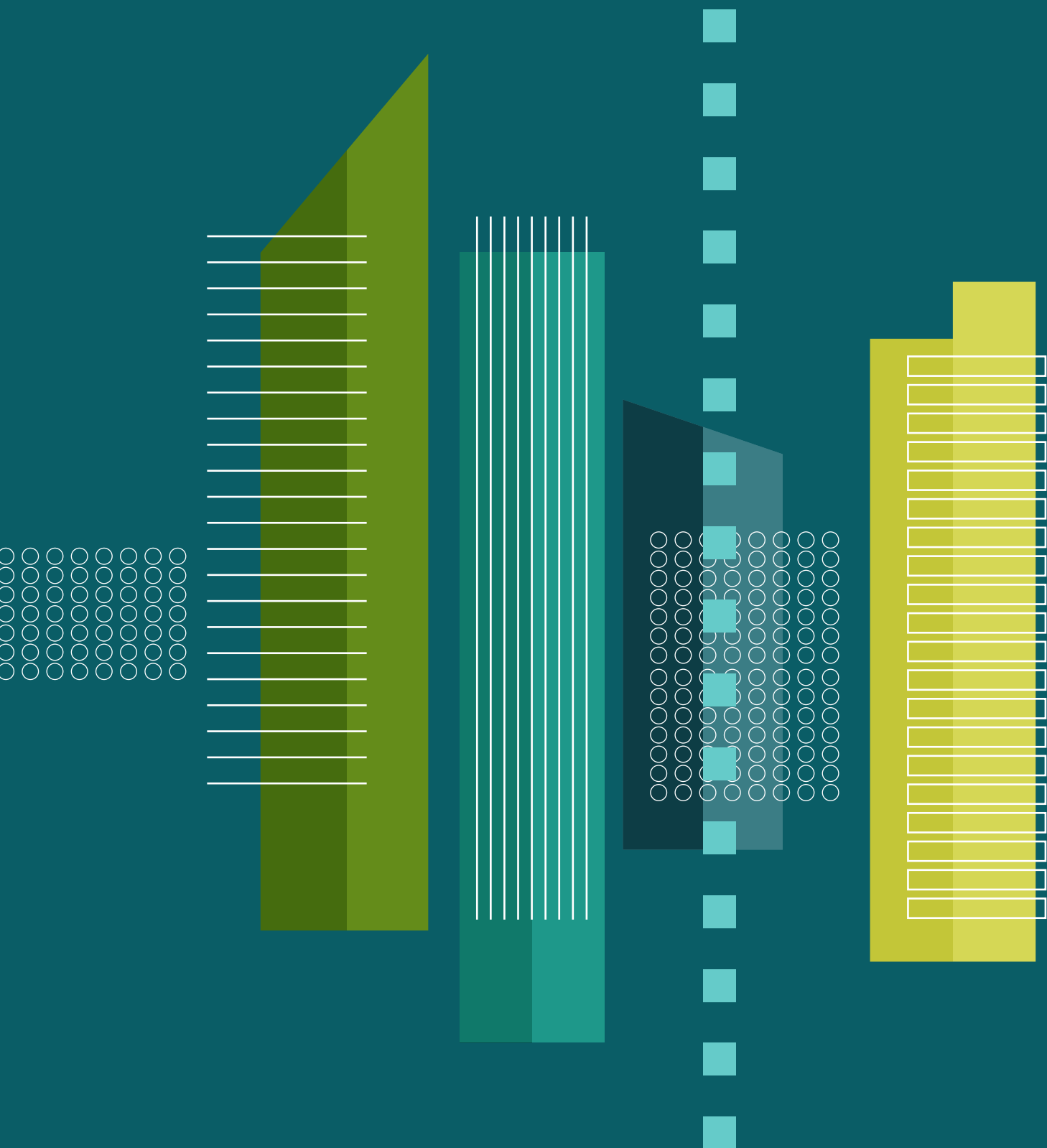
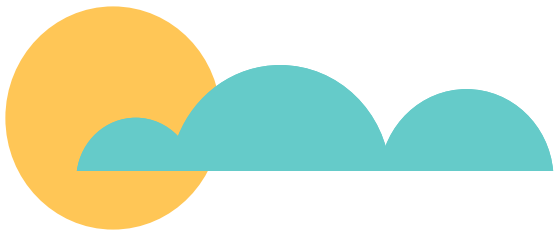
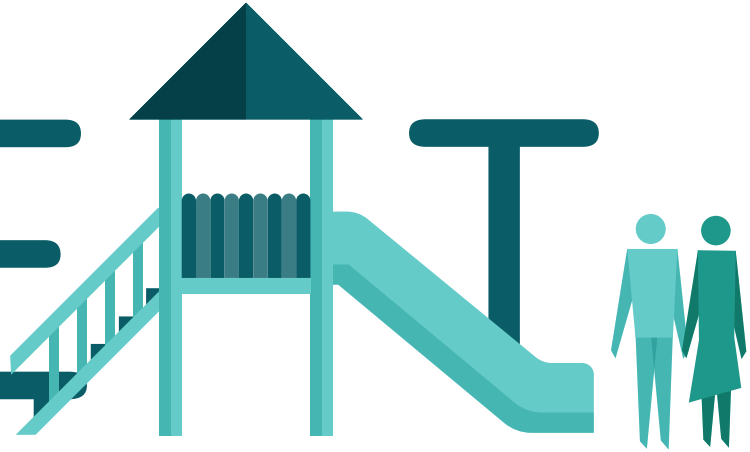


# Summary Financial Statements 2016/17





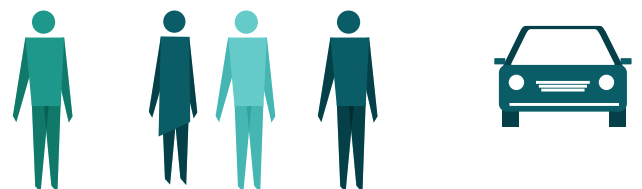
GREAT



PLACES



EVERY







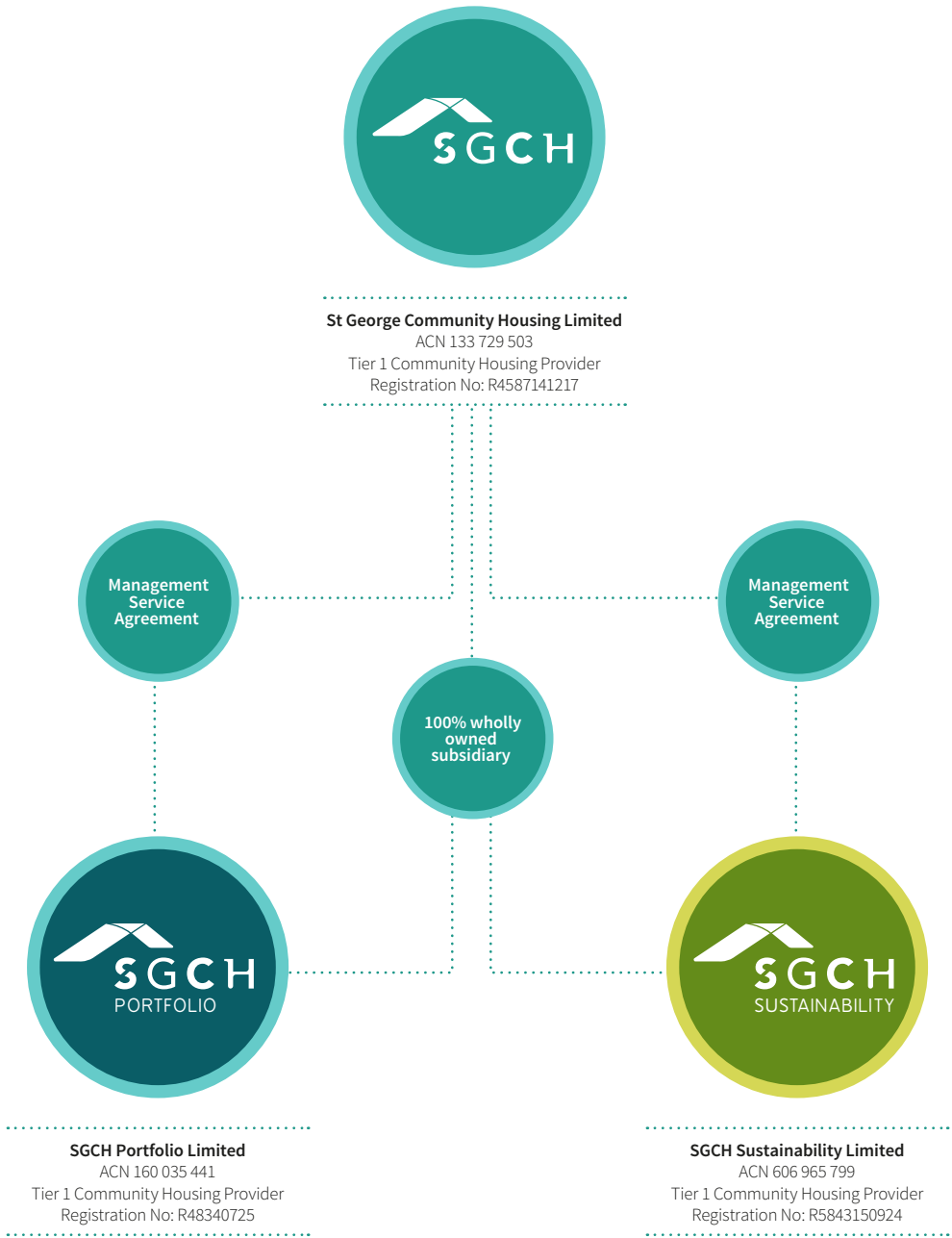
# Welcome

Our vision is great places for everyone. Our business is people and places. We develop and manage sustainable, safe and affordable homes and work in partnership to create vibrant, inclusive communities.

With over 30 years' experience, SGCH provides a place to call home for more than 8,900 people in 4,700 properties across the Sydney metropolitan region. We are recognised as a Tier 1 provider under the National Regulatory System for Community Housing.

|   |    |
|---|----|
| Group structure   | 4  |
| Directors' report   | 6  |
| Financial statements summary  | 16 |
| Discussion and analysis of the summary financial statement                      | 18 |
| Summary consolidated statement of profit or loss and other comprehensive income | 20 |
| Summary consolidated statement of financial position                            | 21 |
| Summary consolidated statement of changes in equity                             | 22 |
| Summary consolidated statement of cash flows                                    | 23 |
| Notes to the summary financial statements                                       | 24 |
| Report of the independent auditor   | 30 |
| Directors' declaration  | 31 |

# Group structure



SGCH Group has a contemporary and appropriate structure comprising St George Community Housing Limited (parent entity) and subsidiaries SGCH Portfolio Limited and SGCH Sustainability Limited. In the financial year 2016/17 these three Directors served only on our subsidiary Boards.



**Jane Hewitt**

Non-executive Director

**Qualifications and Experience**

BAppSc (Land Economics)

Jane founded UniLodge (a leading provider of student accommodation), pioneered the international student accommodation market in Australia and is a leader in the corporatisation and professional management of student facilities on and off University campuses. She has extensive experience in business operations and real estate development of medium and high density housing. She is contributing to the development of social housing policy via her work with Social Ventures Australia and is a Director of the Beacon Foundation – a youth services organisation.



**Philip Manidis**

Non-executive Director

**Qualifications and Experience**

BBus Sc (Cape Town) MCRP (Cape Town) FAICD

Philip founded Manidis Roberts in 1988 and built a highly respected, successful and profitable professional services business. In 2012, Manidis Roberts had over 100 staff and a turnover over \$25 million. Philip was the Managing Director until 2005 and Chairman from 2007 to 2012. In the last 10 years, Philip was also a member of several alliance leadership teams, providing sophisticated leadership and governance on major infrastructure projects in the transport, water and energy sectors



**Victoria Weekes**

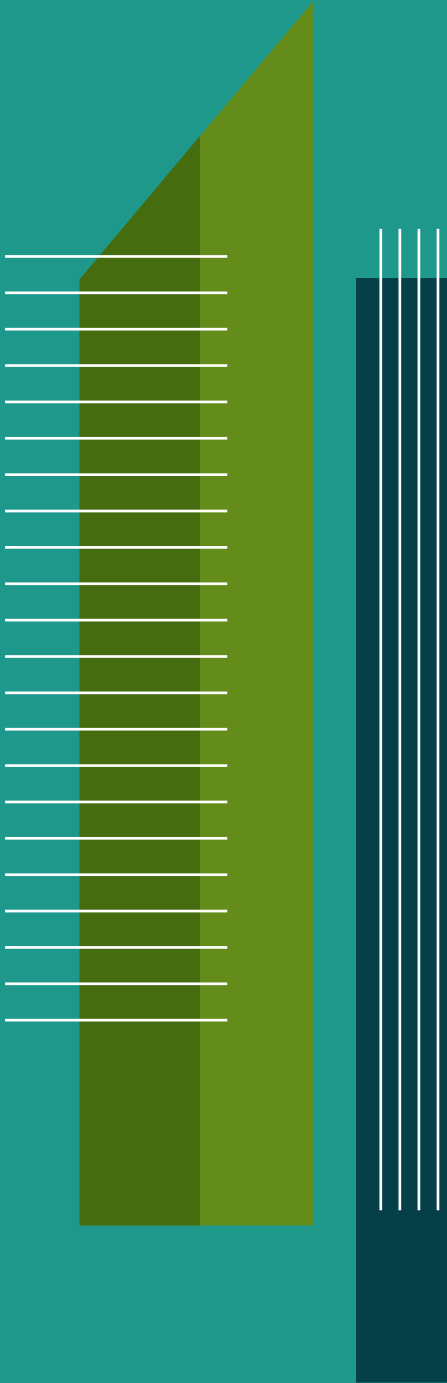
Non-executive Director

**Qualifications and Experience**

BComm LLB (UNSW) SFFinsia FAIC

Victoria is an experienced non-executive Director and serves on public and private sector Boards including OnePath Funds Management (Chair), ANZ Trustees, ETrade and the Sydney Local Health District. Prior to her governance career, she held senior financial services executive positions with Westpac and Citigroup Australia and was formerly the Special Policy Advisor to the Australian Securities Commission.

# Directors' report







## Directors' report

Your Directors present their report on the consolidated entity (referred to hereafter as 'the Group') consisting of St George Community Housing Limited (referred to hereafter as 'the Company') and the entities it controlled at the end of, or during, the year ended 30 June 2017.

### Directors

The names of those who have been Directors during the year and at the date of this report are as follows:

Dennis Cafe  
Ian Kenneth Ellis (Resigned 29 September 2017)  
Annette Gallard  
Salaheddine Kahil (Salah)  
Graham Millett  
Graham Rowson  
David Thrift

All directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### Company Secretary

Rebecca Pierro  
Scott Langford (Appointed 31 October 2016)

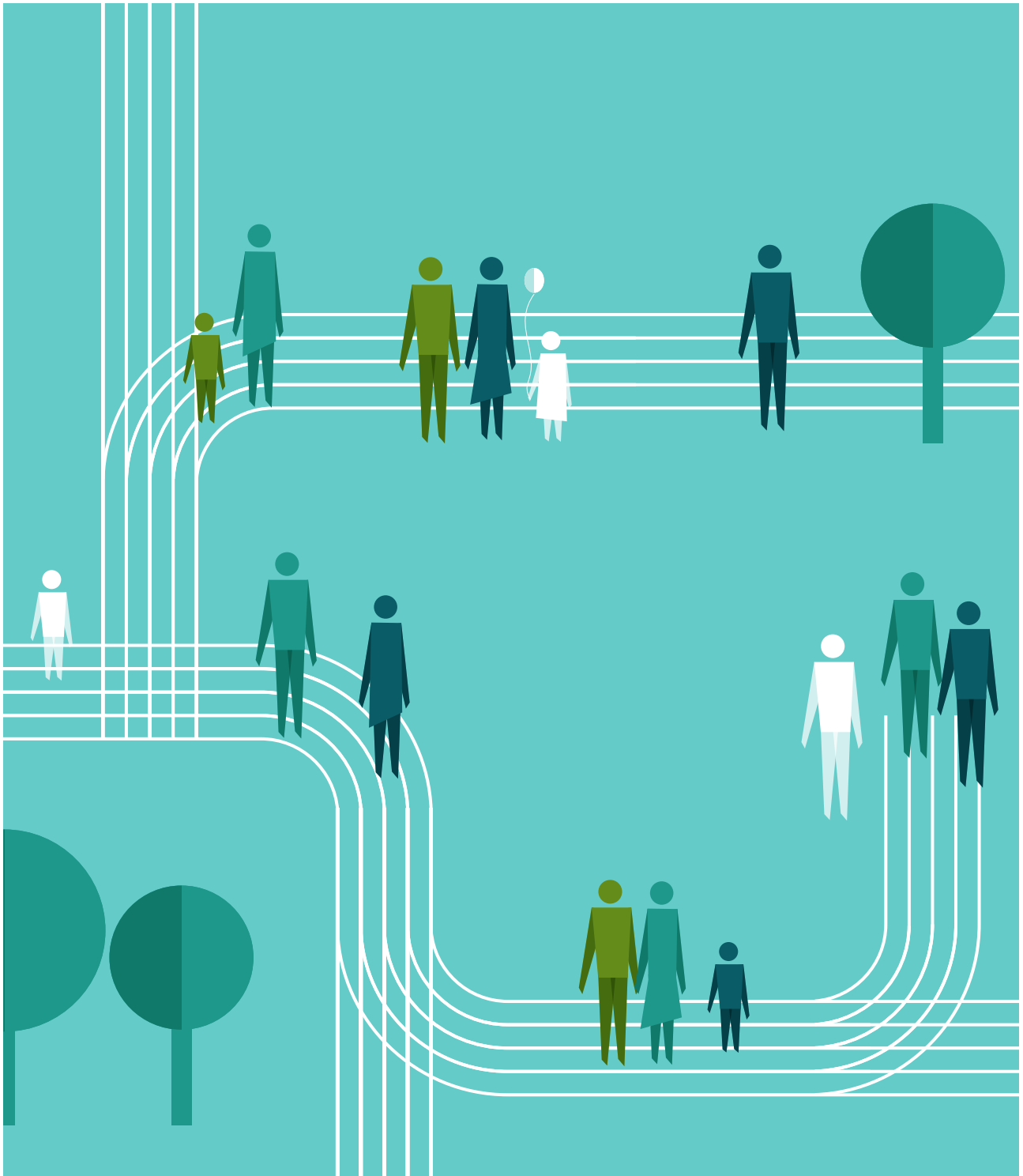
### Principal Activities

The principal activity of the Group during the financial year was the provision of housing services and assistance to low and moderate income earners. No significant change in the nature of these activities occurred during the year.

The Group is involved with many State and Federal government agencies. Any change in the policies of these governments may impact upon the way the Group performs its principal activity.

### Operating Results

The surplus of the Group amounted to \$33,642,070 (2016: \$26,009,349). The Group is exempt from Income Tax.



## Directors' report



**Dennis Cafe**

Chairman (to 29 August 2017)

**Qualifications and Experience**

B Sc (Tech) Civil Eng (UNSW) Local Govt Engineer. Engineering, management, town planner, former GM of Woollahra Council, management consultant in private & public sectors, former SGCH employee (asset & change Management) 2004 – 2007; university lecturer in risk & asset management. Currently Special Projects Engineer Bayside Council.

**Special responsibilities**

Chairman of the Board to 29 August 2017. Chairman of the Nominating & Corporate Governance Committee and the Management Development and Compensation Committee



**Ian Kenneth Ellis (Ike)**

Vice Chairman

**Qualifications and Experience**

Assoc Dip Police Studies (Newcastle). Ike retired as Assistant Commissioner of the NSW Police Force in 2000. He is a graduand of the Australian Police Staff College Senior Officers Course, Senior Executive Program and Senior Executive Officers Course. Amongst many awards, in 1997 he was awarded the Australian Police Medal and later, the Police Commissioner's Olympic Commendation and Citation and the Deputy Commissioner's Commendation for Youth Issues. He is a former Director Safety & Security NSW Department of Education & Training.

Ike has a long serving interest in the well being of the youth of NSW and has held Ministerial Appointments to the Juvenile Justice Advisory Committee. He currently is appointed to the Board of Directors of Police Citizens Youth Clubs (PCYC) and is the recipient of a Life Governor Award for the PCYC.

**Special responsibilities**

Vice Chairman of the Board.



**Annette Gallard**

Non-executive Director

**Qualifications and Experience**

BSoc Stud (USyd) MComm (UNSW) GAICD

Annette retired from the public service after a career of 28 years, 18 of which were in senior executive positions in the Community Services and Housing portfolios. Her most recent position was Chief Executive Officer, NSW Community Services. In 2012 she was awarded the Public Service Medal for outstanding public service to the achievement of social justice in NSW, particularly Aboriginal people.

**Special responsibilities**

Member of the Audit & Risk Committee



**Salah Kahil**

Non-executive Director

**Qualifications and Experience**

BSc Dip App Sc Masters Biomedical Engineering (Uni of NSW). Tenant of SGCH. Technical Officer with Douglass Hanly Moir Pathology. Governance experience as a Director of SGCH and Accommodation for Youth.



**Graham Millett**

Non-executive Director

**Qualifications and Experience**

BA Dip Ed (Macq) MBA (Macq) AIQS (Affil). (Aust Instit Qty Surveyors). Formerly Building Economist with Commonwealth Dept of Housing & Construction; GM National Building Technology Centre for CSIRO's Division of Building & Construction; then Head of Group property Qantas. University lecturer in strategic management, global strategy, competition in Asia Pacific, project management and new enterprise management. Designs corporate education programs.

**Special responsibilities**

Member of the Audit & Risk Committee, the Management Development and Compensation Committee and Development and Construction Committee.



**Graham Rowlson**

Non-executive Director

**Qualifications and Experience**

NSW Service Manager for Control Systems Technology Pty Ltd. Previously a Director of SGCH for 3 years, including Chairperson for 2 years, involved in the Growth Project in the Co-op's formative years and liaised with other Housing Organisations in developing strategies for further growth.

**Special responsibilities**

Member of the Nominating & Corporate Governance Committee

## Directors' report



**David Thrift**

Non-executive Director  
Chairman (from 29 August 2017)

**Qualifications and Experience**

Retired company Director and senior executive with extensive experience in credit/risk management across a range of industries. Strong background in integration of acquisitions with experience in organisation culture, operations and IT. Spent 17 years with GE Capital with final position being Senior Executive Director Risk and Ombudsperson. Prior to this, employed at senior management levels with consultants and financial organisations across Australia.

**Special responsibilities**

Chairman of the Board from 29 August 2017. Chairman of the Audit & Risk Committee to 29 August 2017, member of the Management Development and Compensation Committee and member of the Nominating & Corporate Governance Committee.



**Rebecca Pierro**

Company Secretary

**Qualifications and Experience**

BCom, LLB, FCSA  
(appointed 26 November 2015)



**Scott Langford**

Chief Executive Officer and  
Company Secretary

**Qualifications and Experience**

MBA, P.GradDip Prop. Dev., FAIM, GAICD,  
MRICS

|                   | Full Board | Audit & Risk<br>Committee | Nominating<br>& Corporate<br>Governance<br>Committee | Management<br>Development &<br>Compensation<br>Committee | Development<br>& Construction<br>Committee |
|-------------------|------------|---------------------------|--|--|--|
| Dennis Cafe       | 11/11      | —                         | 2/2  | 1/1  | —  |
| Ian Kenneth Ellis | 6/11       | —                         | —  | —  | —  |
| David Thrift      | 10/11      | 2/3                       | 2/2  | 1/1  | —  |
| Graham Millett    | 7/11       | 3/3                       | —  | 1/1  | 3/4  |
| Annette Gallard   | 10/11      | 3/3                       | —  | —  | —  |
| Graham Rowlson    | 10/11      | —                         | 1/2  | —  | —  |
| Salah Kahil       | 10/11      | —                         | —  | —  | —  |

#### Meetings of the Directors

During the financial year and up to the date of this report, 11 meetings of Directors were held. Attendance by each Director was as detailed above.

## Directors' report

### Significant Events after the Reporting Date

The following matters arose after the reporting date:

- (i) On 29 August 2017, Dennis Cafe retired from his position as Chairman of the Board. Dennis will be succeeded as Chairman by David Thrift, a current director of the Group. Dennis will remain on the board as a non-executive director.
- (ii) Ware Building Pty Ltd, contractors for the Wrentmore project, went into administration on 18 August 2017. As this project remains ongoing, a new contractor has been appointed to complete the project.
- (iii) Prior to the financial year end, the Board committed to the sale a number of the Group's existing Investment Properties. In July 2017, the Group completed the sale of 7 of these properties with total sale proceeds of \$5,960,000.
- (iv) The Group completed the purchase of 3 properties located at 87-91 Nuwarra Rd, Moorebank for a purchase price of \$4,000,000 during July, 2017.
- (v) The Group received direct allocation of management of 223 properties from the NSW Land and Housing Corporation. These properties are not owned by the Group, with income earned for managing and maintaining them.
- (vi) Westpac Banking Corporation have confirmed that they will support a request for an extension of the termination date to 31 August 2019.
- (vii) During August 2017, the Group entered into a contract to purchase investment property at 26-32 City Road, Chippendale for a purchase price of \$17,500,000. The purchase was funded in part through a \$8,300,000 grant from The Department of Family and Community Services, with the balance to be funded by the Group.
- (viii) On 17 October 2017, the Group announced it had been awarded a package in the Social Housing Management Transfer (SHMT) Program. As part of this program, the management of 1,407 properties across Northern Sydney, Hunters Hill, Lane Cove and Willoughby will be transferred to the Group.
- (ix) During September 2017 the Group entered into a contract to purchase investment properties at 32 and 34 Ironbark, Casula. The deposit was paid on 25 September 2017 with settlement of the remaining balance expected to take place in March 2018.

Other than the foregoing, no matter or circumstance has arisen since 30 June 2017, that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

### Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Group during the financial year.



**Environmental Issues**

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory. The Group is governed by environmental regulations managed by local government as applied to residential properties.

**Indemnifying Directors, Officers or Auditors**

Deeds of Indemnity have been entered into between the Company and Directors and Officers that indemnify them from financial losses that may occur arising from the performance of their duties. No indemnities have been given during or since the end of the financial year for any person who is or has been an auditor of the Company. Directors' and Officers' insurance premiums are paid by the Company.

The policy prohibits the disclosure of amounts paid.

**Proceedings on Behalf of the Company**

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

**Contributions on Winding Up**

In the event of the Group being wound up, ordinary members are required to contribute a maximum of \$2 each. The total amount that members of the Group are liable to contribute if the Group is wound up is \$1,418 based on 709 current ordinary members.

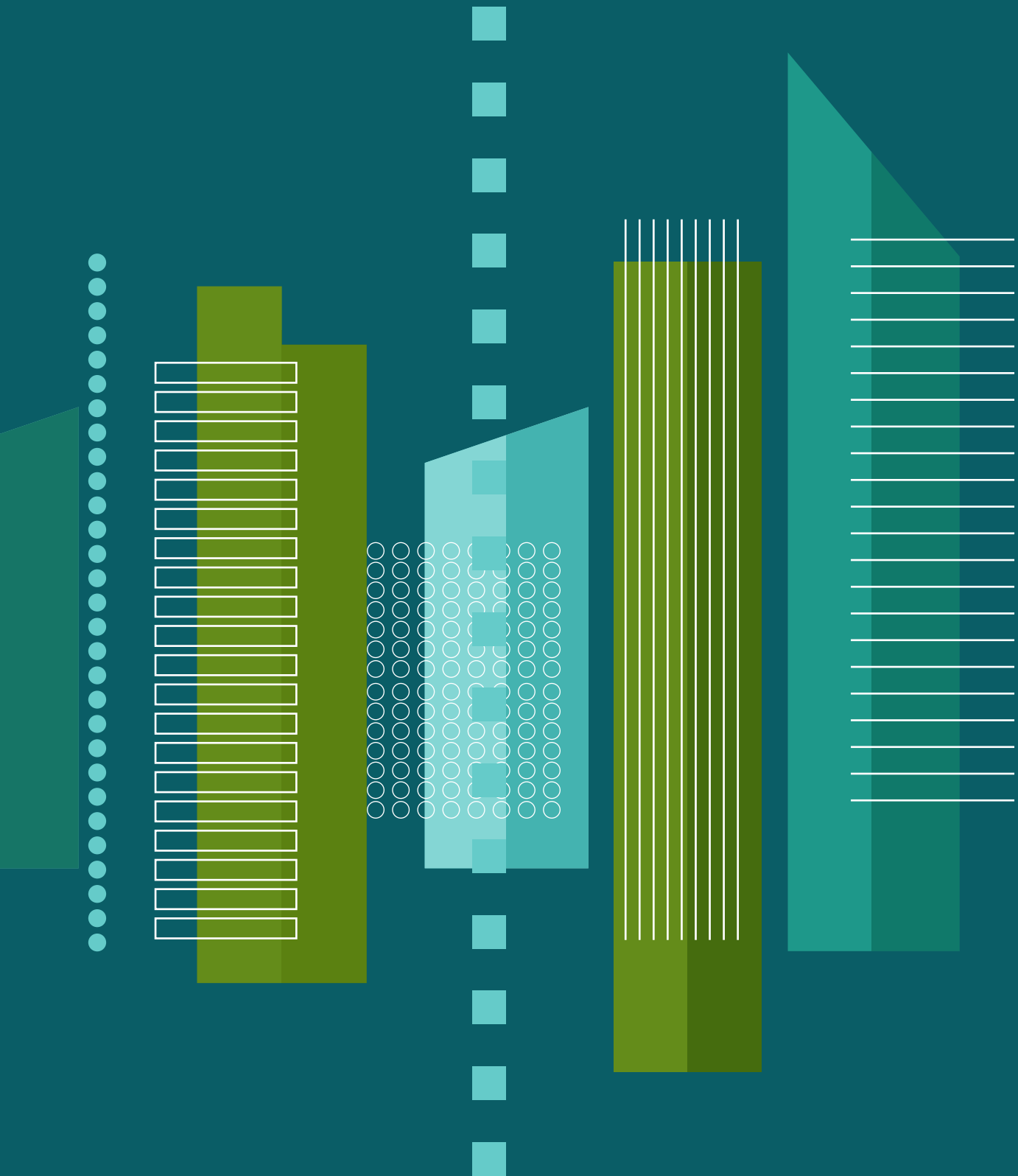


David Thrift  
Chairman, SGCH Group

Sydney, 31 October 2017

# Financial statements summary







# Discussion and analysis of the summary financial statements

## **Basis of Preparation of the Summary Financial Statements**

The Summary Financial Statements are an extract from the full financial statements for the year ended 30 June 2017. The financial statements and disclosures in the Summary Financial Statements have been derived from the 2017 consolidated financial statements of St George Community Housing Limited.

A copy of the full financial statements and auditors' report will be sent to any member, free of charge, upon request.

The discussion and analysis is provided to assist members in understanding the Summary Financial Statements. The discussion and analysis is based on St George Community Housing Limited's financial statements and the information contained in the Summary Financial Statements.

The financial statements are presented in Australian Dollars which is the Group's functional and presentational currency.

## **Statement of Profit of Loss and Other Comprehensive Income**

Total revenue increased by \$5,214,738 (8%) to \$67,610,408 (2016: \$62,485,670) whilst other income increased by \$11,341,748 (66%) to \$28,591,904 (2016: \$17,250,156). Total expenditure increased by \$8,833,765 (16%) to \$62,560,242 (2016: to \$53,726,477). The surplus for the financial year increased by \$7,632,721 (29%) to \$33,642,070 (2016: \$26,009,349).

The increase in revenue and expenditure is primarily driven by funding received in relation to the Home Energy Action Program and subsequent under this program as well as the CPI indexation and overall increase in leased properties.

## **Statement of Financial Position**

Total assets increased by \$74,217,869 to \$685,282,582 (2016: \$611,064,713) representing an increase of 12%. The movement is due in part to the fair value increment recognised with respect to investment property of \$28,295,326 following the valuation exercised carried out by an independent registered property valuer as at 30 June 2017.

The Group has also invested significantly in the development of its existing projects, with capitalised subsequent expenditure of \$43,611,803 during the year.

Total liabilities increased by \$40,575,799 to \$107,091,839 (2016: \$66,516,040) representing an increase of 61%. The increase is predominantly in relation to a \$11,100,000 draw down under the Group's existing loan facility with Westpac Banking Corporation and a drawdown of \$26,472,723 under the Group's existing facility with Clean Energy Finance Corporation.

## **Statement of Cash Flows**

Cash flow improvements during the financial year were a result of increased rental income, grants received and good control over expenditure.

## **Statement of Changes in Equity**

During the year ended 30 June 2017 \$28,294,285 was transferred to the Investment Property Reserve, which reflects the fair value gain on investment property for the year.

# Summary consolidated statement of profit or loss and other comprehensive income

|   | Note | 2017 (\$)         | 2016 (\$)         |
|---|------|-------------------|-------------------|
| <b>Revenue</b>  | 02   | 67,610,408        | 62,485,670        |
| <b>Other Income</b>   | 03   | 28,591,904        | 17,250,156        |
| <b>Expenses</b>   |      |                   |                   |
| Property expenses   |      | (38,230,560)      | (32,928,018)      |
| Employee benefits expense   |      | (15,802,363)      | (13,488,177)      |
| Depreciation and amortisation   |      | (459,553)         | (480,041)         |
| Finance costs   |      | (2,670,154)       | (1,719,960)       |
| Office rental expenses  |      | (498,542)         | (490,220)         |
| Professional fees   |      | (1,037,858)       | (951,261)         |
| Other expenses  |      | (3,861,212)       | (3,668,800)       |
| <b>Surplus for the year attributable to members of St George Community Housing Limited</b>                    |      | <b>33,642,070</b> | <b>26,009,349</b> |
| Other comprehensive income for the year   |      | —                 | —                 |
| <b>Total comprehensive income for the year attributable to members of St George Community Housing Limited</b> |      | <b>33,642,070</b> | <b>26,009,349</b> |

# Summary consolidated statement of financial position

|   | Note | 2017 (\$)          | 2016 (\$)          |
|---|------|--------------------|--------------------|
| <b>Current assets</b>                             |      |                    |                    |
| Cash and cash equivalents                         |      | 52,409,847         | 34,025,631         |
| Trade and other receivables                       |      | 4,358,866          | 5,216,649          |
| Non-current assets classified as held for sale    |      | 14,250,500         | —                  |
| Other current assets                              |      | 981,416            | 640,086            |
| <b>Total current assets</b>                       |      | <b>72,000,629</b>  | <b>39,882,366</b>  |
| <b>Non-current assets</b>                         |      |                    |                    |
| Property, plant and equipment                     |      | 1,225,064          | 1,429,087          |
| Investment property and capital works in progress | 04   | 612,056,889        | 569,753,260        |
| <b>Total non-current assets</b>                   |      | <b>613,281,953</b> | <b>571,182,347</b> |
| <b>Total assets</b>                               |      | <b>685,282,582</b> | <b>611,064,713</b> |
| <b>Current liabilities</b>                        |      |                    |                    |
| Trade and other payables                          |      | 6,707,491          | 8,734,906          |
| Employee benefits                                 |      | 1,542,330          | 1,248,430          |
| Borrowings  |      | 53,345             | 212,000            |
| Derivative financial liability                    |      | 80,286             | —                  |
| Deferred grants                                   |      | 1,531,487          | 1,256,977          |
| Unexpended grants                                 |      | 9,025,059          | 4,064,368          |
| <b>Total current liabilities</b>                  |      | <b>18,939,998</b>  | <b>15,516,681</b>  |
| <b>Non-current liabilities</b>                    |      |                    |                    |
| Employee benefits                                 |      | 199,327            | 149,952            |
| Borrowings  |      | 67,711,833         | 32,738,753         |
| Derivative financial liability                    |      | —                  | 210,133            |
| Deferred grants                                   |      | 19,847,520         | 17,507,360         |
| Unexpended grants                                 |      | 393,161            | 393,161            |
| <b>Total non-current liabilities</b>              |      | <b>88,151,841</b>  | <b>50,999,359</b>  |
| <b>Total liabilities</b>                          |      | <b>107,091,839</b> | <b>66,516,040</b>  |
| <b>Net assets</b>                                 |      | <b>578,190,743</b> | <b>544,548,673</b> |
| <b>Equity</b>                                     |      |                    |                    |
| Accumulated surplus                               |      | 67,687,266         | 62,339,481         |
| Reserves  |      | 510,503,477        | 482,209,192        |
| <b>Total equity</b>                               |      | <b>578,190,743</b> | <b>544,548,673</b> |

# Summary consolidated statement of changes in equity

|  | Accumulated<br>surplus<br>(\$) | Investment<br>property reserve<br>(\$) | Total<br>(\$)      |
|--|--------------------------------|--|--------------------|
| <b>Balance at 30 June 2015</b>                 | <b>53,477,467</b>              | <b>465,061,857</b>                     | <b>518,539,324</b> |
| Surplus for the year                           | 26,009,349                     | —                                      | 26,009,349         |
| Other comprehensive income for the year        | —                              | —                                      | —                  |
| <b>Total comprehensive income for the year</b> | <b>26,009,349</b>              | <b>—</b>                               | <b>26,009,349</b>  |
| Transfer to reserves                           | (17,147,335)                   | 17,147,335                             | —                  |
| <b>Balance at 30 June 2016</b>                 | <b>62,339,481</b>              | <b>482,209,192</b>                     | <b>544,548,673</b> |
| Surplus for the year                           | 33,642,070                     | —                                      | 33,642,070         |
| Other comprehensive income for the year        | —                              | —                                      | —                  |
| <b>Total comprehensive income for the year</b> | <b>33,642,070</b>              | <b>—</b>                               | <b>33,642,070</b>  |
| Transfer to reserves                           | (28,294,285)                   | 28,294,285                             | —                  |
| <b>Balance at 30 June 2017</b>                 | <b>67,687,266</b>              | <b>510,503,477</b>                     | <b>578,190,743</b> |



# Summary consolidated statement of cash flows

|  | 2017 (\$)           | 2016 (\$)           |
|--|---------------------|---------------------|
| <b>Cash flow from operating activities</b>             |                     |                     |
| Receipts from customers (inclusive of gst)             | 76,027,565          | 67,576,225          |
| Payments to suppliers and employees (inclusive of gst) | (72,257,841)        | (58,324,787)        |
| Interest received                                      | 536,221             | 906,966             |
| Finance costs paid                                     | (2,355,112)         | (1,480,447)         |
| <b>Net cash provided by operating activities</b>       | <b>1,950,833</b>    | <b>8,677,957</b>    |
| <b>Cash flow from investing activities</b>             |                     |                     |
| Proceeds from sale of investment properties            | 16,559,940          | 2,441,445           |
| Payment for investment properties                      | (45,934,416)        | (26,248,657)        |
| Payment for property, plant and equipment              | (255,530)           | (414,495)           |
| <b>Net cash used in investing activities</b>           | <b>(29,630,006)</b> | <b>(24,221,707)</b> |
| <b>Cash flow from financing activities</b>             |                     |                     |
| Proceeds from borrowings                               | 37,458,980          | 13,168,000          |
| Repayment of borrowings                                | (212,000)           | (212,000)           |
| Receipts from government bodies                        | 8,758,385           | 562,100             |
| Interest on government grants                          | 58,023              | 119,345             |
| <b>Net cash provided by financing activities</b>       | <b>46,063,388</b>   | <b>13,637,445</b>   |
| <b>Net (decrease) / increase in cash held</b>          | <b>18,384,216</b>   | <b>(1,906,305)</b>  |
| Cash at the beginning of the financial year            | 34,025,631          | 35,931,937          |
| <b>Cash at the end of the financial year</b>           | <b>52,409,847</b>   | <b>34,025,631</b>   |

# Notes to the summary financial statements



## Note 01

### **Basis of Preparation of the Summary Financial Statements**

The Summary Financial Statements have been prepared from the audited financial statements for the year ended 30 June 2017. The audited financial statements for the year ended 30 June 2017 are available on request from St George Community Housing Limited.

The financial statements are presented in Australian Dollars which is the Group's functional and presentational currency.

The financial statements, specific disclosures and other information included in the summary financial statements are derived from and are consistent with the full financial statements of St George Community Housing Limited. The summary financial statements cannot be expected to provide a detailed understanding of the financial performance, financial position and financing and investing activities of St George Community Housing Limited as the full financial report.

The accounting policies have been consistently applied to St George Community Housing Limited and are consistent with those of the preceding financial year in their entirety.

## Note 02

|  | 2017 (\$)         | 2016 (\$)         |
|--|-------------------|-------------------|
| <b>Revenue</b>                                   |                   |                   |
| <b>Rental revenue</b>                            | <b>50,138,894</b> | <b>47,912,075</b> |
| <b>Revenue from government and other grants)</b> |                   |                   |
| CHLP – Leased properties grant                   | 9,455,086         | 9,109,761         |
| Release of deferred grants                       | 631,649           | 575,004           |
| National Rental Affordability Scheme Incentives  | 2,122,959         | 1,369,472         |
| Home Energy Action Program                       | 2,289,700         | 34,225            |
| Other  | 392,635           | 657,453           |
| <b>Total government and other grants</b>         | <b>14,892,029</b> | <b>11,745,915</b> |
| <b>Other revenue</b>                             |                   |                   |
| Interest received from corporations              | 536,221           | 787,622           |
| Reimbursement – tenants and landlords            | 1,241,978         | 1,466,303         |
| Insurance recoveries                             | 102,561           | 286,186           |
| Management fees                                  | 698,725           | 287,569           |
| <b>Total</b>                                     | <b>2,579,485</b>  | <b>2,827,680</b>  |
| <b>Total revenue</b>                             | <b>67,610,408</b> | <b>62,485,670</b> |

## Note 03

|  | 2017 (\$)         | 2016 (\$)         |
|--|-------------------|-------------------|
| <b>Other income</b>                      |                   |                   |
| Fair value gain on investment properties | 28,295,326        | 17,147,325        |
| Gain on derivative financial instrument  | 129,847           | —                 |
| Other income                             | 166,731           | 102,821           |
| <b>Total</b>                             | <b>28,591,904</b> | <b>17,250,156</b> |

## Note 04

|  | 2017 (\$)          | 2016 (\$)          |
|--|--------------------|--------------------|
| <b>Investment property and capital works in progress</b> |                    |                    |
| Balance at the beginning of year                         | 569,753,260        | 526,886,046        |
| Capitalised subsequent expenditure                       | 43,611,803         | 28,173,881         |
| Disposal of investment property                          | (15,353,000)       | (2,454,002)        |
| Assets classified as non-current assets held for sale    | (14,250,500)       | —                  |
| Change in fair value of investment property              | 28,295,326         | 17,147,335         |
| <b>Balance at the end of the year</b>                    | <b>612,056,889</b> | <b>569,753,260</b> |

Included within Investment property is a balance of \$35,810,048 (2016: \$46,888,286) which relates to capital works in progress.

The majority of investment properties are leased to tenants on low to moderate incomes. The lease terms vary depending on the property provider and range from 2 weeks to 12 month rolling contracts.

Ageing, Disability and Home Care which provided the grant used to purchase the property located at 182 Holden Street, Ashbury, has lodged a caveat over the property.

The borrowings of the Group are secured by a registered mortgage over the Group's investment properties.

### Valuation Basis

The fair value of investment properties has been determined with reference to independent valuations performed by a registered property valuation company whilst capital works in progress are measured at cost.



Tel: +61 2 9251 4100  
Fax: +61 2 9240 9821  
www.bdo.com.au

Level 11, 1 Margaret St  
Sydney NSW 2000  
Australia

## REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the members of St George Community Housing Limited

### Report on the summary financial statements prepared from the audited financial report for the year ended 30 June 2017

#### Opinion

The summary financial statements, which comprise the summary consolidated statement of financial position as at 30 June 2017, the summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated cash flow statement for the year then ended, and related notes, are derived from the audited financial report of St George Community Housing Limited (the Company) and its subsidiaries (the Group) for the year ended 30 June 2017.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial report, in accordance with the basis of preparation described in Note 1.

#### Summary Financial Statements

The summary financial statements do not contain all the disclosures required by Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial report and the auditor's report thereon. The summary financial statements and the audited financial report do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial report.

#### The Audited Financial Report and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial report in our report dated 31 October 2017.

#### Director's Responsibility for the Summary Financial Statements

The directors of the Company are responsible for the preparation of the summary financial statements in accordance with the basis of preparation described in Note 1.

#### Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial report based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.

#### BDO East Coast Partnership

BDO

Ian Hooper  
Partner

Sydney, 31 October 2017

BDO East Coast Partnership ABN 83 236 985 726 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO East Coast Partnership and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.



## Directors' declaration

The Directors of the Group declare that the summary financial statements of St George Community Housing Limited for the financial year ended 30 June 2017, as set out on pages 19 to 29:

- (a) are an extract from the full financial statements for the year ended 30 June 2017 and have been derived from and are consistent with the full consolidated financial statements of St George Community Housing Limited.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by



David Thrift  
Chairman, SGCH Group

Sydney, 31 October 2017

The Summary Financial Statements 2016/17 is part of a series designed to complement our Year in Review 2017 and Strategic Directions booklets.

For printed or digital copies please contact us.

**SGCH**

Level 5, 38 Humphreys Lane  
Hurstville NSW 2220

PO Box 348  
Hurstville BC NSW 1481

+61 (2) 9585 1499

[communications@sgch.com.au](mailto:communications@sgch.com.au)

**[sgch.com.au](http://sgch.com.au)**

