



Churches Housing Inc.

Maximising Opportunities



Annual Report for the year ended 30 June 2012



OUR MISSION

***To maximize opportunities within churches
to grow housing supply and
facilitate access to housing related support***

Churches Housing Inc.

ABN: 94 142 146 245

**Registered Office
Suite 107, 55 Phillip Street
Parramatta NSW 2150**

**PO Box 2675
North Parramatta NSW 1750**

T : 02 9633 5999

F : 02 9633 9911

E : info@churcheshousing.org.au

www.churcheshousing.org.au

Churches Housing Inc. is the NSW 'Peak' for the development of church based Community & Affordable Housing partnerships and projects and it represents the churches sector on matters of policy and sector wide consultations. It is funded by the Community Housing Division of Housing NSW, part of the NSW Department of Family and Community Services.





CHAIRMAN'S REPORT—RICHARD PERKINS

As a peak body, Churches Housing Incorporated (CHI) is focussed on assisting churches and church welfare organisations with the development of initiatives to reduce the housing stress experienced by those in our community on lower incomes.

The 2011-2012 year has been one of consolidating current programmes and working on developing a clear strategy for CHI into the future.

A 'Future Directions Blueprint' has been developed following a 'Roundtable' held in May 2012 which was attended by over 40 senior staff of church agencies from both New South Wales and interstate. Michael Brooks of ARDT Consulting facilitated the Roundtable and worked closely with the CHI Board to produce this blueprint which has now been endorsed by the Board and provided a basis for the development of the company's strategic annual business plan.

A clear emphasis from the Roundtable is the need to support our network partners, in particular by providing an active response to the church sector's high interest in affordable rental housing.

Key elements of the Blueprint and Strategic Plan are maximising opportunities within Churches to grow supply, reviewing current and researching new delivery models, educating churches and their agencies through workshops, regional visits, conferences and providing relevant support in the areas of registration and accreditation, project financial modelling etc.

To better position CHI to deliver these goals, there is a need to make some revisions to the company's constitution and expand the membership structure, along with the pursuance of further partnership arrangements.

A key and important component will also be working with the NSW Government to support a transition to CHI becoming an industry body that operates independently of recurrent government funding over time.

The achievements to date and those planned, require a team of dedicated and committed professionals who are passionate about what they do.

Derek Yule and his team provide this in abundance and I would like to thank them all for the excellent job they have done and continue to do. Additionally, the support, input and good working relationships we have with our partners, particularly the Community Housing Division of Housing NSW, is acknowledged and we express our sincere thanks to them all.

I would also like to thank all board members, who are all equally passionate about the work of CHI, for their commitment, expert contribution and support during the 2011-2012 year.

Richard Perkins

Chairman

17 If anyone has material possessions and sees his brother in need but has no pity on him, how can the love of God be in him? 18 Dear children, let us not love with words or tongue but with actions and in truth.

1 John 3:17-18 (NIV)





EXECUTIVE OFFICER'S REPORT DEREK YULE

Over the life of Churches Housing we have seen numerous church responses to meeting the housing needs of people on low incomes and those facing housing stress due to the significant increase in the cost of rental housing.

As I reflect on the responses of the churches over the past years, those responses are as varied as the church communities they are part of, as they have sought to meet the accommodation needs of their local communities; the church congregations generally know where the highest needs are; and the best way to meet them.

**SEEK JUSTICE...
LOVE MERCY...
WALK HUMBLY
WITH YOUR GOD...
Micah 6:8**

Past . . .

The churches have a long history of partnerships with government on housing matters. Four partnerships that reflect local responses to local needs are Blayney Anglican Village, Blayney (Local Churches); Iluka Glade, Iluka (Anglicare North Coast); St Agnes Centacare Port Macquarie; and St Frances Xavier Ballina (Catholic). These projects are only a few of those developed over the years on church owned land, with funding assistance from both the local communities and Community Housing Division (Housing NSW – part of Family & Community Services.) They all responded to a local need identified by the churches and the community. Two projects are now over ten years old, two are in excess of fifteen years and all have assisted many persons in housing crisis, ageing in place and persons with disabilities. Some residents have support services; some are self-care. All needed assistance with safe, secure and affordable housing.

The people of Blayney became concerned with the number of people who had spent all their lives working in the area and were then unable to afford suitable housing locally after they retired. They believed there was a need for local 'ageing in place' accommodation to meet this need. They formed a local committee with people from the churches, the hospital, services clubs and the local council. The Anglican Church had suitable land and a partnership was established with local residents who contributed part of the costs for their housing and additional funding from the Housing Partnership Program (Housing NSW). There are now twenty seven (27) low rental properties available for local residents in housing stress.

The projects at Iluka Glade and St Frances Xavier Ballina are similar to the Blayney properties. Iluka Glade has ten (10) one and two bedroom properties and St Frances Xavier offers sixteen (16) units at affordable rentals.

The Centacare project at Port Macquarie also involved an additional partner with a local disability organisation contributing to the costs of the purpose built property; four of the fourteen town houses and villas have been built to disability standards to target the needs of persons with a disability, enabling them to live within the wider community. There was also assistance with the project, on church owned land, from the Partners in Community Housing (PICH) project from the then Office of Community Housing (OCH) again part of Housing NSW. The project is managed by St Agnes Centacare Port Macquarie and these projects are only some of a significant number built around the state in the 1990's.



Present

The churches sector has responded positively, if a little late, to the National Rental Affordability Scheme (NRAS) and we have just seen over the past year the completion and tenanting of at least six church based NRAS projects.

- ◆ A partnership between St. Vincent de Paul Society – Gosford and a developer, resulting in a new St Vincent de Paul shop, offices and storage for the society, plus eight floors of affordable housing for key workers
- ◆ UnitingCare Ageing – redesign and refurbishment of hostel rooms into nine NRAS one bedroom units at Kenthurst
- ◆ UnitingCare Ageing – re-development resulting in fifteen units in Springwood.
- ◆ Assyrian Church of the East – Smithfield – 50 units – the bulk of units are two bedrooms, with a number of one bedroom units and a few Studios – all underground parking
- ◆ Baptist Community Services – Goulburn – Thirty three one and two bedroom villas
- ◆ Baptist Community Services – Lismore – Twenty six units in Lismore

There is also the issue of church based aged care providers offering rental accommodation to persons on low incomes and/or those in housing stress.

The wider church sector, which includes aged care, medical services, homelessness, rehabilitation, education and welfare services (to name a few) has been responding over the past year or two to the increased demands of the current housing crisis and the need to provide other services to those who once would never have believed that they would need a welfare handout to survive in today's society. This has resulted in the churches having a renewed focus on the accommodation needs of clients in all aspects of the church sectors' programs and ministry.

Future

The current housing crisis has been identified by the churches for what it is, a major crisis that has already to some extent altered "the great Australian dream" for the average Australian family's right to their own home, on their own block of land, complete with backyard and a clothesline.

This is resulting in the church sector investigating their potential to create significant community and affordable rental housing portfolios on their own land to ensure their communities have access to safe, secure and affordable housing.

Some churches have undertaken searches for potential sites from within their current portfolios, others are seeking ways to identify and purchase suitable land for development.

The current response from this sector will ensure that the housing needs of local communities at least stay 'on the agenda' even if there are not suitable partnership opportunities. The National Rental Affordability Scheme (NRAS) has proved an ideal vehicle for the church sector and many are preparing for the next round of allocations.

One of the major drivers of Churches Housing Inc. is to continue in partnership with the churches and government for the continued development of possible vehicles to meet the needs of all parties in the provision of community and affordable housing.

There is much action within the churches at this time to ensure that the present lack of affordable rental housing does not go un-checked and that all that is possible is done to ensure that safe, secure and affordable housing is available to all.

Churches Housing Inc. recently engaged consultants to assist with its Blueprint for the Future where there is a strong commitment to continue actively working with the churches and their agencies to find cost effective ways to continue in this urgent mission for the churches to engage in the development of additional rental housing.

Derek R Yule
Executive Officer



**WHY SHOULD
YOUR CHURCH BE
INVOLVED IN HOUSING?**

Churches *already* provide significant social service

Churches *already* have assets in every community

Churches *already* operate property portfolios

Churches *already* have experience in:

- ◆ Asset identification
- ◆ Development
- ◆ Management and maintenance



**How we can assist YOUR church
in the provision of
safe, secure & affordable housing**

Churches Housing Inc. offers the following services to the whole churches sector:

- * Assists churches to maximise opportunities that they have to grow community and affordable housing supply in their communities, by education on the issues of housing stress and the shortage of affordable rental accommodation;
- * Assists the churches and their agencies to investigate the opportunities, risks and priorities of proceeding with community and affordable housing development and management;
- * Assists in the investigation of possible delivery models, including new delivery models;
- * Assists in the investigation of funding sources, as well as assessment of the projects' financial costings (modelling) and its implication for the local church and the denomination and;
- * Liaising with government and all levels of church decision makers; both in project development and on matters of housing policy.

**PARTNERSHIP PROJECTS
MORIAH HOUSE—BALLINA**



"Moriah House is a very successful facility in St Francis Xavier Catholic Parish Ballina, that provides much needed affordable housing for low to moderate income earners who have attained the age of sixty years."

Paul Lloyd



***6 "No, this is the kind of fasting I want:
Free those who are wrongly imprisoned;
lighten the burden of those who work for you.
Let the oppressed go free,
and remove the chains that bind people.
7 Share your food with the hungry,
and give shelter to the homeless.***

***Give clothes to those who need them,
and do not hide from relatives who need your help.***

***8 "Then your salvation will come like the dawn,
and your wounds will quickly heal.
Your godliness will lead you forward,
and the glory of the Lord will protect you from behind."***

Isaiah 58:6-8 NLT



Churches Housing Incorporated mission is to assist with the elimination of poverty and homelessness by working with the Christian Churches in the provision of **"safe, secure and affordable housing for all"**.

Luke 14:13-14

Then he turned to the host. "The next time you put on a dinner, don't just invite your friends and family and rich neighbours, the kind of people who will return the favour. Invite some people who never get invited out, the misfits from the wrong side of the tracks. You'll be—and experience—a blessing. They won't be able to return the favour, but the favour will be returned—oh, how it will be returned!—at the resurrection of God's people."

The Message (MSG)

Copyright © 1993, 1994, 1995, 1996, 2000, 2001, 2002 by Eugene H. Peterson

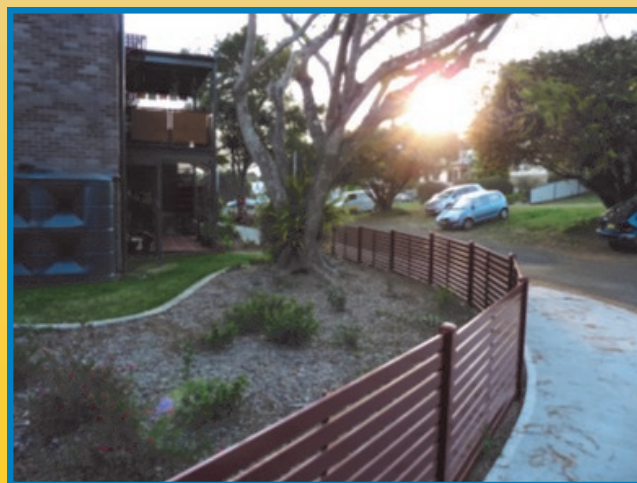


Baptist Community Services - NSW & ACT

Baptist Community Services – NSW & ACT (BCS) constructed BCS Illowra Place, a complex of 26 community housing one and two bedroom units, at 19 Dalziell St Lismore.



Funding was accessed from the Department of Sustainability, Environment, Water, Population and Communities, Housing NSW and National Affordability Rental Scheme under the Federal Government stimulus package.



BCS Illowra Place—LISMORE



Construction on the \$4.7 million project began in September 2010, and the complex is located directly across the road from the organisation's aged care site BCS Maranoa Centre – Lismore.

When the floods hit Toowoomba earlier this year, John* fled his unit and headed south. He landed up in a caravan park. He didn't know a soul there. John was one of the first people to be housed in Illowra Place.

**** Name changed***

BCS has worked with builders 50 Plus to ensure that the development incorporates both age friendly design features to ensure accessibility for all, and environmental sustainability design features to reduce living costs for residents and the impact on the environment.

The development was a nominee in the Affordable Development category of the UDIA NSW Austral Bricks 2012 Awards for Excellence. The 26 unit social housing complex was officially opened on 31 October 2011 and is providing housing for older people who wish to live near older people who share similar interests and needs, with formal and informal support systems. BCS has strong links with local aged care services and BCS Illowra Place offers seniors access to shops, transport and other services.

The Lismore social housing development is complemented by a second social housing development constructed by BCS, a 33 unit complex of one and two bedroom units at BCS Clinton Place, Goulburn.

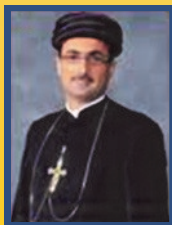


NRAS PROJECT



Living within St Mary's Village has transformed my life. We were struggling to pay our household bills prior to moving in. Not only is this a home for us, but we also feel strongly connected with the community. I would like to thank the church for the compassion that they have shown us by building these units.

A resident in St Mary's Village



His Beatitude
Archbishop Mar Meelis Zaia

What was delivered?

In 2011, the Assyrian Church of the East completed the construction of 50 apartments in Smithfield. The apartments are targeted towards the older members of the community with low to moderate incomes. The apartments are adjacent to one of their parish churches in Smithfield (Western Sydney). The complex consists of 37 two bedroom, 6 one bedroom and 7 studio apartments. This project was one of the first projects approved under the federal government's National Rental Affordability Scheme.

What was the need?

The Assyrian population has increased greatly over the past decade, with much of the growth triggered by the turmoil surrounding Iraq. They have primarily settled in the western suburbs of Sydney, and form a significant portion of the community. In the 2011 census, the Assyrian people accounted for around 9% of Fairfield LGA population, and had increased by over 60% in the last 10 years. Coinciding with this increase in immigration, housing affordability was also emerging as a significant issue in Sydney. For people that had recently escaped from their homeland, their financial resources were severely limited and they were prone to significant hardship.

How did the church respond?

Despite being a small church, Archbishop Mar Meelis Zaia knew that they had to respond to this pressing need. Rarely a day went by without the archbishop being confronted with another family in need. The church approached their congregations to seek their views on the idea of providing affordable housing for seniors. The response was overwhelming and within weeks, 120 families sought to be placed on the waiting list.

The first steps...

In the early stages, the archbishop approached Derek Yule from Churches Housing, to seek his advice on how they should proceed. Derek's initial advice was to obtain the land that they required. From this point, the church progressively acquired the land and moved towards commencing the project. With the land purchased and plans drawn up, the church obtained their development approval under the Senior's Housing SEPP. The problem now facing the church was how to make the project viable. Interest rates were high (pre-GFC period) and the numbers were indicating that maybe the project would be delayed.

ST.MARY'S VILLAGE—THE ASSYRIAN CHURCH OF THE EAST

What made the project viable?

In 2008, Churches Housing approached Archbishop Zaia with news that the federal and state governments were partnering to provide financial assistance through the National Rental Affordability Scheme (NRAS).

With an annual incentive payment of \$8,000 per unit, NRAS provided the additional funds required to allow the project to proceed.

With the assistance of Churches Housing, an application for funding was made and the project was one of the first projects approved under the National Rental Affordable Scheme.

The development process

With construction underway, there was an increasing level of excitement within the community.



Despite the construction process preceding well, the onset of the Global Financial Crisis caused additional issues for the church. Finance for the project had initially been sourced through a smaller foreign-based bank. With the restrictions of credit, the bank experienced difficulties in providing the funds when required, which in turn had further impacts on the development timeline.

The solution for the church was to re-finance the project – this time with one of the major Australian banks.

The project was practically complete by late 2010, with the final approvals for occupation granted in early 2011.

The project was officially opened on 27 September by His Holiness Mar Dinkha IV, His Beatitude Mar Meelis Zaia and the Hon Chris Bowen.

Tenancy and Community

With the completion of the apartments, the next 3 weeks saw a flurry of activity as the tenants began to move into their new homes. The church engaged Ecclesia Housing to manage the tenancies and has formed a successful partnership with them. Ecclesia Housing visits the site each fortnight with their mobile office, allowing the tenants to readily access the services required.

A notable aspect of the project is the sense of community that has been created, which is integrated with the church next door. The parish priest, Father Gewagis Atto comments that the people are always looking out for one another and making sure that they are well.

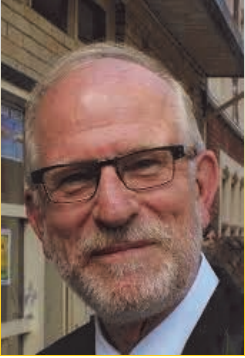
Where to Now?

Archbishop Zaia is pleased with the success of the Senior's Accommodation project – yet realises that this is just the beginning. His desire is to be able to help families that are struggling.

He recognises that one of the products of the success of the project is to have long-term access to sustainable finance – and is currently exploring ways that this may be achieved.



COMMITTEE OF MANAGEMENT



Richard Perkins—At the end of June 2012, Richard retired as the Chief Executive Officer and Company Secretary of City West Housing Pty Limited, an award winning developer and provider of affordable rental housing in inner Sydney. His responsibilities over the 16 years he was with City West were for all facets of operations including property procurement and development, tenancy and financial management, policy development, risk and asset management. He was previously with the ANZ Banking Group for 26 years in a number of positions covering a broad range of responsibilities culminating as a District manager. Richard is a member of the Anglican Church.

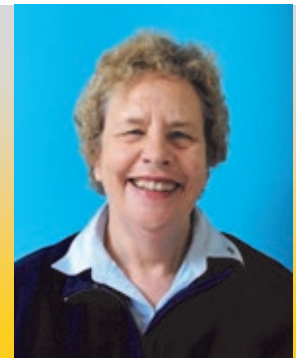
Rhonda Gregory—Since 2001, Rhonda has served as the Territorial Consultant, Homelessness and Social Support Programs, for The Salvation Army Australia Eastern Territory. She is currently Chairperson of the board of Homelessness NSW. Her career in homelessness commenced in Newcastle in the early 1980's in a Domestic Violence Refuge and then a homeless men's hostel. In 1990 she and her family moved from the Hunter Valley to Campbelltown, to take a position as 'House Mother' in a Family Group Home, caring for children who had been removed from unsafe family environments. In 1994 she undertook the development and management of a purpose built, Crisis Accommodation Service in Campbelltown, living on site for seven years.



Brian Murnane—Brian is the CEO of Blue CHP with 30 years' experience in the community housing sector. From founding Macarthur Community Tenancy in 1983 through its evolution into Argyle Community Housing, Brian has been at the forefront of the development in this sector. While at Argyle, he was responsible for the successful tender and transfer of over 1,000 properties. Brian has also had a distinguished voluntary career with the St Vincent de Paul Society culminating as President and Australian delegate to the SVdP International Council (Paris) in 1991. Brian is a member of the SVdP NSW Social Justice Committee and the NSW Government's Community Housing Advisory Committee.

Myree Harris rsj BA (Macq), MPS (Loyola), GradDip (Religious Studies) (ACU)

Myree is a sister of the congregation of the Sisters of St Joseph of the Sacred Heart (the Josephites) and has been a member of the CHI board since 1998. She is community leader and public officer of Gethsemane Community Inc. Co-founder and convener of CASA: Coalition for Appropriate Supported Accommodation for people with disabilities in NSW and Member of the Boarding House Expert Advisory Group (BHEAG). Myree received the OAM in 2011 for service to people with mental illness and to the homeless.



COMMITTEE OF MANAGEMENT

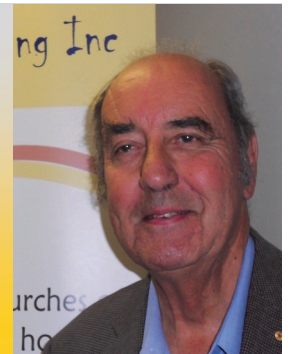
Otto Henfling—is the Executive Director of CatholicCare Social Services and was appointed to this position in July 2009. Otto has continued the work of merging a number of agencies into one cohesive agency. Otto is on a number of committees and Boards. Previously Otto worked for CatholicCare (Sydney Diocese) in an executive role where he oversaw the growth in income of his division from a \$4.5m to over \$15m in the space of 4 years. Prior to working in the faith-based NFP sector he had a long career working in the social security areas of the Australian Government over a period of 22 years including 6 years in Canberra. He is a graduate of the Institute of Company Directors. Otto has been married for over 25 years and has 2 adult children and a pre-teen child.



Jill Napier—is Community Services Consultant with UnitingCare NSW ACT. Jill has over 20 years' experience and training in the community service industry in management and service development within Australia and in international development. Jill holds tertiary qualifications in social psychology and management. She has worked in senior management roles with local, State and Commonwealth government agencies and in the non-government sector. Jill has also worked as consultant in service development and planning within Australia and in organizational change and capacity building in international development. Jill's current position with UnitingCare is a capacity building role with a diversity of community services within the Uniting Church NSWACT. Jill also represents UnitingCare on the board of Lifeline Australia



Kevin Hincks - is a retired pharmacist, having owned a business in Swansea for over 40 years. He has been very active in parish, diocesan and international ecumenical affairs and served on the executive of the NSW Ecumenical Commission for over 10 years including a term as vice president. He has been president of the Swansea Meals on Wheels for 27 years. For over 50 years he has been active in Rotary especially with the Youth Exchange Program. He also served as secretary for the Hunter Valley Pharmacy Association. For service to the community Kevin was honoured with an O.A.M. Kevin is married to Bev and they have 4 children, 14 grandchildren and 1 great grandchild. They live on the lovely shores of Lake Macquarie at Belmont.



Matthew 25:35-36

“for I was hungry and you gave me food, I was thirsty and you gave me something to drink,

I was a stranger and you welcomed me, I was naked and you gave me clothing,

I was sick and you took care of me, I was in prison and you visited me.”



CHURCHES HOUSING INCORPORATED

FINANCIAL REPORT

For the year ended

30th June , 2012

**CHURCHES HOUSING INCORPORATED
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2012**

2011			2012
\$		Notes	\$
	CURRENT ASSETS		
192,987.30	Cash and cash equivalents	2	145,448.15
<u>4,250.00</u>	Receivables	3	<u>21,677.50</u>
197,237.30	TOTAL CURRENT ASSETS		167,125.65
	NON-CURRENT ASSETS		
<u>37,813.60</u>	Plant & Equipment	4	<u>33,908.70</u>
<u>37,813.60</u>	TOTAL NON-CURRENT ASSETS		<u>33,908.70</u>
<u>235,050.90</u>	TOTAL ASSETS		<u>201,034.35</u>
	CURRENT LIABILITIES		
<u>90,972.22</u>	Payables	5	<u>101,979.28</u>
90,972.22	TOTAL CURRENT LIABILITIES		101,979.28
<u>-</u>	NON-CURRENT LIABILITIES		<u>-</u>
<u>-</u>			<u>-</u>
<u>90,972.22</u>	TOTAL LIABILITIES		<u>101,979.28</u>
<u>144,078.68</u>	NET ASSETS		<u>99,055.07</u>
	MEMBERS FUNDS		
97,051.68	Retained Profits/(Losses)	6	63,854.07
<u>47,027.00</u>	Reserves	7	<u>35,201.00</u>
<u>144,078.68</u>	TOTAL MEMBERS' FUNDS		<u>99,055.07</u>

The accompanying notes form part of these Financial Statements

CHURCHES HOUSING INCORPORATED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2012

2011		2012
\$		\$
	INCOME	
266,007.14	Government Grants Received	262,061.63
6,218.16	Interest Income	10,432.15
14,911.66	Reimbursed Expenses	-
7,884.86	Employee Fringe Benefits Contributions	7,999.94
295,021.82	Total Income	280,493.72
	EXPENDITURE	
550.00	Audit Fees	520.00
82.50	Books & Publications	-
71.50	Computer Software	1,389.99
1,345.30	Computer Support	3,126.50
4,991.26	Conferences & Meetings	12,239.06
7,541.04	Depreciation	7,987.55
210.00	Dues & Subscriptions	-
484.73	Electricity Expenses	1,063.12
4,125.78	Insurance	4,131.65
614.80	Internet Expenses	713.00
48.00	Legal Fees	400.55
-	Miscellaneous Expenses	71.35
1,439.32	Motor Vehicle Expenses	3,881.77
1,631.15	Office Services	-
3,385.15	Office Supplies	4,321.79
187,446.59	Salaries & Wages	188,698.08
-	Other Payroll Expenses	25,696.10
-	Promotional Expenses	5,000.00
9,068.84	Provision for Annual & Long Service Leave	(32,609.02)
-	Staff Amenities	540.60
916.84	Staff Development Costs	180.00
306.22	Staff Functions/Gifts	272.73
16,653.52	Superannuation	16,667.92
1,661.99	Workers Compensation Insurance	2,319.51
10,977.24	Fringe Benefits Tax	14,195.35
431.35	Postage & Delivery	707.28
51.20	Printing	-
3,024.00	Professional Fees	17,963.64
2,120.00	Relocation Costs	-
19,660.26	Rent	17,922.95
496.41	Subscriptions	4,112.71
2,299.11	Telephone Expenses	4,085.58
7,436.32	Travel Expenses	8,091.57
289,070.42	Total Expenditure	313,691.33
5,951.40	Profit/(Loss) from ordinary activities	(33,197.61)
-	Other Comprehensive Income for the year	-
5,951.40	Total Comprehensive Income for the year	(33,197.61)
5,951.40	Profit attributable to the members of the entity	(33,197.61)
5,951.40	Total Comprehensive Income attributable to members of the entity	(33,197.61)

The accompanying notes form part of these Financial Statements

**CHURCHES HOUSING INCORPORATED
STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE YEAR ENDED 30TH JUNE 2012**

	Retained Profits/ Losses	Reserves	Total
Balance as at 1 July 2010	138,127.28	-	138,127.28
Profit attributable to the entity for the year	5,951.40	-	5,951.40
Transfer (to) / from Retained Earnings	(47,027.00)	47,027.00	-
Total Other Comprehensive Income for the period	-	-	-
Balance as at 30 June 2011	97,051.68	47,027.00	144,078.68
Profit attributable to the entity for the year	(33,197.61)		(33,197.61)
Total Other Comprehensive Income for the year	-	-	-
Transfer (to)/from Ecclesia Housing Limited	-	(11,826.00)	(11,826.00)
Balance as at 30 June 2012	<u>63,854.07</u>	<u>35,201.00</u>	<u>99,055.07</u>

The accompanying notes form part of these Financial Statements

CHURCHES HOUSING INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012

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 Associations Incorporation Act 2009 NSW and for use by the Committee of Management and the member churches of Churches Housing Incorporated. The Committee has determined that the Association is not a reporting entity and hence these statements have been prepared in accordance with the following applicable Accounting Standards and other mandatory professional reporting requirements.

AASB 1031: Materiality
AASB 110: Events after the Reporting Period

No other applicable Accounting Standards or other mandatory professional reporting requirements have been applied.

The financial statements have been prepared on an accrual basis in accordance with the historical cost convention. Cost is based on the fair values of the consideration given in exchange for assets.

Significant Accounting Policies

Accounting Policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

Recognition of Income

The timing of the recognition of grants, donations, fundraising, entrance fees and annual subscriptions from members depends when control of these monies is obtained, usually receipt of monies.

Investment Income

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

Income Tax

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

Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- 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.
- 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.

CHURCHES HOUSING INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012

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

Property, Plant & Equipment

Each class of property plant and equipment is carried at cost or deemed cost, where applicable, any accumulated depreciation and any impairment in value.

Plant & Equipment is depreciated over the expected economic life of each asset.

The depreciation rates used for each class of depreciable asset are:-

Plant & Equipment	7.5% - 40%
-------------------	------------

Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such an indication exists and where carrying values exceed the recoverable amount, the asset is written down to the recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use.

Employee Benefits

Provision is made for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, and long service leave which will be settled after one year, have been measured at the amount expected to be paid.

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

Payables

Sundry Creditors and Accruals are shown in the Statement of Financial Position at the aggregate value of monies owed for goods and services provided and other amounts unpaid as at 30th June, 2012. These amounts are unsecured and usually paid within 30 days of recognition.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash held with financial institutions which are subject to insignificant risk of changes in value.

CHURCHES HOUSING INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012

2011
\$

2012
\$

NOTE 2 - CURRENT ASSETS - CASH AND CASH EQUIVALENTS

192,796.40	Cash at Bank	145,248.15
190.90	Cash at Hand	200.00
192,987.30		145,448.15

NOTE 3 - CURRENT ASSETS - OTHER

4,250.00	Security Deposit - Bond	4,250.00
-	Prepayments	941.28
-	GST Refundable	737.19
-	Sundry Receivables	15,749.03
4,250.00		21,677.50

NOTE 4 - NON-CURRENT ASSETS - PROPERTY, PLANT & EQUIPMENT

12,704.64	Plant & Equipment - at cost	16,787.29	
(2,928.67)	Less: Accumulated Depreciation	(6,954.47)	9,832.82
9,775.97			
32,650.00	Motor Vehicle - at cost	32,650.00	
(4,612.37)	Less: Accumulated Depreciation	(8,574.12)	24,075.88
28,037.63			
37,813.60			33,908.70

NOTE 5 - CURRENT LIABILITIES - PAYABLES

3,909.30	Sundry Creditors	57,420.33
31,922.74	Annual Leave	12,061.45
45,245.23	Long Service Leave	32,497.50
9,894.95	GST Payable	-
90,972.22		101,979.28

NOTE 6 - RETAINED PROFITS

138,127.28	Retained Profits at the Beginning of the Financial Year	97,051.68
(47,027.00)	Less: Transfer to Redundancy Reserve	-
5,951.40	Net Profit/(Loss) for the year	(33,197.61)
97,051.68	Retained Profits/(Loss) at the End of the Financial Year	63,854.07

NOTE 7 - RESERVES

REDUNDANCY RESERVE

-	Balance at the Beginning of the Financial Year	47,027.00
47,027.00	Add: Transfer from Retained Earnings	-
-	Less: Transfer to Ecclesia Housing Limited	(11,826.00)
47,027.00	Balance at the End of Financial Year	35,201.00

CHURCHES HOUSING INCORPORATED

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):

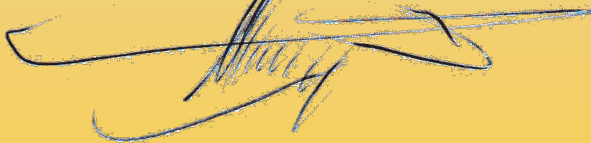
- (a) the accompanying Statement of Comprehensive Income gives a true and fair view of the surplus/ (deficit) of the Association for the year ended 30 June 2012;
- (b) the accompanying Statement of Financial Position gives a true and fair view of the state of affairs of the Association as at that date; and
- (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.

For and on behalf of the Committee,

RICHARD A. PERKINS



OTTO HENFLING



SYDNEY,

28 September, 2012

THOMAS DAVIS & CO.

(ESTABLISHED 1894)

CHARTERED ACCOUNTANTS

Liability limited by a scheme approved
under Professional Standards Legislation

PLEASE ADDRESS ALL LETTERS TO
BOX 492 G.P.O.
SYDNEY, N.S.W. 2001

TELEPHONE: (02) 9232 1188
FACSIMILE: (02) 9231 6792
EMAIL: mail@thomasdavis.com.au

LEVEL 20
68 PITT STREET
SYDNEY NSW 2000

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHURCHES HOUSING INCORPORATED

We have audited the accompanying financial report, being a special purpose financial report, of Churches Housing Incorporated which comprises the statement of financial position as at 30 June 2012, and the statement of comprehensive income and the statement of changes in members' funds for the year ended on that date, a summary of significant accounting policies, other explanatory notes and statement by the Committee of Management.

Committee's Responsibility for the Financial Report.

The Committee of Management of Churches Housing Incorporated is responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporations Act 2009 NSW and is appropriate to meet the needs of the members. The Committee of Management's responsibility also includes such internal control as the Committee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view, 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

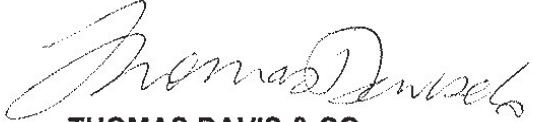
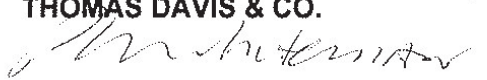
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Churches Housing Incorporated as at 30 June 2012 and of its financial performance for the year then ended in accordance with the financial reporting requirements of the Associations Incorporation Act 2009 NSW.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Churches Housing Incorporated to meet the requirements of the Associations Incorporation Act 2009 NSW. As a result, the financial report may not be suitable for another purpose.


THOMAS DAVIS & CO.


P L WHITEMAN

PARTNER

Chartered Accountants

SYDNEY,

28 September 2012



Churches Housing Inc.
ABN: 94 142 146 245

PO Box 2675
North Parramatta NSW 1750
T : 02 9633 5999
F : 02 9633 9911
E : info@churcheshousing.org.au
www.churcheshousing.org.au

Registered Office
Suite 107, 55 Phillip Street
Parramatta NSW 2150