interest	8,330	2,372
Other	50,226	52,882
	<u>424,333</u>	<u>55,254</u>
5 Employee expenses		
Salaries and wages	354,881	289,561
Superannuation - defined contribution plans	33,004	26,713
Training & other related costs	37,792	24,692
	<u>425,677</u>	<u>340,965</u>
6 Cash & cash equivalents		
Cash at bank	518,441	995,763
7 Trade and other receivables		
Trade receivables	68,991	47,179
Other receivables	3,120	-
	<u>72,111</u>	<u>47,179</u>
8 Plant & equipment		Plant & Equipment
Gross carrying amount		
Balance at 1 July 2015		2,716
Additions		3,550
Balance at 30 June 2016		<u>6,266</u>
Depreciation and impairment		
Balance at 1 July 2015		(2,143)
Depreciation		(399)
Balance at 30 June 2016		<u>(2,542)</u>
Carrying amount 30 June 2016		<u>3,724</u>
9 Intangible assets		
Software		
Cost	153,578	153,578
Capitalised WIP	23,588	-
Less Amortisation	(92,147)	(61,431)
Carrying Amount	<u>85,019</u>	<u>92,147</u>
10 Trade and other payables		
Trade payables	33,959	799,417
Other creditors and accruals	557,459	21,040
	<u>591,418</u>	<u>1,394,751</u>

The Salvation Army Community Housing Service
ABN 47 152 257 728 (a company limited by guarantee)
Notes to the financial statements
30 June 2016

		2016	2015
		\$	\$
11 Provisions			
Annual Leave		37,255	18,293
12 Other liabilities			
Deferred Income		48,195	21,719
Unclaimed Monies		697	-
Resident Bonds		1,729	923
		50,622	22,642

13 Contingent Liabilities

There are no contingent liabilities that have been incurred by The Company in relation to 2016 or 2015.

14 Commitments

The Company does not have any material commitments at the reporting date which had been contracted for at that date but not recognised as liabilities.

15 Events subsequent to balance date

There has not arisen in the interval between the end of the financial year and the date of this financial report any item, transaction or event of a material and unusual nature likely in the opinion of the Directors to affect significantly the operations of the company, the results of the operations or the state of the company in future financial years.

The Salvation Army Community Housing Service
ABN 47 152 257 728 (a company limited by guarantee)
Directors' declaration
30 June 2016

In the opinion of the directors of The Salvation Army Community Housing Service:

- (a) the financial statements and notes, set out on pages 5 to 14, are in accordance with the Australian Charities and Not-for-profits Commissions Act 2012, including:
 - (i) giving a true and fair view, of the financial position of the Company as at 30 June 2016 and of its performance, as represented by the results of its operations for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulations 2013; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



IC Minnett (BCom, FCA, GAICD)
Director

Dated at Sydney on the 2 November 2016



Auditor's Independence Declaration under Subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the Directors of The Salvation Army Community Housing Service (the Company)

I declare that, to the best of my knowledge and belief, in relation to the review for the financial year ended 30 June 2016 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

A handwritten signature in black ink that reads 'Daniel Robinson'.

Daniel Robinson
Partner

Sydney

2 November 2016



Independent auditor's review report to the Directors of The Salvation Army Community Housing Service

Report on the financial report

We have reviewed the accompanying financial report of The Salvation Army Community Housing Service (the Company), which comprises the statement of financial position as at 30 June 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 15 comprising a summary of significant accounting policies and other explanatory information and directors' declaration of the Company.

This review report has also been prepared for the members of the Company pursuant to *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC).

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the ACNC. The Directors' responsibility also includes such internal control as the Directors determine necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2415 *Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the ACNC, including: giving a true and fair view of the Company's financial position as at 30 June 2016 and its performance for the year ended on that date; and complying with the Australian Accounting Standards – Reduced Disclosure Requirements and the ACNC. ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Independence

In conducting our review, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of The Salvation Army Community Housing Service is not in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

KPMG

KPMG

Daniel Robinson
Partner

Sydney
2 November 2016