



**ecclesia**  
**HOUSING**  
SAFE SECURE AFFORDABLE

# Ecclesia Housing Limited

## Annual Report

# 2014-2015

At Ecclesia Housing we want to make a difference in the lives of our tenants and be a catalyst and support opportunities for improvement in their lives.

Again this year, we have kept the reduced size of our Annual Report and its simplified layout. The money saved will be added to our scholarship program for our tenants and their children.

## **Purpose Statement**

Ecclesia Housing exists to respond to God's call to serve the poor and disadvantaged by providing an increasing number of safe, secure and affordable accommodation through cost effective housing management for support providers and clients who will experience a compassionate and effective service.

## **Vision Statement**

We act on Christ's call to help people who are disadvantaged. We deliver innovative and sustainable housing services that are recognized by the community as a model of excellence and compassion.

## **Core Values**

Our belief is in a loving God who came to earth in Jesus Christ to share our humanity and give an example of the potential for a full human life. Ecclesia Housing constantly seeks new ways of engagement in realizing this belief through practical expressions of concern for others. Ecclesia Housing is committed to:

- Improving living standards of those on the margin of society.
- Calling its members and wider society to advocacy for justice.
- Working in partnership with governments and the community to meet agreed social objectives and improve the fabric of society.

## What Ecclesia Housing will be in 5 years....

A **Catalyst** to help tenants who are poor or disadvantaged to:

- Be part of a community
- Have opportunities for the future
- Have personal and income security

Our work with tenants will be part of a wider network that together **Multiplies** the positive impact on tenants' lives.

Our housing will support 2,000 tenants and their families.

We will bring together churches, support services, affordable housing, and community businesses to give the opportunity for **Renewal** and **Personal Development**.

Our work and that of our partners will **Amplify** our effectiveness.

Ecclesia Housing will be **Respected** and **Recognised** for its work in putting into effect our Lord's command to serve the poor and disadvantaged.



## Chairman's Report

Michael Anderson

The past financial year has been one of continuing change as we implement new initiatives and strive for efficiencies. Over the year we reviewed our strategy and enhanced our governance.

Each year we formally review our strategy. We assess our operating environment, including our contractual requirements with Family and Community Services and our Registration requirements, as well as potential opportunities to improve our services to best respond to God's call to serve people who are poor and disadvantaged. We assess our past work to see what can be improved.

Our strategy has three key areas:

- Ensure that our business model is sustainable over the long term.
- Have robust relationships with the service providers that we work with so that we can better complete our mission.
- Clear ways that Ecclesia Housing adds value to our joint services and to the lives of our tenants.

We are seeing improvements in these areas and this is very pleasing. Nevertheless, as our environment changes so too must we constantly reassess our work and fine tune what we do so that we can more effectively implement God's vision for Ecclesia Housing.

Governance is a crucial core of effective and transparent services. The Board reviews governance across the organisation. Over the year we reviewed the performance of the Board, the skills of directors relative to the needs of Ecclesia Housing, board diversity, and we implemented the ASX Corporate Governance Principles.

- We monitor decision making across Ecclesia Housing and ensure that it is undertaken within the delegations that we have determined are the best matrix for an organisation of our size and type.

- Our review of the Directors' range of skills compared with our strategy and governance needs. This review resulted in the appointment of three new directors who have added their skills and experience. The selection process was robust and competitive with advertisements placed through major governance organisations followed by a rigorous selection process including external checks.
- Over the year the Board implemented a progressive review of the ASX Governance Principles and discussed each in terms of what they mean in our setting and how we can better implement the principles. These discussions are on-going and will further engender refinements in our governance.
- Diversity of views adds significantly to the quality of our decision-making. We are incorporating diversity into all the levels of our organisation and ensure that it is reflected in the work that we undertake.

Our Directors have been very involved in Ecclesia Housing over the year and I would like to thank them all for their contributions and commitment. I am pleased to welcome our new Directors Zara Tai, Natasha Thompson, and Andrew Watson. The skills and knowledge that they bring to the Board have enhanced our capacity and ability to do God's work.

Our thanks go to all our staff under Dr Phill Morath's leadership who have worked hard over the year to improve our services and the effectiveness of our mission.

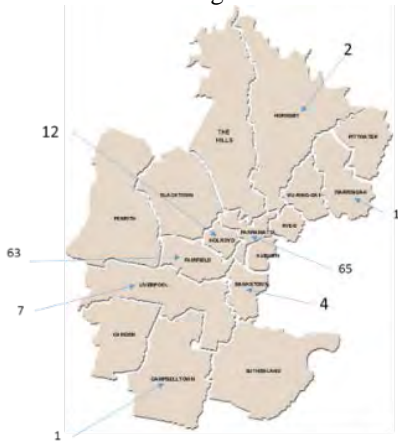


# Ecclesia Housing Snapshot

Where our tenancies are located:



Inner West local government areas



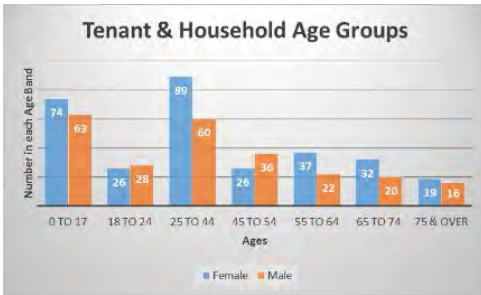
Central Coast



Middle ring local government areas

Newcastle

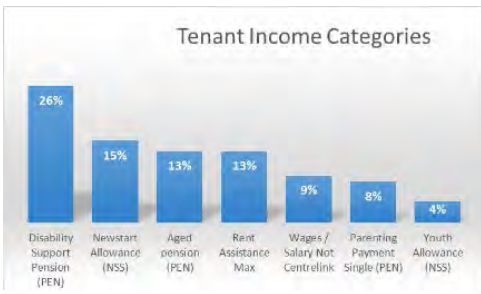
Our properties are in 27 local government areas in Greater Metropolitan Sydney, Central Coast, and Newcastle.



84% of tenants and family members are less than 65 years old  
 One third of the tenants and their families are less than 24 years old



61% of tenants stay in accommodation for less than 2 years



Most tenants primary income is the DSP, Newstart, or Aged Pension



## Chief Executive Officer's Report

Phillip Morath

Ecclesia Housing had a number of important issues to manage over 2014-15. These included significant changes to one of the main transitional accommodation programs that we manage and major changes to our systems as we implement processes to make our transitional accommodation sustainable over the long term. We worked with our stakeholders to construct the 19 new villas at Wadalba that will be affordable and social housing homes for the next two generations of Australians on the Central Coast.

Ecclesia Housing seeks to implement God's call to serve the poor and disadvantaged by providing affordable accommodation. We manage properties for the Going Home Staying Home program. In addition, we have many other transitional properties allocated to tenants who are supported by a range of service providers.

80% of our social housing properties house tenants in transitional programs. These programs, typically 6-12 months or sometimes up to 18 months, mean that there are commensurate increases in our responsibilities to:

- Undertake property inspections to ensure that condition reports are kept up to date.
- Keep the properties maintained to the required standard when there is increased wear and tear due to the higher tenant turnover as well as higher levels of property damage due to the nature of many of our tenants.
- Process the increased number of nominations and lease arrangements. For example, of the 290 social housing tenancies that we have, over the year we processed 171 new tenancies, 61 transfers, and 202 tenants leaving. A total of 434 lease changes or 150% of our total number of tenancy positions.

In this context we are working to develop new procedures that streamline our processes for working with transitional clients.

Part of the way that we are meeting this challenge is to implement integrated software solutions. Near the end of the year, the Board approved



an allocation of funds, \$130k over 3 years, to purchase and implement the SDM Housing software system. This software is targeted to be implemented during 2015-16.

Over the year we also improved our IT infrastructure, improving server performance to enable off-site work and better load management. We also commenced working with new IT support providers to improve risk management through a comprehensive disaster recovery program.

In the year, Ecclesia Housing's compliance with the Community Housing National Regulatory System standards was re-confirmed at the Tier 2 level. However, while pleasing Ecclesia Housing, has firm ambitions to operate its services at the Tier 1 level. Our financial monitoring is already at a high level. In the coming year we will further enhance our risk management process and our long term maintenance processes. We have begun working on future development projects now that our Wadalba project is complete.

At Wadalba, Wyong LGA, we have constructed 19 villas that will be allocated as affordable and social housing for the next 40 years. This project implements our strategy of being a catalyst in the lives of our tenants - the project's twin outcomes are to provide quality affordable and social housing in a region of need as well as offering tenants various supports and assistance to enable them to use the lower rents as a stepping stone to improved life outcomes.

In the year we also had to manage the major upheaval that was the Going Home Staying Home Program. This major change to transitional accommodation caused major issues for Ecclesia Housing through vacancies and distortion of our capital works program that will take at least 3 years to bring back to our long term plan. We appreciate the financial support from FACS that assisted us to manage these problems.

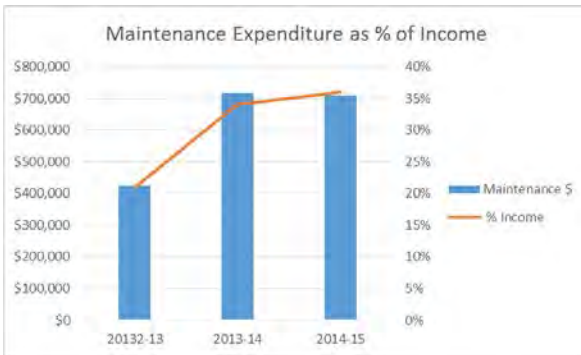




## Finance and Audit Committee Report

Natasha Thompson

In the financial year, Ecclesia Housing achieved a profit. The operations component contributed \$105K, the remainder due to government grants and profit on revaluation of assets. The operating profit represents an average of \$384 profit per property. This amount is not sustainable in the long term since we are required to continue to upgrade capital properties and also develop new ones. It is an indication of the cost structure inherent in the operation of a portfolio of properties largely dedicated to transitional housing. Strategically, we need a combination of increased income and reduced expenses, so negotiations with Family and Community Services will be likely.



Maintenance expenditure at % of income has continued to rise

The Finance and Auditor Committee undertook an extensive evaluation of our future external audit needs. Ecclesia Housing will increase the number of properties under management and, consequently, the financial, governance, and operational demands on the Company will also increase.

For this reason, we called for expressions of interest to provide comprehensive external audit and other services in line with our expanding responsibilities. The EOI process was comprehensive and competitive and we are pleased to recommend to members the appointment of LBW and Partners who have extensive experience in providing audit services to

medium sized firms and can provide additional services as required. I would like to take this opportunity to thank our auditor, John Malouf, for his past services over many years.

	2011-12	2012-13	2013-14	2014-15
<b>Current Ratio (times/ X)</b>	2.02	1.85	1.12	2.21
<b>Gearing (%)</b>	0%	65%	17%	25%
<b>EBITDA ('000)</b>	-127	62	5,172	1,650
<b>ICR (times/ X)</b>	-0.1	-17.4	69.73	20.95

The Committee reviews the Company's finances on a continuing basis. In addition this year the Committee reviewed in detail the 10 year financial projections presented to the Registrar for Community Housing. These projections represent our projections for the coming decade and reflect our strategy and risk management controls.

I would like to thank Tony Carpani, past Committee Chair, and the other Directors on the Committee for their work over the year, along with our appreciation of the work of Rob Little, our Accountant, and his team.



## Affordable Housing - Our Wadalba Development – Making a Difference

In late 2014 we commenced construction of 19 affordable and social housing dwellings at Wadalba on the NSW Central Coast. These dwellings will provide affordable and social housing in the region for the next 40 years.

The project is an outcome of our strategy to be a catalyst in the lives of our tenants and provide an opportunity for our tenants to achieve improved housing outcomes.



Tenants in the project will have the opportunity to work with Ecclesia Housing and MyVoice P/L to achieve personal goals that will enhance their achievement of owning their own home or affording secure private market accommodation.

The project will assist tenants in skills development, links to assist them achieve outcomes, and enable them to access services such as training, Ecclesia Housing’s scholarship program for adults and children, mentoring and personal coaching.

This project would not have been possible without the support of key stakeholders.



The NSW Government committed \$2.4m to the project. These funds enabled the project to commence. Uniting Financial Services, the : treasury and investment services division of The Uniting Church (NSW) Trust Association Limited and The Uniting Church in Australia Property Trust (NSW),

provided loan funds to enable the construction of the dwellings. The construction of the dwellings totalled \$6m. The loan will be repaid through Ecclesia Housing funds, tenant rent payments, and Commonwealth NRAS Incentives.

The homes were constructed by BDM Constructions P/L and the project was managed for Ecclesia Housing by Impact Group P/L. We greatly appreciate the support of all our stakeholders.



## Risk & Sustainability

### Risk

Recognising and managing risk is a crucial part of the role of the Board and management of Ecclesia Housing.

It is recognised that good risk management practice can help to protect established value as well as assisting in identifying and capitalising on opportunities to create value.

At Ecclesia Housing, risk is:

- Overseen by the Board as a whole and the Board is ultimately responsible for the risk management framework. Committee Charters include review of risks and mitigation strategies relevant to their area of oversight.
- The Board undertakes a whole of business risk review in April each year. Quarterly reviews of ranked risk items are undertaken.
- There is no separate internal audit function. However, high risk areas including rent arrears, vacancies, maintenance processes, and development activities are closely monitored by Committees and management through KPI reporting.

Ecclesia Housing's operating environment has several characteristics:

- a high proportion of transitional tenants.
- Average tenant rental payments are lower than sector as a whole.
- Nomination rights for approximately 80% of social housing tenancies are held by third-party organisations.

Areas of risk include

- vacancies and consequent loss of rent.
- higher than normal maintenance costs.
- higher than normal arrears and end of tenancy bad debts.

Each of these areas of risk are monitored continuously by management and KPI are reported monthly or Quarterly as appropriate.

## Sustainability

Environmental sustainability is a key principle of the operations of Ecclesia Housing. We intend to continue operating in a manner that does not compromise the health of both the ecosystems in which we operate and that of our tenants.

We regard sustainability as a principle where over the long term we will implement a number of procedures and initiatives that build upon each other to reduce our environmental footprint.

Over the past year procedures included:

- House and tenancy sustainability measures.
  - Water usage being monitored and tap leaks and pipes rapidly repaired.
  - Light globes progressively being replaced with low energy equivalents in common areas and when we undertake property maintenance.
  - Newsletters efficiency by printed at our office and only same number of copies as tenants are printed.
  - Energy saving advice and, when available, links to energy saving initiatives.
  
- Office sustainability actions:
  - Recycle bin now used for paper recycling. Confidential information shredded before recycling.
  - Documents scanned and saved electronically. Originals returned to tenants where possible.
  - Black and white, double sided printing.
  - Annual Report only printed in minum numbers necessary and is available on the Ecclesia Housing website.
  - Computer monitors turned off after business hours instead of being left on standby.
  - Softcopy of letterhead used for email correspondence.



## Corporate Governance

The Board of Ecclesia Housing regards strong and transparent Corporate Governance as a major pillar of company.

Over the year, the Board has:

- Adopted the 8 principles listed in the ASX Corporate Governance and Recommendations<sup>1</sup>
- Reviewed the Charters of each of its Committees.
- Conducted a peer assessed performance review of individual directors and provided feedback. We conduct an assessment of the Board as a whole in alternate years.
- Commenced a review of each of the ASX Principles in relation to:
  - How each applies to Ecclesia Housing
  - How effectively the principles have been implemented at Ecclesia Housing
  - What improvements can be implemented
- Monitoring applications of delegations and decisions made by management.

During the year the Board confirmed its commitment to diversity across all aspects of the Company. In the future the Board will assess the level and extent of diversity at all levels of the company and its operations including Board, employees and tenants.



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<sup>1</sup> ASX Corporate Governance Council, 3rd Edition, 2014



## Wadalba – Before & After



Oakwood Street



Figtree Boulevard



The 19 villa units have been developed in Wadalba. Benefits include:

- Wadalba is a master-planned suburb
  - Schools – pre-school to high school are nearby
  - Shops are nearby including plans for additional major retailers
  - Transport is close providing links to Wyong station
- Employment available in Wyong, Gosford, and the wider Central Coast
- Education through TAFE and Universities are available nearby.

# Notes



**Wadalba Affordable and Social Housing project Open Day  
6 November 2015**

Website: [www.ecclesiahousing.org.au](http://www.ecclesiahousing.org.au)  
ACN/ABN: 103 181 700 / 38 103 181 700  
Phone: 02 9890 6500  
Address: Suite 1A, 470 Church Street, Parramatta (from 10 December 2015)  
Post: PO Box 2725 North Parramatta NSW 1750



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# **Directors' Report & Financial Statements 2014-15**

## **Contents**

Directors Report For The Financial Year 2014-15 .....	2
Independent Auditor's Report To Members .....	7
Statement Of Financial Position As At 30th June 2015.....	9
Statement Of Comprehensive Income For The Year Ended 30th June 2015 .....	10
Statement Of Changes In Equity For The Year Ended 30th June 2015 .....	11
Statement Of Cash Flows For The Year Ended 30th June 2015.....	12
Notes To And Forming Part Of The Financial Statements For The Year Ended 30th June 2015 .....	13
Directors' Declaration .....	24
Disclaimer.....	25
To The Members Of Ecclesia Housing Limited.....	25
Detailed Statement Of Comprehensive Income For The Year Ended 30th June 2015 .....	26
Auditors' Independence Declaration .....	28

**ECCLESIA HOUSING LIMITED**  
**A.C.N. 103 181 700**  
**(A Company Limited by Guarantee)**

**Directors Report for the Financial Year 2014-15**

The Directors of Ecclesia Housing Limited (EHL) have pleasure in presenting this Annual Report on the operations of the company for the 2014-15 financial year.

Names of the Directors:

The names of the Directors in office over the year and at the time of this report are:

Michael Anderson

Peter Bentley

Anthony Carpani

Stuart Green

Myree Anne Harris

Calvin Lam (*resigned 10 November 2014*)

John Martin

David Schwarz

Natasha Thompson (*appointed 22 April 2015*)

Andrew Watson (*appointed 22 April 2015*)

Zara Tai (*appointed 22 July 2015*)

**Information on Directors.**

The names and experience and special responsibilities of each person who has been a director over the year are:

**Michael Anderson** *BEC, FIAA, Grad Dip (Christian Studies), MAICD*

Michael joined the Board in 2011. He had a 27 year career at AMP Capital Investors where he held a range of senior investment and general management roles.

He was the leader of Australia's largest Sustainable Investment Fund from inception and a spokesperson on Corporate Governance. He is an ongoing member of various AMP Capital investment committees and is a director of Uniting Financial Services and Morling College Foundation.

Michael is Chair of the Board of Directors, Chair of the Governance Committee, and member of the Finance and Audit and Building and Development Committees.

**Peter Bentley** *MPS (First Class Hons), Dip (Superannuation), GAICD, AFin*

Peter joined the board in 2013. Peter's professional experience includes strategy and policy development in government and the private sector. Peter has worked as a Federal Government policy director specialising in housing, infrastructure and government services delivery. He founded the McKell Institute, an independent public policy institute, and served as its Executive Director. Peter is also director of Club Plus Super and the McKell Institute.

Peter is a member of the Building and Development and Governance Committees.

**Anthony Carpani** – *B Eng. (Sydney Uni ) FAICD.*

Tony has an extensive background in senior management positions both here in Australia and in the United States as Vice President of a US based multinational company, Wabtec Corp.

Since retiring from full time employment he has formed his own consultancy firm focusing on business management, company mergers and acquisitions.

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During his 13 years with Wabtec Corp, Tony managed a global rail manufacturing division of engineered components for rolling stock located in 6 countries.

He was a member of several international boards and was nominated chairman of the German, Italian and Australian companies.

Tony is a member of the Finance and Audit, and was acting Chair from November 2014 to July 2015, and he is a member of the Governance Committees.

**Stuart Green** - *BE(Hons), Grad Dip Business Admin, CPEng, FIEAust*

Stuart joined the Board in 2012. He has had a career in urban development since 1984 delivering some key development sites for some of Australia's largest corporate developers. He has also worked as a senior manager in local government in development roles and is currently a consultant delivering large urban precincts for UrbanGrowth NSW and other corporate developers.

Stuart is Chair of the Building and Development Committee.

**Myree Harris** - *OAM rsj BA (Macq), MAPS (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 EHL board since 1998. She is community leader and public officer of Gethsemane Community Inc, co-founder and convenor of CASA: Coalition for Appropriate Supported Accommodation for people with disabilities in NSW, and Member of the Australian Catholic Disability Council.

Myree is a member of the Finance and Audit and Governance Committees.

**Calvin Lam** - *BCom, MCom, CPA, JP*

Calvin joined the Board in June 2013. He has had experience in Accounting and Finance for more than 20 years in both commercial and not-for-profit sections.

He is now the Chief Financial Officer of a NGO working in Mental Health and Community Services. He is also a board member of Cancare Centre which serves cancer patients and their carers.

Calvin was the Chair of the Finance and Audit Committee until his resignation.

**John K. Martin** - *B.Eng. GAICD*

John has held a variety of technical IT and senior management roles for over 25 years in a large Australian corporation. Over the last 10 years, John has been assisting congregations with mission, property & business planning. He is currently working as a part-time Property Development Manager for UnitingCare with a focus on affordable housing development, as well as providing consulting assignments across the Uniting Church in Australia and in the not for profit sector.

John is currently a director of Lifeline Macarthur with a vision of an Australia free of suicide, as well as being a director of several other Uniting Church entities.

John aims to help not-for-profit organisations through good governance and improved business operations and focussed strategy to achieve their organisational goals in a just and socially responsible way.

John is a member of the Building and Development Committee.

**ECCLESIA HOUSING LIMITED**  
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**David Schwarz** – *M. Housing, B.Soc Sc.*

David is an experienced non-executive director and governance expert. He began his career at the Department of Housing in the early 90's and then moved into executive search in London where he placed executives and board member candidates into some of the largest not-for-profit housing and regeneration organisations in the UK.

He was the Deputy Chair of United Residents Housing Association in London and was the Chair of the Performance Sub-Committee. On returning from the UK he worked at the Australian Institute of Company Directors and currently runs his own governance and board recruitment company.

David is a member of the Governance and the Building and Development Committees.

**Zara Tai B.** *Urb Reg Plan (UNE), Cert IV Project Management (UNE)*

Zara joined the board in 2015. She has worked as a town planner in development assessment, compliance and strategic planning for over 20 years in Sydney and regional NSW. She is now a strategic planner at Blacktown City Council. Her work focuses on precinct planning in the release areas in Blacktown. Zara was on property related advisory boards in the Diocese of Parramatta for around 10 years. She was also on the National Council of Australian Catholic Women. Zara is a vowed celibate in the Diocese of Parramatta. She is currently studying a Bachelor of Theology at the Catholic Institute of Sydney.

Zara is a member of the Building and Development Committee.

**Natasha Thompson** *B.Com, CA, Grad Dip Applied Finance & Investment, GAICD*

Natasha joined the Board in 2015. Natasha until recently was an executive in the private sector and has worked in senior finance, governance and risk management roles for some of Australia's leading listed companies. Natasha's most recent private sector role was Head of Group Risk, Compliance and Insurance at AGL Energy Limited. Natasha has recently been appointed Chief Financial Officer at So They Can, a not for profit organisation working to support communities in East Africa. Natasha is a Chartered Accountant, holds a Graduate Diploma in Applied Finance and Investment, a Graduate of AICD and is currently completing a Bachelor of Theology. Natasha is passionate about seeing not for profit entities both in Australia and abroad operate sustainably to meet the needs of vulnerable people and to provide solutions to assist them to meet their full potential.

Natasha is Chair of the Finance and Audit Committee.

**Andrew Watson** *B.Bus, FCPA, FFin*

Andrew joined the Board in 2015. In the last ten years he has had a career as a senior executive within the community based Not For Profit Sector. Initially as CFO of Wesley Mission and more recently as Executive Director Enterprise and Corporate at CatholicCare. In these roles he has guided these organisations into a sustainable financial position with a strong focus on robust infrastructure and technology to support the needs of the clients these organisations serve. In addition he has overseen the effective delivery of client services within the areas of employment, disability support, vocational training and mental health. He has recently been appointed as CFO of Sylvanvale Foundation – a Disability Service Organisation that is responding to the changing needs of its clients as a result of the transition to the NDIS.

Prior to these roles he held senior executive positions in commercial enterprises across the technology, media, financial services and member services sectors. He is currently a member of the Dunlea Board in support of young people and their education

Andrew is a member of the Finance and Audit Committee.



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**Meetings of Directors.**

During the financial year, 13 meetings of directors and 12 meetings of committees were held. Attendances at each during the year were as follows.

Directors	Board Meetings		Committees					
			Finance and Audit		Building and Development		Governance Committee	
	Attendance	Eligible	Attendance	Eligible	Attendance	Eligible	Attendance	Eligible
Michael Anderson	13	13	4	4	3	4	3	3
Stuart Green	12	13			4	4		
Peter Bentley	8	13			3	4	3	3
Anthony Carpani	12	13	3	4			3	3
Myree Harris	7	13	3	4	1	1	2	3
Calvin Lam	4	4	1	1				
John Martin	13	13			4	4		
David Schwarz	11	13			4	4		3
Natasha Thompson	3	3	1	1				
Andrew Watson	3	3	1	1				
Zara Tai	NIL	NIL						

**Principal Activities.**

The principal activity of Ecclesia Housing Limited during the financial year was the provision of community housing to low and moderate income earners in New South Wales. No significant changes in the Company's activity occurred during the financial year.

The Company's activities resulted in the continuation of the Company's Registration by the NSW Registrar of Community Housing.

**Short and Long Term Objectives and Strategy.**

The company strategy is to help the disadvantaged.

The short-term objective is for the Company to continue to provide community housing through its existing properties and to explore ways to grow its own property portfolio.

The long-term objective for the Company is to provide affordable housing for those in need through the development of a property portfolio which will be self-supporting, following any initial assistance from government.

**Performance Measures.**

The Company measures its own performance through the use of both quantitative and qualitative indicators. The indicators are used by Directors and management to assess the financial sustainability of the Company and whether the Company's objectives are being achieved. Several indicators are used to analyse performance. These include EBITDA, cashflow, tenant arrears, vacancies and voids, complaints, tenant satisfaction, gearing, and asset maintenance standards. Where available, the Company compares its performance against benchmarks including the Tier 1 and Tier 2 averages presented from time to time by the NSW Registrar of Community Housing. Information on indicators is included in reports and reviewed by the Board and management on a regular basis.

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**Health, safety, and the environment**

Control of health and safety issues is an integral part of the Ecclesia's management function. This applies both within the office environment and also in service delivery to support partners and tenants.

However, general environmental principles apply in all divisions of the company's activities. Management of the environmental implications of this work is also regarded as an integral part of the management function.

Health, safety, and environment matters are reviewed as a standing agenda item at all board meetings.

**Dividends**

No dividends were declared during this financial year. Ecclesia is a not-for-profit company and its constitution prohibits the distribution of dividends.

**Directors' remuneration**

The directors of Ecclesia act in a voluntary capacity. No directors' fees or honoraria are paid by the company.


**Incorporation**

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the Company. At the 30 June 2015 there were 10 members and the consequent collective liability was \$10.00.

**Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2015 has been received and is attached.

For and on behalf of the Board of Directors:



Michael Anderson Chairperson

Date: 28 October 2015

**JOHN C. MALOUF & CO.**  
Certified Practising Accountant  
Tax Agent Company Auditor  
A.B.N. 85 798 326 417

JOHN C. MALOUF, C.P.A., FTIA  
Telephone: (02) 9630 1155  
Email: john@johncmalouf.com.au

PO Box 2456,  
North Parramatta NSW 1750

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

**ECCLESIA HOUSING LIMITED**  
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We have audited the accompanying financial report of Ecclesia Housing Limited, which comprises of the Statement of Financial Position as at 30 June 2015, Statement of Comprehensive Income, Statement of Changes in Members' Funds and Statement of Cash Flows for the year ended on that date, notes comprising of a Summary of Significant Account Policies, other explanatory notes and the Director's Declaration.

*Directors' Responsibility for the Financial Report*

The directors of Ecclesia Housing Limited are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-Profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the 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 Auditing 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 auditors 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 directors, 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.

# JOHN C. MALOUF & CO.

Certified Practising Accountant

Tax Agent Company Auditor

A.B.N. 85 798 326 417

JOHN C. MALOUF, C.P.A., FTIA  
Telephone: (02) 9630 1155  
Email: john@johncmalouf.com.au

PO Box 2456,  
North Parramatta NSW 1750

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS CONT.

### *Independence*

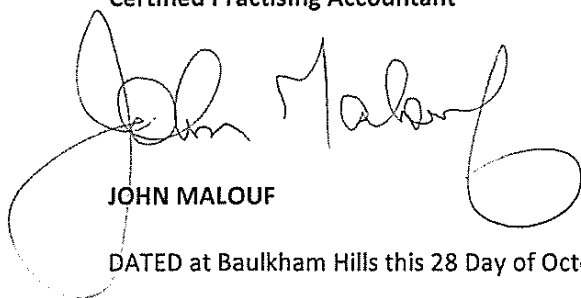
In conducting our audit, we have complied with the independence requirements of the the Corporations Act 2001.

### *Opinion*

In our opinion, the financial report of Ecclesia Housing Limited is in accordance with the Australian Charities Not-For-Profits Commission Act 2012, including:

- a) Giving a true and fair view of Ecclesia Housing Limited's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- b) Complying with Australian Account Standards and the ACNC Regulations 2013

JOHN C MALOUF & CO  
Certified Practising Accountant



JOHN MALOUF

DATED at Baulkham Hills this 28 Day of October 2015

**ECCLESIA HOUSING LIMITED**  
**A.C.N. 103 181 700**  
**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2015**

	Notes	2015 \$	2014 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4	663,500	1,871,027
Other Debtors and Prepayments	5	<u>313,017</u>	<u>173,735</u>
<b>TOTAL CURRENT ASSETS</b>		976,517	2,044,762
<b>NON-CURRENT ASSETS</b>			
Plant and Equipment	6	<u>12,911,511</u>	<u>7,788,789</u>
<b>TOTAL NON-CURRENT ASSETS</b>		12,911,511	7,788,789
<b>TOTAL ASSETS</b>		<u>13,888,028</u>	<u>9,833,551</u>
<b>CURRENT LIABILITIES</b>			
Payables	7	360,733	483,705
Other	8	<u>80,617</u>	<u>1,343,385</u>
<b>TOTAL CURRENT LIABILITIES</b>		441,350	1,827,090
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	9	<u>2,693,666</u>	<u>1,188,000</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		2,693,666	1,188,000
<b>TOTAL LIABILITIES</b>		<u>3,135,016</u>	<u>3,015,090</u>
<b>NET ASSETS</b>		<u>10,753,012</u>	<u>6,818,461</u>
<b>EQUITY</b>			
Asset Revaluation Reserve	10	2,494,686	0
Retained Profits/(Losses)	11	<u>8,258,326</u>	<u>6,818,461</u>
<b>TOTAL EQUITY</b>		<u>10,753,012</u>	<u>6,818,461</u>

**ECCLESIA HOUSING LIMITED**  
**A.C.N. 103 181 700**  
**(A Company Limited by Guarantee)**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE 2015**

	Notes	2015 \$	2014 \$
Revenue from Ordinary Activities	2	2,718,737	2,622,644
Other Income	2	1,359,638	5,218,425
Employee Benefits Expense		(644,021)	(743,905)
Depreciation	3	(137,555)	(91,898)
Occupancy Costs	3	(89,039)	(93,730)
Other Expenses from Ordinary Activities		<u>(1,767,895)</u>	<u>(1,903,991)</u>
<b>Profit/(Loss) from Ordinary Activities</b>		<b><u>1,439,865</u></b>	<b><u>5,007,545</u></b>
<b>Comprehensive Income / (Loss) Attributable to the Entity for the year</b>		<b><u>1,439,865</u></b>	<b><u>5,007,545</u></b>
Gain on revaluation on land and buildings		2,494,686	0
<b>Other comprehensive income</b>		<b><u>2,494,686</u></b>	<b><u>0</u></b>
<b>Total Comprehensive Income / (Loss) Attributable to the Entity for the year</b>		<b><u><u>3,934,551</u></u></b>	<b><u><u>5,007,545</u></u></b>

**ECCLESIA HOUSING LIMITED**  
**A.C.N. 103 181 700**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2015**

	<b>Retained Profits/(Losses)</b>
<b>Balance as at 1 July 2013</b>	1,810,916
<b>Comprehensive Income</b>	
Profit/Loss Attributable to the Entity for the Year	<u>5,007,545</u>
<b>Total Comprehensive Income</b>	<u>5,007,545</u>
<b>Balance as at 30 June 2014</b>	<u>6,818,461</u>
<b>Comprehensive Income</b>	
Profit/Loss Attributable to the Entity for the Year	1,438,865
<b>Other Comprehensive Income</b>	
Gain on revaluation of land and buildings	2,494,686
	<u>3,933,551</u>
<b>Total Comprehensive Income</b>	<u>3,933,551</u>
	<u>10,753,012</u>
<b>Balance as at 30 June 2015</b>	<u>10,753,012</u>

**ECCLESIA HOUSING LIMITED**  
**A.C.N. 103 181 700**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2015**

	Notes	2015 \$	2014 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Revenue from Operations		2,696,996	2,598,883
Payments to Suppliers and Employees		(2,602,988)	(2,679,546)
Interest Paid		(72,181)	(72,863)
Interest Received		24,702	6,810
Government Contributions		0	2,375,000
<b>NET CASH PROVIDED BY/(USED IN)</b>			
<b>OPERATING ACTIVITIES</b>	16	46,529	2,228,284
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for Property, Plant and Equipment		(2,753,482)	(1,296,097)
Proceeds from Sale of Property, Plant and Equipment		0	0
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		(2,753,482)	(1,296,097)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from Borrowings		1,499,426	0
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		1,499,426	0
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		(1,207,527)	932,187
Cash and Cash Equivalents at the beginning of the Financial Year		1,871,027	938,840
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	4	663,500	1,871,027



**ECCLESIA HOUSING LIMITED**  
**A.C.N. 103 181 700**  
**(A Company Limited by Guarantee)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30TH JUNE 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The directors have prepared the Financial Statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general purpose financial statements. These Financial Statements are therefore Special Purpose Financial Statements that have been prepared in order to meet the requirements of the Australian Charities and Not-For-Profits Commission Act 2012. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. The Financial Statements have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Australian Charities and Not-For-Profits Commission Act 2012. Australian Accounting Standards set out accounting policies that AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. The financial statements have been prepared in accordance with historical cost convention, and do not take into account changes in money values or except where stated, current valuations of non-current assets. The accounting policies have been consistently applied except where noted in the Financial Statements.

The financial statements are for Ecclesia Housing Limited incorporated and domiciled in Australia. The Company's registered office is Suite 105/6 18-20 Ross Street, Parramatta, N.S.W. 2150. In accordance with the Constitution the liability of members in the event of the Company being wound up would not exceed \$1.00 per member. The Company had 9 full time equivalent employees at 30th June, 2015 (2014 – 9).

The financial report was authorised for issue on 28/10/2015 by the board of directors. The Directors have the power to amend and reissue the financial statements.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial statements.

**Statement of Compliance**

The financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). A statement of compliance with International Financial Reporting Standards cannot be made due to Ecclesia Housing Limited applying the not for profit sector specific requirements contained in AIFRS.

**Revenue Recognition**

Revenue is recognised at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised.

Rendering of Services - Income from fees received for services is recognised when the service is provided.

Interest - Revenue is recognised as interest accrues using the effective interest method.

Rental Revenue – Rental revenue is recognised as income in the periods when they are earned.

Grants – Grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the company has satisfied all the attached conditions.

**ECCLESIA HOUSING LIMITED**  
**A.C.N. 103 181 700**  
**(A Company Limited by Guarantee)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.**

**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.

**Trade receivables**

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms between 30 and 90 days. Collectability of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off.

**Other assets**

Payments made for deposits and costs for the development or construction of capital projects are recognised as other assets (work in progress) when the payments have been made.

**Impairment of assets**

At each reporting date the company assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, the recoverable amount is determined and impairment losses are recognised in the income statement where the assets carrying value exceeds its recoverable amount. Recoverable amount is the higher of an assets fair value less costs to sell and value in use.

**Property, Plant and Equipment**

Land and Buildings are shown at fair value based on periodic valuations. The valuation by the Directors are based in independent external valuations less subsequent depreciation and impairment for buildings. The most recent valuation was assessed by the Directors on the 30<sup>th</sup> June 2015 based on independent valuations on September 2014. The independent valuations were undertaken for requirements in re financing existing finance and future finance arrangements for the property acquisitions and construction. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising from revaluation of land and buildings are credited in other comprehensive income through the asset reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the asset revaluation reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss. As a non-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets but must not otherwise.

Where the property is vested to the company with an intention to hold the property as a long term asset for the provision of social housing, the asset is treated as property, plant and equipment.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

**ECCLESIA HOUSING LIMITED**  
**A.C.N. 103 181 700**  
**(A Company Limited by Guarantee)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.**

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	50 years
Furniture, Fittings and Equipment	5 years
Motor Vehicles	5 years
Computer Equipment and Software	1-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

**Impairment of property, plant and equipment**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the statement of profit and loss and other comprehensive income.

**Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the company prior to the year end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms. The carrying amount of the creditors and payables is deemed to reflect fair value.

**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.

**Income Tax**

The company is exempt from income tax as it is endorsed as an income tax exempt entity.

**ECCLESIA HOUSING LIMITED**  
**A.C.N. 103 181 700**  
**(A Company Limited by Guarantee)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.**

**GST**

Revenues and expenses are recognised net of GST, except where GST incurred on a purchase is not recoverable from the taxation authority in which case the GST is recognised as part of the cost of the expense item. Receivables and payables are stated with the amount of GST included. The net amount of GST payable to the taxation authority is included in payables in the Statement of Financial Position.

**New accounting Standards and Interpretations**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2015. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

	2015	2014
	\$	\$
<b>NOTE 2 - REVENUE</b>		
<i>Operating Activities</i>		
Government Grants Received	340,683	346,591
Rental Property Income	1,997,990	2,001,465
Property Management Fees	96,895	137,629
Reimbursements of Maintenance	66,632	38,581
Other Income	<u>216,537</u>	<u>98,378</u>
	2,718,737	2,622,644
<i>Non-Operating Activities</i>		
Interest Received	24,702	6,810
Significant Items		
- Vested Income		4,180,000
- Government Contributions	<u>1,334,936</u>	<u>1,031,615</u>
	1,359,638	5,218,425

1. Government Contributions - Relates to Government Contributions for HNSW received and subsequently paid during the Financial Year for the construction of properties on land held at Wadalba NSW.

**ECCLESIA HOUSING LIMITED**  
**A.C.N. 103 181 700**  
**(A Company Limited by Guarantee)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2015**

	2015	2014
	\$	\$

**NOTE 3 – PROFIT/(LOSS) FROM OPERATING ACTIVITIES**

Profit from ordinary activities before income tax expense has been determined after:

Auditing of the Accounts		
- Audit Services	15,800	11,000
- Audit Financial Statements	1,650	0
Total Audit Remuneration	17,450	11,000
Depreciation	137,555	91,898
Interest Expense	72,181	72,863
Property Expenses		
- Planned Maintenance	247,378	374,594
- Responsive Maintenance	412,948	344,180
- Other	838,205	779,314
Rental Expense	88,226	93,730
Provision for Annual Leave and Long Service Leave	21,718	(40,579)

**NOTE 4 -CURRENT ASSETS - CASH AND CASH EQUIVALENTS**

Cash at Bank	611,150	1,817,329
Cash on Deposit	52,050	53,398
Cash on Hand	300	300
	663,500	1,871,027

**NOTE 5 - CURRENT ASSETS -OTHER DEBTORS AND PREPAYMENTS**

Rent in Arrears	17,187	0
Deposits and Prepayments	40,408	46,663
Accounts Receivable	60,589	27,306
Accrued Income	143,208	99,766
GST Debtor	52,625	0
	313,017	173,735

**ECCLESIA HOUSING LIMITED**  
**A.C.N. 103 181 700**  
**(A Company Limited by Guarantee)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2015**

	2015	2014
	\$	\$
<b>NOTE 6 - NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Plant &amp; Equipment</b>		
At cost	244,520	242,095
Less: Accumulated Depreciation	<u>(148,741)</u>	<u>(132,860)</u>
	95,779	109,235
<b>Computer Equipment – WIP</b>		
At cost	<u>41,469</u>	<u>-</u>
	41,469	-
<b>Land &amp; Buildings – Vested – Secured Refer Note 9</b>		
At fair value	7,420,000	
At cost		5,290,000
Accumulated Depreciation		<u>(82,775)</u>
Total Vested (a) (b)	7,420,000	5,207,225
<b>Land &amp; Buildings - Purchased – Secured Refer Note 9</b>		
At fair value	1,360,000	
At cost		1,230,225
Less: Accumulated Depreciation		<u>(40,146)</u>
Total Purchased (a)	1,360,000	190,078
<b>Construction in Progress</b>		
At cost – Wadalba NSW	<u>3,994,263</u>	<u>1,282,250</u>
<b>TOTAL</b>	<b><u>12,911,511</u></b>	<b><u>7,788,789</u></b>

**ECCLESIA HOUSING LIMITED**  
**A.C.N. 103 181 700**  
**(A Company Limited by Guarantee)**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**MOVEMENT IN CARRYING AMOUNTS**

Movements in carrying amounts of each class of property and equipment at the beginning and the end of the current financial year is set out below

	Plant & Equipment \$	Computer Equipment \$	Land & Buildings \$	Construction in Progress \$	Total \$
Balance 30 June 2013	124,883	-	2,279,708	-	2,404,591
Additions	13,843	-	4,180,000	1,282,250	5,476,097
Disposals	-	-	-	-	-
Depreciation	<u>(29,495)</u>	<u>-</u>	<u>(62,204)</u>	<u>-</u>	<u>(91,899)</u>
Balance 30 June 2014	<u>109,235</u>	<u>-</u>	<u>6,397,604</u>	<u>1,282,250</u>	<u>7,788,789</u>
Revaluation	-	-	2,494,686	-	2,494,686
Asset Reconciliation Adjustment	12,109	-	-	-	12,109
Transfers	8,119	-	(8,119)	-	-
Additions	-	41,469	-	2,712,013	2,753,482
Depreciation	<u>(33,684)</u>	<u>-</u>	<u>(103,871)</u>	<u>-</u>	<u>(137,555)</u>
Balance 30 June 2015	<u>95,779</u>	<u>41,469</u>	<u>8,780,000</u>	<u>3,994,263</u>	<u>12,911,511</u>

- (a) The fair value of land and buildings was assessed by an independent valuer for the purpose of a restructuring financing agreement. The valuation was prepared in September 2014. The valuation adopted by the directors was the valuation prepared on the basis that the title was free of any encumbrance noted on the title which subjects the land to the provisions of Section 67L of Housing Act 2001. The directors believe that this valuation is appropriate as there is nothing to indicate that Housing NSW will not remove the encumbrance to allow them to sell the properties at market value.

On this basis the directors assessed the fair value of land and buildings as at 30 June 2015 to be \$8,780,000. The resulting increase has been recognised in the revaluation reserve.

- (b) In respect of vested properties they are held under covenant in that the title is subject to the provisions of Section 67L of the Housing Act 2001.

**ECCLESIA HOUSING LIMITED**  
**A.C.N. 103 181 700**  
**(A Company Limited by Guarantee)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2015**

	2015	2014
	\$	\$
<b>NOTE 7 - CURRENT LIABILITIES</b>		
Property Liabilities - Support Partners	117,412	114,785
Trade Creditors and Accruals	183,063	193,227
Employee Entitlements	60,258	38,540
GST Liability	-	137,153
	360,233	483,705

**NOTE 8 - OTHER LIABILITIES**

Current		
Deferred Income	80,617	1,343,385
	80,617	1,343,385

**NOTE 9 - NON-CURRENT LIABILITIES - BORROWINGS**

Bank Loan - secured		
Drawn Down Facility	1,505,666	-
Fixed Term	1,188,000	1,188,000
	2,693,666	1,188,000

During the financial year Ecclesia Housing Limited reconstructed and increased its financing facilities. A commercial term loan facility was executed with Uniting Church (NSW) Trust Association Limited on the 6<sup>th</sup> November 2014 for \$4,838,000. The loan facility was dual purpose:

- Purpose 1.        \$3,650,000 draw down loan facility to assist in the construction of 19 residents at 35 Figtree Boulevard and 1 Vine Lane Wadalba NSW
  
- Purpose 2.        \$1,188,000 Refinance of the existing MECU loan that was for the purchase of the property at The Esplanade Guildford.

The loan is secured over:

- Units 13-16, 63 The Esplanade Guildford
- Villas 1-5, 35B Girraween Road, Girraween
- Townhouses 1-11, 63-71 Guildford Road, Guildford
- Townhouses 1-2, 61 Guildford Road, Guildford
- Townhouses 1-2, 73 Guildford Road, Guildford



**ECCLESIA HOUSING LIMITED**  
**A.C.N. 103 181 700**  
**(A Company Limited by Guarantee)**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

The carrying amounts of non-current assets pledged as security on	2015	2014
Freehold Land & Buildings	8,780,000	2,279,224

Further Ecclesia Housing Limited has given the lender a First registered GSA over the assets and undertakings of Ecclesia Housing. There is also a Tripartite Agreement between New South Wales Land and Housing Corporation, Ecclesia Housing Limited and the Uniting Church (NSW) Trust Association Limited.

The term of the loan facility is for 5 years to 2019 with a further 5 year period available after the loan review in November 2019.

The loan facility is interest only payments. The interest rate shall be the higher rate, where higher rate means the 90 day Bank Bill Swap Bid Rate (BBSY) set by Reuters on the Commercial date of the term.

The current rate charged is 5.46% as at the 30<sup>th</sup> June 2015.

	2015	2014
	\$	\$
<b>NOTE 10 - RETAINED PROFITS</b>		
Retained Profits at the beginning of the financial year	6,818,461	1,810,916
Profit/(Loss) attributable to the entity	<u>1,439,865</u>	<u>5,007,545</u>
	8,258,326	6,818,461

**NOTE 11 - MOVEMENTS IN RESERVE**

**Asset Revaluation Reserve**

Opening balance at the beginning of the year	-	-
Asset Revaluation	<u>2,494,686</u>	<u>-</u>
	2,494,686	-

**NOTE 12 - SEGMENT ACCOUNTING**

The Company operates in one industry being the provision of affordable accommodation to those in need. It also operates in one geographical segment being New South Wales, Australia.

**ECCLESIA HOUSING LIMITED**

**A.C.N. 103 181 700**

**(A Company Limited by Guarantee)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2015**

2015

\$

2014

\$

**NOTE 13 - RELATED PARTY TRANSACTIONS**

The names of persons who were Directors of the Company at any time during the financial year are as follows:

Michael Anderson

Peter Bentley

Anthony Carpani

Stuart Green

Myree Anne Harris

Calvin Lam (Resigned 26 November 2014)

John Martin

David Schwarz

Natasha Thompson (Appointed 22 April 2015)

Andrew Watson (Appointed 22 April 2015)

Zara Tai (Appointed 22 July 2015)

Remuneration of Directors

No payments were made to any Directors during the financial year.

The Directors are the Key Management Personnel of the Company who are responsible for planning, directing and controlling the activities of the Company.

**NOTE 14 – FUTURE CAPITAL COMMITMENTS**

The entity has future capital commitments of approximately \$2,120,000 for the completion of the construction of the residential units at Wadalba NSW. Funding for the future capital commitments will be met by the undrawn facilities of \$2,144,000 from the loan draw facility totalling \$3,650,000.

**NOTE 15 – FUTURE LEASE COMMITMENTS**

Ecclesia Housing Limited as the date of this report signed a two year (with a two year option) heads of Agreement with SIA Group Australia for office rental at:

Suite 1A, 470-474 Church Street, North Parramatta

No signed lease agreement has been signed at the date of this report.

ECCLESIA HOUSING LIMITED

A.C.N. 103 181 700

(A Company Limited by Guarantee)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2015

NOTE 16 - RECONCILIATION OF OPERATING PROFIT FROM ORDINARY ACTIVITIES TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES

Operating Profit/(Loss)	1,439,864	5,007,545
Vested Income	-	(4,180,000)
Depreciation	137,555	91,898
Loss on disposal of fixed assets	1,288	0
<i>Changes in Assets and Liabilities</i>		
(Increase)/Decrease in Debtors	(87,657)	45,507
(Increase)/Decrease in GST Receivable	(188,788)	269,445
Increase/(Decrease) in Deferred Income	(1,262,768)	1,343,385
Increase/(Decrease) in Payables	(14,683)	(308,917)
Increase/(Decrease) in Provisions	21,718	(40,579)
	<u>(1,393,335)</u>	<u>(2,779,261)</u>
	<u>46,529</u>	<u>2,228,284</u>

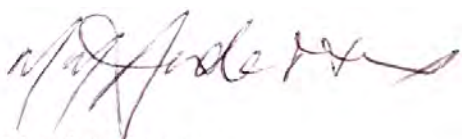
**ECCLESIA HOUSING LIMITED**  
**A.C.N. 103 181 700**  
**(A Company Limited by Guarantee)**

**DIRECTORS' DECLARATION**

The Directors of the Company declare that:

- 1) The financial statements comprising the statement of financial position, statement of comprehensive income, statement of cash flows, statement of changes in equity, and accompanying notes to the financial statements, are in accordance with the ACNC Act 2012 and
  - a. comply with Accounting Standards and the ACNC Regulations 2013; and
  - b. give a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date;
- 2) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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:



Michael Anderson

PARRAMATTA, 28 October 2015

**ECCLESIA HOUSING LIMITED**  
**A.C.N. 103 181 700**  
**(A Company Limited by Guarantee)**

**DISCLAIMER**  
**TO THE MEMBERS OF ECCLESIA HOUSING LIMITED**

The additional financial data presented in the following pages is in accordance with the books and records of the Company which have been subjected to the auditing procedures applied on our statutory audit of the Company for the year ended 30 June 2015.

It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than the Company) in respect of such data, including errors or omissions therein however caused.

**JOHN C MALOUF & CO**

**Certified Practising Accountant**

**JOHN MALOUF**

DATED at Baulkham Hills this 28th Day of October 2015

**ECCLESIA HOUSING LIMITED**  
**A.C.N. 103 181 700**  
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**DETAILED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE 2015**

	<b>2015</b>	<b>2014</b>
	\$	\$
<b>INCOME</b>		
Government Grants Received - Operating	340,683	346,591
Rental Property Income	1,997,990	2,001,465
Less: Rental Property Expenses		
- Planned Maintenance	(247,378)	(374,594)
- Responsive Maintenance	(412,948)	(344,180)
- Other	(838,205)	(779,314)
Property Management Fees	96,895	137,629
Reimbursement of Maintenance	66,632	38,581
Other Income	216,537	98,378
Interest Income	24,702	6,810
Vested Income	0	4,180,000
Government Contributions	<u>1,334,936</u>	<u>1,031,615</u>
	2,579,844	6,342,981
<b>EXPENDITURE</b>		
Advertising	677	1,069
Assets Written-Off	1,288	0
Accounting/Audit	17,450	17,700
Bad Debts	7,849	6,634
Bank Charges and Financial Charges	8,956	9,776
Books and Stationery	0	3,707
Computer Expenses	6,143	3,240
Conference and Meeting Expenses	2,771	24,689
Depreciation	137,555	91,898
Electricity	4,221	6,264
Insurance	15,744	11,964
Interest Paid	72,181	72,863
Motor Vehicle Expenses	5,706	10,198
Membership Fees	236	975
Miscellaneous	6,081	4,831
Office Supplies	4,756	3,096
Office Supplies - Subscriptions	3,496	5,172
Postage and Delivery	4,671	4,262
Printing and Reproduction	9,622	12,277
Project Development	0	(388)
Professional Services	41,323	139,877

**ECCLESIA HOUSING LIMITED**  
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Provision Long Service Leave and Annual Leave	21,718	(40,578)
Rent	88,226	89,039
Repairs and Maintenance	793	10,982
Salaries	568,745	701,129
Service Contracts	29,282	28,345
Staff & Board Development	3,615	11,796
Staff Functions and Gifts	2,383	9,231
Staff Uniform	0	277
Staff Recruitment	1,200	2,094
Storage Fees	5,618	4,723
Superannuation	53,558	60,006
Telephone	12,130	17,460
Travel Expenses	1,985	10,828
	<u>1,139,979</u>	<u>1,335,436</u>
Profit/(Loss) from Ordinary Activities	<u>1,439,865</u>	<u>5,007,545</u>
Profit/(Loss) Attributable to the Entity	<u>1,439,865</u>	<u>5,007,545</u>
	<u>1,439,865</u>	<u>5,007,545</u>
Comprehensive Income Attributable to the Entity	<u>1,439,865</u>	<u>5,007,545</u>
Gain on revaluation of land and buildings	2494686	0
Other comprehensive income	<u>2494686</u>	<u>0</u>
<b>Total Comprehensive Income Attributable to the Entity</b>	<u><u>3,934,551</u></u>	<u><u>5,007,545</u></u>

**ECCLESIA HOUSING LIMITED**  
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**AUDITORS' INDEPENDENCE DECLARATION**

For the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

- i) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit,
- ii) No contraventions of any applicable code of professional conduct in relation to the audit.

**JOHN C MALOUF & CO**  
**Certified Practising Accountant**

**JOHN MALOUF**  
DATED at Baulkham Hills this 28th Day of October 2015