

CORT COMMUNITY HOUSING

[COMMUNITY OF REFUGE TRUST]

2017

ANNUAL REPORT





perpetue's story

'We are grateful to be living safely in a quiet, peaceful area. I have good neighbours. I am very near to a Pak'nSave and five minutes' drive from the Stoddard Road shopping centre,' says Perpetue.

Perpetue hails from Burundi, Africa. She was granted refugee status to enter New Zealand in October 2009. Once here, she applied for her husband Niyongabo to immigrate here. However, it wasn't until seven years later in October 2015 that her husband was able to join her. They became first-time CORT tenants in their current two-bedroom Mt Albert house soon afterwards. Perpetue and Niyongabo have a daughter, 22-month-old Brielle. Niyongabo works as a house painter.

'CORT has made a big difference to me. Before I lived with my cousins in their living room. It was very hard when I was pregnant,' says Perpetue.

She has gained a sense of community from belonging to a choir at Christ the King Catholic Church in nearby Richardson Road. Perpetue also sings in the choir at a monthly mass at St Mary's Catholic Church in Avondale. She takes Brielle three mornings a week to the Pt Chevalier Library for children's activities and she enjoys walking and exploring her neighbourhood. She works two night shifts every week as a caregiver at an Albany rest home. 'Working with elderly people makes me happy.'

FRONT COVER IMAGE left to right: CORT tenants Gary, Zheyne, Shane and Maiti in their Mt Albert vegetable garden.

PHOTOS: JESSIE CASSON

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Age range of people housed by CORT

toddlers and babies 0-4 years

3.6%



school age and youth 5-20 years

2.9%



tenants 22-40 years

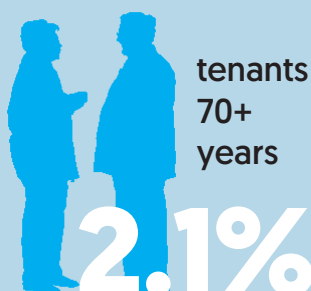
34.3%

tenants 41-54 years

33.6%

tenants 55-69 years

23.6%



tenants 70+ years

2.1%

who are we?

CORT Community Housing [Community of Refuge Trust] is a not-for-profit organisation and is registered as a charitable trust under the Charitable Trusts Act 1957. The Trust was founded in 1987 by Auckland's Ponsonby Baptist Church in response to the housing needs of low-income and vulnerable people in its local area. It operates independently of the church and is governed by a board of trustees.

CORT is now well established. It employs eight staff and provides rental accommodation for over 250 tenants. It has assets of \$66 million and manages over 230 properties, over 60% of them owned by the Trust and the remainder sub-let from private landlords. Tenancies are well managed, with an emphasis on the wellbeing of tenants, security of tenure and careful maintenance of housing stock.

CORT's focus has traditionally been on providing homes for people who use mental health services. This has now expanded to include other vulnerable groups, such as people with disabilities, the elderly and small families on very low incomes.

To find out more about CORT and its history visit our website: www.cort.org.nz

what motivates us?



vision

Good homes for all.



mission

Our goal is to provide good-quality, affordable and secure housing for vulnerable people on low incomes.



ethos

Social justice lies at the heart of CORT's mission. This arises from its founding relationship with Ponsonby Baptist Church and the Christian call to be a good neighbour. Good housing is more than a roof over our heads. It is essential to human dignity.

community housing concepts and definitions



Affordable housing

Accommodation in which the total housing costs are affordable for those living in the housing unit. The commonly accepted guideline for housing affordability is a cost that does not exceed 30% of a household's gross income. Affordable housing includes both rental and home ownership.



Placemaking

In the community housing sector, placemaking refers to the range of factors which create great places to live, promoting the well-being of individuals and neighbourhoods. These factors include engaged tenants, community focussed planning and design, and people-centred tenancy and property management.



Social housing

Rental housing provided for people on low incomes (primarily receiving government income support), who also face multiple barriers to accessing accommodation. Social housing has historically been provided by the Government – owned and managed by Housing New Zealand. However, the Government is increasingly looking to the community housing sector to participate in the provision of social housing.



Mixed housing

The creation of a variety of housing types within a development or community. Within a social and community housing context, the term can be used to describe a mixture of housing types and tenant groups, whose occupancy is determined by their level of need and eligibility for affordable housing.

chairperson's review



Sue Watson

Tēnā koutou katoa

My last two reports as Chairperson of CORT have begun with reference to the housing affordability crisis in Auckland and to the particular difficulties faced by low-income people in finding secure rental accommodation. This shortage continues. As the housing pressure increases even for those who have traditionally been able to afford their own homes, it is worth revisiting the rationale for ensuring that everyone is housed. Quite simply, housing is a basic human right and is recognised as such in the 1948 Universal Declaration of Human Rights.

'The human right to housing applies to everyone [and] . . . is of central importance for the enjoyment of all economic, social and cultural rights.'¹

That means that everyone, regardless of their income, has a right to housing. Like clean water and food, it is not conditional on age or education or health or employment status. It is a necessary foundation for a stable, inclusive society. As a community, we have a moral obligation to assist with ensuring accommodation for those in our society who are most vulnerable.

'It has been described by the most authoritative UN Treaty Body on economic and social rights as the right to live somewhere in security, peace and dignity.'²

Three years ago we set a new strategic direction at CORT based on three priorities – growth, strengthening and advocacy. I am pleased to report that we have achieved most of the goals we set ourselves under those strategic priorities. We are now in the strongest position we have ever been as a Trust to scale up to meet the ever-growing demand for social housing in Auckland.

At the end of the 2013/14 financial year we owned 95 properties and had assets of \$27.2 million. This has increased to 152 properties and assets of \$66 million at the end of the last financial year, representing a 60% increase in properties owned by CORT. While much of the growth in the value of our assets has been derived from market increases in the value of our properties, we have built 58 new dwellings over the past three years and spent \$21.2 million on property development. In the process, we have learned a great deal about property development for social housing. I am proud to say that over this period the CORT team has delivered all of our projects to a high standard.

We also end the year in a strong financial position. As the financial performance reports show, we have assets of \$66 million against loans of \$15.3 million. This reflects a debt-to-asset ratio of 23%. Our strong financial position has enabled us to leverage our strong balance sheet to partner with the increased Government investment in social housing via the Income-Related Rent Subsidy Programme. IRRS allows the tenant to pay rent based on a percentage of their income (normally 25%). The landlord is then reimbursed by the Government for the shortfall between the amount paid by the tenant and the market rent.

In 2016/17 we purchased three blocks of land and began \$17.1 million of developments that will result in 39 homes for 58 people. This development will be scaled up over the following three years to deliver up to 100 new homes each year.

In addition to investing in building, we continue to invest in the social environment for our tenants to help them to feel at home and to build connections with their communities. This was powerfully evidenced for me early in 2017 at a BBQ held with CORT staff and tenants at the recently completed Waimahia development in South Auckland. 12 CORT tenants attended the BBQ along with over 100 neighbours and residents.



COURTESY OF MYLAND PARTNERS

ABOVE: Design concept for CORT's new Scott Point development in Hobsonville, which will include 13 duplex two-bedroom units. Construction will commence in August 2017.

We now house over 260 adults and over 50 children from Waimahia in South Auckland to New Lynn in the west of Auckland. CORT is recognised as a leading provider of social housing in Auckland and an effective advocate for increased provision of affordable and social housing.

Our work is not about buildings and numbers, it's about creating homes for people who are often in desperate situations. We are unique in being developers who are motivated by social outcomes, rather than profit. As long as there are vulnerable and homeless people in our community our work will never be done.

I want to take this opportunity to acknowledge our CEO, Peter Jeffries, and the CORT Community Housing staff for the outstanding work they do and particularly for their willingness to continually change and adapt their approaches to achieve the best possible outcomes for tenants.

On behalf of the Board I'd also like to congratulate Peter on his Outstanding Achievement Award in the recent 2017 AHI Professional Excellence in Housing Awards. A well-deserved award, according to CEO of Community Housing Aotearoa Scott Figenshow: 'Peter has led by example, building a highly effective organisation and sector with the needs of vulnerable tenants at heart over many years.'³

2017 is a significant year for CORT as it marks our 30th anniversary. It is testament to what a small group of caring people can achieve with limited funds and a compelling call to action. I acknowledge the many people from our founding community, Ponsonby Baptist Church, which courageously took out a mortgage of \$160,000 to purchase the first CORT property in 1987. Today we still own this property and one of the tenants has been with us for all this time.

I look forward to the opportunity to celebrate our 30-year milestone with our tenants, friends and supporters.

Ngā mihinui

Sue Watson
Chairperson, CORT board of trustees

¹ 'The human right to adequate housing in New Zealand', Human Rights Commission, New Zealand

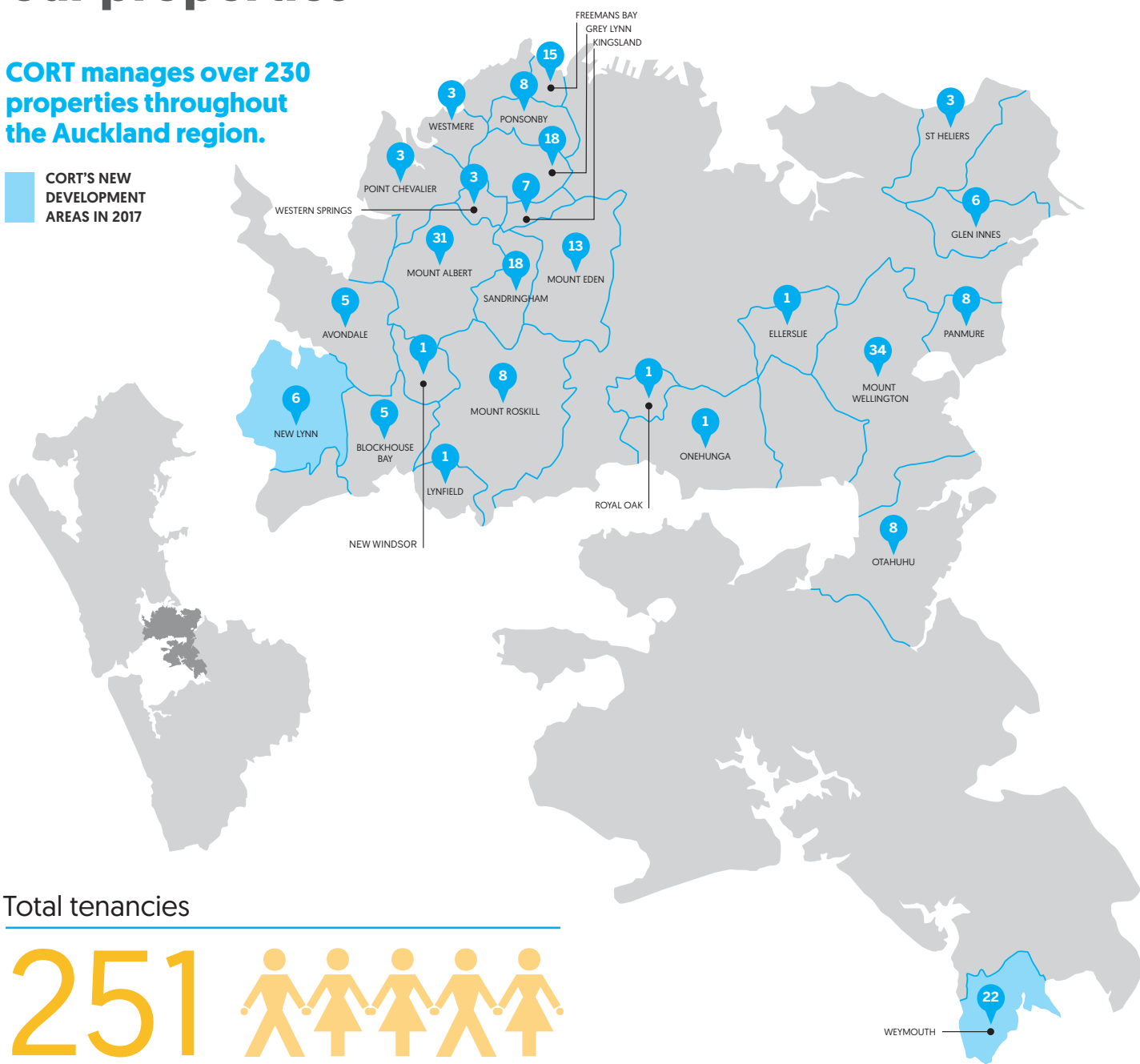
² https://www.hrc.co.nz/files/1214/2681/4255/Right_to_Housing_Flyer_FINAL__2.pdf

³ <http://community.scoop.co.nz/2017/06/congratulations-to-nzs-social-housing-award-winners/>

our properties

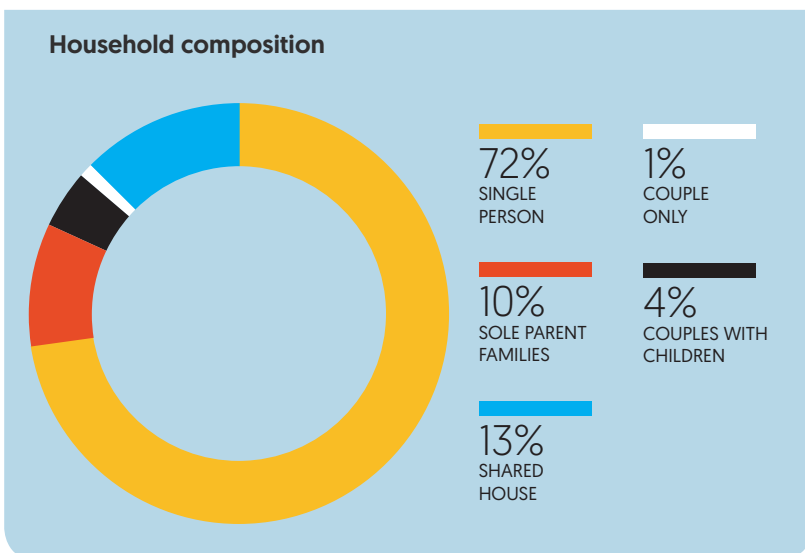
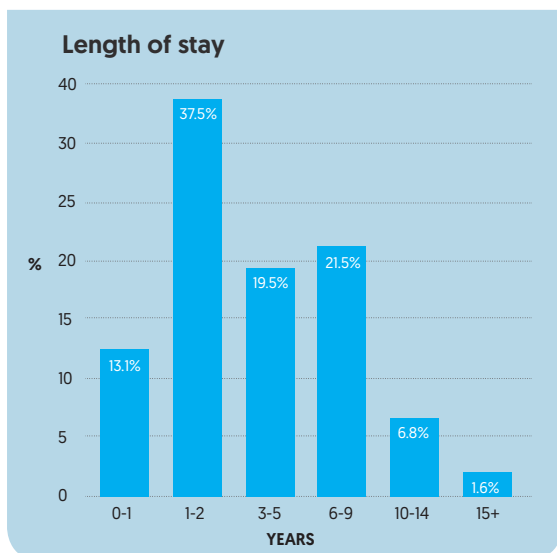
CORT manages over 230 properties throughout the Auckland region.

CORT'S NEW DEVELOPMENT AREAS IN 2017



Total tenancies

251



zheyne's story

Zheyne has lived in Mt Albert since 2009, and now shares the house with four flatmates.

'I can do what I want to do. The other guys respect that. We have a roster and cook one night a week each. I like to cook pork chops, baked potatoes and vegetables. We each put money in for food and for plants for the garden. We grow our own vegetables. I'm mainly a home boy – all of us are. We have everything we need here, Sky TV, the garden, company.'

Zheyne is keen to help others in the community. 'In 2011 a group of us from the Richmond Fellowship decided to fundraise to give free lunches to school kids who need them.' On a fortnightly basis Zheyne is involved with a group of six who cook lunch at Emerge Aotearoa headquarters for anyone who wants it for \$5 per person.

'We usually cook for around 30 people. Every other fortnight we do a fundraising sausage sizzle at the Wesley Community Centre. I use my leadership skills with this. People come to me. I can make decisions.'

Zheyne has been a committed member of the Ponsonby Baptist Church for the past six years. He attends a service every Sunday and takes part in a Bible study group there every Monday morning.

He has been a tenant advisor on the CORT board of trustees for the past four years.

'I feel privileged to be a board member. I am treated with respect. I feel like the other members listen when I have something to say. It's wonderful to see CORT growing. The new developments are exhilarating. It's important to me to be professional and keep board information confidential.'

He also now collaborates with fellow tenant Julie Dudfield to help plan social activities such as movie nights and a recent zoo trip for tenants and to co-ordinate informal tenant workshops – Chat Cafés.

These events provide an opportunity to discuss set topics or to relax, enjoy some food and meet other CORT tenants and staff.



ceo's review



Peter Jeffries

I am very proud of the work that CORT has completed over the past 12 months. We have built a foundation from which we can make a significant response to the Auckland housing crisis. We are achieving this by providing affordable and social housing to the people who need it most.

Our aim at CORT is to provide a different flavour of social housing in the Auckland region – making places that promote the wellbeing of individuals and neighbourhoods. The current size of CORT gives us the flexibility to offer a service which is both personal and community focused. We aim to provide a proactive tenancy management service with a strong emphasis on addressing the needs of individuals and those of their surrounding communities. One of our key goals is to demonstrate what good residential tenancy management and good social housing management can look like.

We will continue to support measures which offer prospective tenants choices and contribute to addressing issues across the housing continuum. The almost completed Waimahia development has successfully delivered mixed-tenure housing options and we are proud of our contribution to this inspiring project. Our own developments continue to focus on small clusters of eight to 16 units spread around Auckland. The recently completed Arawa Street development in New Lynn is one such example.

I believe it demonstrates how medium-density social housing can be successfully integrated into an existing community.

Performance update

In CORT's 2014 annual report we presented our three-year strategic plan. I'm delighted to report that in all three key areas – **expansion, strengthen and advocate** – we have met, and in some cases exceeded our stated goals, particularly for people with a significant risk of homelessness.

expansion

AIM: To expand CORT's reach by becoming a significant provider of community housing in Auckland.

CORT has building projects scheduled to start over the next 12 months that will result in 100 new one-, two- and three-bedroom units, bringing our total number of people accommodated to almost 400. This represents a significant growth phase for CORT. We are excited about these new developments and what it means for the people we support, the organisation and for all of our stakeholders. We are increasing our capacity to respond to the demand for more affordable accommodation – particularly for people with significant risk of homelessness. Our challenge will be to maintain this growth phase into the future. CORT's Board of Trustees is investigating ways in which this goal can best be facilitated.

We acknowledge the significant support of the Ministry of Social Development in all of our projects. Without their support none of our new projects would have been viable. We also acknowledge the support of the ASB Bank who have been long-term supporters of the growth of the Trust.

CORT building projects completed in the last year

Arawa Street, New Lynn development

Located within a handy 150 metres of the railway station, this project began in April 2016 and was completed in April 2017. The site has six one-bedroom CORT units at the front of this unique property and 10 two-bedroom Housing New Zealand units at the rear. The development was built for CORT by the New Zealand Housing Foundation, with whom we worked closely as consortium members of the Waimahia Inlet development.

ARAWA STREET



CHRISTOPHER HOPE OF PROPERTYPICS

ABOVE: CORT's Arawa Street project was completed in April 2017 and includes six one-bedroom units.

This property represents the first time CORT has worked closely with Housing NZ to create a small cluster of social housing units. Our tenants were very excited about moving into their new units in April this year.

Waimahia development, Weymouth Inlet

CORT acquired another 12 units, which were completed over the past year, bring our total units at Waimahia to 21.

Located 23km south of the Auckland CBD and facing Manukau Harbour, the Waimahia Inlet, Weymouth CORT is one of four partners in the consortium that has undertaken the development project. The other partners include the New Zealand Housing Foundation, Te Tumu Kainga and the Tamaki Collective. Waimahia has been a great success and is an example of how the community housing sector can deliver housing at scale. Around 290 affordable homes will be completed by Tāmaki Makaurau Community Housing Limited in the overall Waimahia development by the end of 2017.

Waimahia is a premier new housing development that demonstrates how affordable housing can be created and sold to meet diverse needs. Around 30% of the houses were sold on the market at affordable prices. The remainder are a range of affordable options including shared equity, rent to buy and social and affordable rental products.

New building projects

Hokonui Street, Otahuhu

This project has required the removal of two old houses in Otahuhu on two sections that back on to each other. CORT will be replacing these two houses with 12 one-bedroom units in three blocks. The land was purchased this year and construction will start in August 2017, with project completion estimated to be in early 2018. The design is based on CORT's successful Princes Street development.

Scott Point, Hobsonville

CORT has purchased land in this area to build 13 duplex two-bedroom units. We were very fortunate to be able to purchase land at a discount* from My Land Partners, which will make it possible for us to provide affordable rental units.

Development at Scott Point will commence in August 2017. The project will be completed in three stages, with the final stage estimated to reach completion in 2018.

*The discounted purchase price was achieved under the former retained affordable housing provisions under the special SHAs (Special Housing Areas) provisions agreed between the Central Government and Auckland Council. However, this provision was scrapped with the introduction of the Unitary Plan in August 2016. The community housing sector believes that inclusionary

continued page 10

jules' story

'Moving here and becoming a CORT tenant has given me a life, safety and security. Before this I lived at the YMCA for 18 months and had constant health issues,' says Julie. 'Having access to secure and affordable housing has improved my mental health.'

Julie [Jules] has lived in her Westmere unit with her cat Bobo since June 2015. Her mornings typically begin with a coffee and the cryptic crossword on her porch looking out over the communal front yard. Her unit is one of a cluster of joined single-level units and Jules has made a point of getting to know her neighbours.

Jules is a keen reader and regular visitor to the Auckland Central Library. She's recently studied Tikanga Maori up

to level three, is interested in art, art history and music and she plays the mandolin. She also likes to knit for her grandson. Jules grows her own vegetables, herbs and flowers. 'Watering my garden in summer is my daily mindfulness practice.'

She is currently taking a break from her library studies to work with CORT on tenant engagement initiatives such as co-ordinating Chat Cafes and social events with fellow tenant Zheyne Tahana. Jules also writes CORT's bi-monthly tenant newsletter. 'I came out of retirement to do this work. CORT is very understanding, makes allowances for me and provides lots of positive encouragement for the work I do, which is great for my self-esteem.'

Jules was born here, but brought up her family and worked in Queensland, Australia, for 30 years. She gained a degree in medieval English and French literature as a mature student in her 30s with three kids. She began working in housing and community development while still studying and built a successful 25-year career in the sector. Jules returned to New Zealand five years ago.



McLENNAN, TAKININI



ABOVE: Design concept for the new CORT development in Takinini, which commenced construction in July 2017.

COURTESY OF MONK MACKENZIE ARCHITECTS

zoning, including retained affordable housing, that requires affordable housing provision in all new housing developments is a key to solving Auckland's housing crisis.

Moire Rd, Massey

This project marks CORT's involvement in one of the first major Crown land developments.

We will purchase 19 one-, two- and three-bedroom units in this development from Fletcher Building for delivery in 2019.

McLennan, Takinini

This is a new community-focused development being built between the open spaces and recreational parks of Papakura and Takinini. CORT has purchased land in this development and we expect to start construction in July. We will be developing six two-bedroom units and eight one-bedroom units, which all look out over a central garden area. McMillan Lockwood is managing the construction of this project.

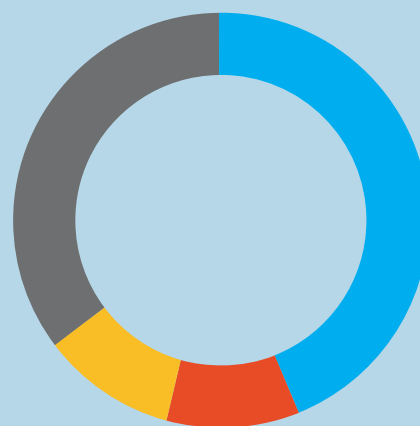
advocacy

AIM: to continue to provide strong advocacy for all areas of community housing.

Auckland Unitary Plan

CORT has been very involved in lobbying for increased density of housing within the Auckland region and we are delighted that the Unitary Plan was finalised in August 2016. The benefits of the new plan will take some time to become evident. However, CORT is already identifying new opportunities for potential development made possible by the new regulations.

Tenants' living situations before new tenancy with CORT June 2016-June 2017



43.8%
HOMELESS OR AT
SIGNIFICANT RISK

10.5%
OVERCROWDING/
UNSUITABLE HOUSING

10.5%
SUPPORTED
HOUSING

35.4%
EXISTING TENANTS
TRANSFERRED TO
A MORE SUITABLE
PROPERTY

Auckland Community Housing Providers' Network (ACHPN)

CORT continues to participate in the ACHPN, meeting monthly and sharing resources. We have been strong supporters of the ACHPN's '18 for 4' campaign launched in November 2016. The proposal is to replace existing state or private houses in Auckland with a mixture of social, affordable and private dwellings in a mixed housing development. CORT supports the notion of mixed-tenure developments where a range of tenure, exists including social housing, affordable rental and private ownership. It is a proven way to avoid potentially undesirable high concentrations of social housing.



PORTRAIT PHOTOS: JESSIE CASSON

CORT tenants Matt and Tai assist fellow tenants with house moving.



CORT tenants and staff at a recent CORT Chat Café.



L-R: CORT tenants Preston, Irene and Stephen outside their units in New Lynn.

strengthen

AIM: to strengthen the areas in which CORT has already proved itself.

More robust tenancy management and increased tenant engagement

Professional property maintenance and tenancy management

CORT provides accommodation that is clean, safe and well managed. Entrusted with a property portfolio of over \$60 million, we are vigilant about its upkeep with a focus on enhancing the comfort and wellbeing of our tenants. In recent years, CORT has taken advantage of government-subsidised insulation programmes to install additional insulation wherever it is possible, to make our properties warmer and drier for tenants.

Bi-monthly tenant newsletter

From June 2016 CORT has produced Catch-up, a bi-monthly newsletter for all of our tenants, which has been well received.

Chat Cafes

We have also initiated informal regular workshops with our tenants in three areas of Auckland to generate feedback about how CORT could serve them better

and to source ideas for opportunities for CORT tenants to meet and engage with each other socially.

CORT also supports tenant groups wanting to host BBQs in their area.

Job creation for tenants and partner organisation members

Where appropriate and possible, CORT offers small amounts of work such as garden maintenance, cleaning and house moving assistance to our tenants and people from its partnership organisations, such as Crossroads Clubhouse, to build their work skills, confidence and self-esteem.

‘One of our key goals is to demonstrate what good residential tenancy management and good social housing management can look like.’ Peter Jeffries

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Thanks

I particularly want to thank CORT Board Chair **Sue Watson**. Her extensive governance experience has been invaluable to the Trust in ensuring that the organisation remains aligned with its strategic direction.

I would also like to offer wholehearted thanks for the time and expertise provided voluntarily by our Board of Trustees and to all of the friends of the Trust, who provide hours of volunteer support – we simply could not manage without them. We were very pleased to welcome economist **Alex Duncan** to our CORT Board of Trustees in late 2016. He brings significant high-level financial analysis experience.

Finally, I would also like to acknowledge and thank the **Ponsonby Baptist Church**. I'd like to thank **Jody Kilpatrick**, Minister of the church, who has been an ex-officio member of the Trust for well over a decade. The church's congregation takes an active interest in the support and wellbeing of CORT's tenants. This valuable physical and moral support underpins our work providing safe and affordable accommodation for those most in need in our Auckland community.

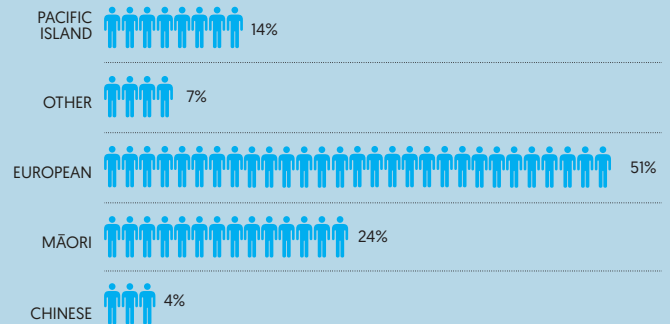


Peter Jeffries
CEO, CORT Community Housing



CORT tenants Michelle and Marc and their children Karina and Ian outside their Weymouth home.

Ethnicity of CORT tenants



KPI Summary – June 2016 to May 2017

	BENCHMARK	CORT ACTUALS
RENT ARREARS Amount of unpaid rent from existing tenants	Less than 2.5%	1.8%
VACANT TURNAROUND Number of days when a property becomes vacant or unoccupied before it is re-tenanted	Less than 15 days	9.7 days
OCCUPANCY RATE Proportion of rental dwellings that are currently tenanted	More than 97%	99%
MAINTENANCE COMPLETION RATE (%) Number of maintenance jobs completed in the allocated timeframe	Emergency 1 day	85.7%
	Priority 3 days	76.5%
	Standard 28 days	93.6%

staff profile

stephen hart

CORT Operations Manager

Stephen was appointed to his role in mid-2016. At university he majored in history and business. 'Afterwards I joined some bands playing music ranging from pop to garage and soul.'

He began to work in the mental health sector and realised he needed to learn more about how to support people. He completed a diploma in mental health at AUT while he was working as Director of Crossroads Clubhouse in Grey Lynn. 'I jumped at the opportunity to work at Clubhouse and I embraced the community focus.' It was a natural progression for him to move from this role to Operations Manager at CORT. He had already met some of our tenants who were members of Clubhouse. 'I always appreciated the way that CORT put tenants at the forefront of what they do.'

Since joining us Stephen has focused on strengthening our engagement with tenants and maintaining the quality of the service as we expand our housing portfolio. 'CORT's service to tenants needs to be consistent, adaptable and proactive,' he says.

'We provide stable housing for people who would otherwise have very few options. Many of our tenants have been homeless or on the brink of homelessness – and the current housing crisis has increased the number of people in this situation. We'll support our tenants in their homes for as long as they need it. When people have solid foundations they are so much more likely to be able to achieve their goals. I also recognise that we have an opportunity at CORT to support our tenants to be part of their neighbourhood and community – and this is something that is in the forefront of our thinking in the year ahead.'

Stephen was born in Bedfordshire, UK, and grew up in Australia, moving to New Zealand with his family when he was 11.



our people

To support the growth and strengthening of CORT we have welcomed four new staff in key roles across the organisation. These new staff have added crucial experience and qualifications in areas including: NGO management, the mental health sector, public sector construction and development, financial systems and reporting, landscape architecture, and administration.

In this last year we bid farewell to Tenancy Manager Keni Lesatele, Accountant James Lees and Operations Manager Miles Hennighan. We thank them for their years of loyal service to CORT.



Chief Executive Officer

Peter Jeffries



Finance Manager

Ayn Benitez



Operations Manager

Stephen Hart



Development Manager

Julia Saunders



Tenancy Manager

Jade Thorne



Tenancy Manager

Makinsie Baker



Property Manager

Gary Corbett



Office Manager

Elizabeth Joynt

Tenant satisfaction statistics during 2016-2017

Source - CORT Tenant Satisfaction Survey 2017. Sample size n=125

89%

Overall tenant satisfaction



95%

Tenants agree that CORT is easy to contact



93%

Tenants agree that CORT maintains their home to a reasonable standard

88%

Tenants agree that their current housing situation contributes positively to their overall wellbeing.

treasurer's report

The audited accounts of CORT show that the Trust's finances continue to be well managed.

We have continued to operate within a budget which has allowed us to fund our services and our property maintenance to a high standard. A little under a half of our \$913,000 operating surplus was used to make principal repayments on our loans. A proportion will be used to fund property purchases in the coming financial year and we will maintain a prudent level of cash reserve as contingency for operating expenses.

Our balance sheet has continued to benefit from a buoyant Auckland housing market. Our properties have increased in book value by more than \$7 million this past financial year. The total value of our assets has now reached \$66.1 million, which includes \$3.2 million of projects currently under development. Our liabilities are now \$26.7 million. This includes approximately \$11 million in conditional grants, which must be repaid only if we do not retain the properties exclusively for social housing. Therefore the trust has equity of \$39.4 million, which represents an increase of \$8.2 million from last year.

This year we farewelled James Lees, who has retired after five years of managing our accounts very effectively. Ayn Benitez has now replaced him as finance manager.

Our finance and risk sub-committee has continued to monitor our financial reporting and risk assessment of development projects. It has also recently developed a borrowing and loans policy which sets clear parameters for any borrowing required to acquire more properties.

CORT remains well positioned financially to continue to take advantage of the opportunities we have for growth. We have a strong balance sheet. We also have the management and governance expertise required to enable us to continue our property development programme for this coming year and for the foreseeable future.

Bill Alexander
Treasurer, CORT Community Housing

trust directory

For the year ended 31 March 2017

Purpose of Trust To obtain and maintain affordable accommodation for disadvantaged people with social needs within Auckland

Incorporation Date October 1987

Charities Register Number CC36795

Address 68 Grafton Road
Auckland

CEO Peter Jeffries

Trustees Sue Watson (Chairperson)
William Alexander (Treasurer)
Jody Kilpatrick
Zheyne Tahana
Tony McNamara
John Deyell
Graham Davison
Alex Duncan (appointed February 2017)

Bankers ASB Bank Limited, Auckland

Auditors Jolly Duncan & Wells
Ellerslie
Auckland

independent auditors' report

To the Trustees of Community of Refuge Trust

Opinion

We have audited the consolidated financial statements of the the Community of Refuge Trust, which comprise the consolidated statement of financial position as at 31 March 2017, and the consolidated statement of comprehensive revenue and expenses, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Community of Refuge Trust as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing [New Zealand] [ISAs [NZ]]. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Community of Refuge Trust in accordance with Professional and Ethical Standard 1 [Revised] *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Community of Refuge Trust.

Responsibilities of the Trustees for the Consolidated Financial Statements

The Trustees are responsible on behalf of the the Community of Refuge Trust for the preparation of the consolidated financial statements in accordance with Public

Benefit Entity Standards Reduced Disclosure Regime, and such internal control as the Trustees determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Trustees are responsible on behalf of the Community of Refuge Trust for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Community of Refuge Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs [NZ] will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Description_Auditors_responsibilities.aspx.


JOLLY DUNCAN & WELLS

14 July 2017
Ellerslie, Auckland

Partners

Brian Sheridan
Murray Wells

B.Com CA
B.Com CA CMA

consolidated statement of comprehensive revenue and expenses

for the year ended 31 March 2017

	Note	Group		Trust	
		2017 \$	2016 \$	2017 \$	2016 \$
Revenue from exchange transactions					
Rent received		4,042,444	3,575,505	4,042,444	3,575,505
Interest received		4,584	1,128	4,584	1,128
Directors fees		20,000	45,000	20,000	45,000
Dividends received		345	-	345	-
Revenue from non-exchange transactions					
ADHB contract income		543,399	538,613	543,399	538,613
Total revenue		4,610,772	4,160,245	4,610,772	4,160,245
Expenses					
Property expenses		2,805,424	2,685,200	2,805,424	2,685,836
Administration expenses		300,697	280,547	300,697	280,553
ADHB contract expenses		591,340	570,176	591,340	570,176
Total expenses		3,697,461	3,535,923	3,697,461	3,536,565
Total surplus for the period		913,311	624,322	913,311	623,680
Other comprehensive revenue and expense					
Unrealised net change in the value of investment properties		7,244,694	6,726,964	7,244,694	6,726,964
Total comprehensive revenue and expense		8,158,005	7,351,286	8,158,005	7,350,644

The accompanying notes form part of these financial statements and should be read in conjunction with the Auditor's Report thereon.

consolidated statement of changes in net assets

for the year ended 31 March 2017

Group	Retained Earnings	Property Revaluation Reserve	Trust Funds
Balance at 1 April 2015	9,657,167	14,215,044	23,872,211
Net surplus for the year	7,351,286	-	7,351,286
Transfer unrealised net change in the value of investment properties	[6,726,964]	6,726,964	-
Balance at 31 March 2016	10,281,489	20,942,008	31,223,497
Net surplus for the year	8,158,005	-	8,158,005
Transfer unrealised net change in the value of investment properties	[7,244,694]	7,244,694	-
Balance at 31 March 2017	11,194,800	28,186,702	39,381,502

Trust	Retained Earnings	Property Revaluation Reserve	Trust Funds
Balance at 1 April 2015	9,657,809	14,215,044	23,872,853
Net surplus for the year	7,350,644	-	7,350,644
Transfer unrealised net change in the value of investment properties	[6,726,964]	6,726,964	-
Balance at 31 March 2016	10,281,489	20,942,008	31,223,497
Net surplus for the year	8,158,005	-	8,158,005
Transfer unrealised net change in the value of investment properties	[7,244,694]	7,244,694	-
Balance at 31 March 2017	11,194,800	28,186,702	39,381,502

consolidated statement of financial position

as at 31 March 2017

	Note	Group		Trust	
		2017	2016	2017	2016
		\$	\$	\$	\$
Current assets					
Bank		780,008	446,904	780,008	446,726
Accounts receivable		106,115	54,983	106,115	54,983
Prepayments		48,892	46,048	48,892	46,048
		935,015	547,935	935,015	547,757
Non-current assets					
Investment properties	6	61,915,000	50,300,000	6,191,000	50,300,000
Development work in progress	7	3,224,858	1,725	3,224,858	1,725
Plant and equipment	8	54,952	39,988	54,952	39,988
Investments	9	-	-	-	-
	-	-	-	-	-
		65,194,809	50,341,713	65,194,809	50,341,713
Total assets		66,129,825	50,889,649	66,129,825	50,889,471
Current liabilities					
Sundry creditors		101,461	86,742	101,461	86,742
GST payable		237,010	4,436	237,010	4,436
Tenant funds		6,999	4,092	6,999	4,092
Related party loan	10	-	-	1,286,515	-
Loans - current portion	11	780,366	424,803	780,366	424,803
		1,125,836	520,073	1,125,836	1,806,589
Non-current liabilities					
Loans - term portion	11	14,556,117	12,186,502	14,556,117	10,899,808
Conditional grants	12	11,066,369	6,959,577	11,066,369	6,959,577
		25,622,486	19,146,079	25,622,486	17,859,385
Total liabilities		26,748,323	19,666,151	26,748,323	19,665,974
Net assets		39,381,502	31,223,497	39,381,502	31,223,497
Trust funds					
Retained earnings		11,194,800	10,281,489	11,194,800	10,281,489
Property revaluation reserve		28,186,702	20,942,008	28,186,702	20,942,008
		39,381,502	31,223,497	39,381,502	31,223,497

For and on behalf of the Executive Committee:



Chairperson

14th July 2017

Date:



CEO

14th July 2017

Date:

consolidated statement of cash flows

for the year ended 31 March 2017

	Note	Group 2017 \$	2016 \$	Trust 2017 \$	2016 \$
Cash flows from operating activities					
Receipts					
Receipts from non-exchange transactions		492,267	534,077	492,267	534,077
Receipts from exchange transactions		4,067,373	3,621,632	4,067,373	3,621,632
		4,559,640	4,155,709	4,559,640	4,155,709
Payments					
Payments to suppliers		[2,233,125]	[2,470,544]	[2,233,125]	[2,470,258]
Payment to employees		[575,882]	[592,367]	[575,882]	[592,367]
Interest paid		[637,258]	[559,359]	[637,258]	[488,943]
		[3,446,264]	[3,622,270]	[3,446,264]	[3,551,568]
Net cash flows from operating activities		1,113,376	533,439	1,113,376	604,141
Cash flows from investing activities					
Receipts					
Sale of property plant and equipment		8,851	2,783	8,851	2,783
		8,851	2,783	8,851	2,783
Payments					
Purchase of property, plant and equipment		[27,655]	[24,146]	[27,655]	[24,146]
Purchase of investment properties		[7,593,439]	[4,238,566]	[7,593,439]	[4,238,566]
		[7,621,094]	[4,262,711]	[7,621,094]	[4,262,711]
Net cash flows from investing activities		[7,612,243]	[4,259,928]	[7,612,243]	[4,259,928]
Cash flows from financing activities					
Receipts					
Loans received		5,248,407	3,916,401	5,248,585	3,995,515
Conditional grants received		4,106,792	1,694,502	4,106,792	1,694,502
		9,355,199	5,610,903	9,355,377	5,690,017
Payments					
Bank overdraft repaid		-	-	-	-
Loans repaid		[2,523,228]	[1,693,134]	[2,523,228]	[1,693,134]
		[2,523,228]	[1,693,134]	[2,523,228]	[1,693,134]
Net cash flows from financing activities		6,831,971	3,917,769	6,832,149	3,996,883
Net increase/(decrease) in cash and cash equivalents		333,104	191,280	333,282	341,096
Cash and cash equivalents at 1 April		446,904	255,624	446,726	105,630
Cash and cash equivalents at 31 March		780,008	446,904	780,008	446,726

notes to the consolidated financial statements

for the year ended 31 March 2017

1 Reporting entity

The reporting entity is the Community of Refuge Trust (the Trust). The Trust is domiciled in New Zealand and is a charitable organisation incorporated under the Charitable Trusts Act 1957 and subsequently registered with the Charities Commission under the Charities Act 2005 on 13 January 2009.

The financial statements comprising the Trust and its controlled entities, Lynton Housing Limited, Jervois Developments Limited and Hokonui Developments Limited, together the Group, are presented for the year ended 31 March 2017.

These Group financial statements and the accompanying notes summarise the financial results of activities carried out by the Trust. The Group obtains and maintains affordable accommodation for disadvantaged people with social needs within Auckland.

These consolidated financial statements have been approved and were authorized for issue by the Board of Trustees on 13 July 2017.

2 Statement of compliance

The Group financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with Public Benefit Entity Standards Reduced Disclosure Regime and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, the Group is a not-for-profit public benefit entity and is eligible to apply Tier 2 standards on the basis that it does not have public accountability and it is not defined as large.

The Board of Trustees has elected to report in accordance with Tier 2 Not-For-Profit PBE Standards RDR and in doing so has taken advantage of all applicable disclosure concessions. This decision results in the Group not preparing a Statement of Service Performance for both reporting periods.

3 Changes in accounting policy

There has been no change in accounting policies.

4 Summary of accounting policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

4.1 Basis of measurement

These consolidated financial statements have been prepared on the basis of historical cost, as modified by the fair value measurement of investment properties, non-derivative financial instruments and land and buildings which are measured at fair value.

4.2 Functional and presentational currency

The consolidated financial statements are presented in New Zealand dollars (\$), which is the Group's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand dollars.

4.3 Basis of consolidation

Controlled entities are all those entities over which the controlling entity has the power to govern the financial and operating policies so as to benefit from its activities. The controlled entities are consolidated from the date on which control is transferred and are de-consolidated from the date that control ceases. In preparing the consolidated financial statements, all inter entity balances and transactions, and unrealised gains and losses arising within the consolidated entity are eliminated in full. The accounting policies of the controlled entity are consistent with the policies adopted by the Group and have a 31 March reporting date.

4.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

Rental income

Rental income is earned from operating leases of investment properties and leased properties. Rental income is recognised as profit or loss on a straight-line basis over the term of the lease.

Government contracts' revenue

Revenue from government contracts relates to income received from Auckland District Health Board (ADHB) and is provided as funding for services the Group provides relating to the Health Board. Revenue is recognised in the period the services are provided.

Interest revenue

Interest revenue is recognised as it accrues, using the effective interest method.

4.5 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

The Group derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

the Group has transferred substantially all the risks and rewards of the asset; or

the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

[1] Financial Assets

Financial assets within the scope of NFP PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The category determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Group's financial assets are classified as financial assets at fair value through surplus or deficit, loans and receivables or as available for sale financial assets. The Group's financial assets include: cash and cash equivalents, short-term deposits, receivables from non-exchange transactions, receivables from exchange transactions, investments and the interest in Lynton Housing Limited, Jervois Developments Limited and Hokonui Developments Limited.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments or a derivative that is a financial guarantee contract.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The Group's cash and cash equivalents, receivables from exchange transactions and receivables from non exchange transactions fall into this category of financial instruments.

Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's available-for-sale financial assets include its share in its subsidiaries, associate and limited partnership.

[2] Impairment of financial assets

The Group assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there are any objective evidence of impairment, the Group first assesses whether there are objective evidence of impairment for financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If the Group determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial asset with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised,

the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

(3) Financial liabilities

The Group's financial liabilities include sundry creditors, tenant funds, related party loans and conditional grants.

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

4.6 Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4.7 Short-term investments

Short-term investments comprise term deposits which have a term of greater than three months and therefore do not fall into the category of cash and cash equivalents.

4.8 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, for supply of goods or services or for administrative purposes. Investment properties are measured initially at cost, including transaction costs. Investment properties acquired through non-exchange transactions is measured at its fair value at the date of acquisition.

Subsequent to initial recognition, investment properties are measured at fair value. Fair value is determined without any deductions for transaction costs it may incur on sale or other disposal. Any gain or losses arising from a change in the fair value of the investment property are recognised as a surplus or deficit in the period that it is incurred. When the investment property becomes an owner-occupied property, the cost for subsequent accounting is its fair value at the date of the change in use.

When an owner-occupied property changes its use to an investment property, the property is re-measured to fair value and any gains arising on re-measurement is recognised in surplus or deficit to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in Other Comprehensive Revenue and Expense and presented in the asset revaluation reserve in equity.

4.8 Plant and equipment

Items of plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is charged on a diminishing value basis at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

Motor vehicles	5 years
Furniture and equipment	2.5 - 10 years

4.9 Leases

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

4.10 Significant judgments and estimates

In preparing the financial statements, the Board of Trustees is required to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The uncertainty from these assumptions and estimates could result in outcomes that may result in a material adjustment to the carrying amount of the asset or liability.

The Group base its assumptions and estimates on parameters available when the financial statements are prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The key significant judgements and estimates used in the preparation of these financial statements are as follows:

Investment properties

Residential property held to provide social housing are classified as investment properties on the basis that rental income derived from the letting of these properties is not incidental to the Trust's purpose. Investment properties are carried at market value as estimated by an independent valuer using observable data on recent transactions and rental yields for similar properties.

4.11 Income tax

Due to its charitable status, the Group is exempt from income tax.

	Group		Trust	
	2017	2016	2017	2016
	\$	\$	\$	\$
5 Components of net surplus				
Net surplus includes the following specific revenue and expenses:				
Rental income received includes Income Related Rent Subsidies (IRRS) received from the Ministry of Social Development	831,599	167,227	831,599	167,227
Auditors' remuneration – audit services	5,407	3,790	5,407	3,790
Depreciation	4,300	5,198	4,300	5,198
Employee costs	219,603	238,512	219,603	238,512
Leasing and rental costs	9,496	9,753	9,496	9,753
Loss/(gain) on disposal of assets	(460)	494	(460)	494
Trustees' fees and expenses	18,100	15,822	18,100	15,822
Interest costs	637,258	488,943	637,258	488,943

6 Investment Properties

Investment properties - at market value	61,915,000	50,300,000	61,915,000	50,300,000
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Investment properties comprise 140 residential units located across 17 suburbs of Auckland [2016: 113].

The fair values of investment properties were estimated using observable data on recent transactions and rental yields for similar properties. The properties were valued at market value at 31 March 2017 by M McNamara, independent registered valuer of the firm Property Sphere Consultancy. M McNamara is a member of the New Zealand Institute of Valuers Inc.

Changes to the carrying amounts are as follows:

Balance at beginning of year	50,300,000	37,273,000	50,300,000	37,273,000
Additions	4,370,306	6,300,035	4,370,306	6,300,035
Disposals	-	-	-	-
Gain on property revaluation	7,244,694	6,726,964	7,244,694	6,726,964
Balance at end of the year	61,915,000	50,300,000	61,915,000	50,300,000

Some investment properties are held as securites by registered first mortgages from CS, HNZC, Kiwibank and ASB.

Properties are leased out on operating leases of varying lengths.

No contingent rent has been recognised as income in the period [2016: \$Nil].

7 Development work in progress

Investment properties – in development	3,224,858	1,725	3,224,858	1,725
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Relates to the purchase of land and development of residential units at Arawa St, Scott Rd, McLennan Development, Hokonui Road and Hauiti Road. [2016: Relates to the purchase of land and proposed development of residential units at Arawa St].

8 Plant and equipment

Group and Trust – 2017

	Motor vehicles \$	Furniture and equipment \$	Total \$
Cost	55,351	16,018	71,369
Accumulated depreciation	[14,834]	[1,584]	[16,417]
Net book value	40,517	14,434	54,952

Group and Trust – 2016

	Motor vehicles \$	Furniture and equipment \$	Total \$
Cost	44,153	13,854	58,007
Accumulated depreciation	[17,201]	[818]	[18,019]
Net book value	26,952	13,036	39,988

Reconciliation of the carrying amount at the beginning and end of the period:

	Motor vehicles	Furniture and equipment	Total
Opening balance	26,952	13,036	39,988
Additions	19,590	2,164	21,754
Disposals	[2491]	-	[2,491]
Depreciation	[3,534]	[766]	[4,300]
Closing balance	40,517	14,434	54,952

9 Investments

The trust has an interest in the following entities:

a. Waimahia Inlet Neighbourhood Limited Partnership	Limited partnership – 25% share
b. Tamaki Makaurau Community Housing Limited	Associate company – 25% shareholding
c. Jervois Developments Ltd	Subsidiary company – 100% shareholding
d. Lynton Housing Ltd	Subsidiary company – 100% shareholding
e. Hokonui Developments Limited	Subsidiary company – 100% shareholding

All investments have a cost of\$-

The Trust is a limited partner in the Waimahia Inlet Neighbourhood Limited Partnership which is involved in the development of social housing in Waimahia.

In 2014 the Trust acquired 25 ordinary shares [25% of shareholding] in Tamaki Makaurau Community Housing Limited. This company is a general partner in the Waimahia Inlet Neighbourhood Limited Partnership.

Hokonui Developments Limited and Jervois Developments Ltd are both dormant companies that have not traded. Lynton Housing Ltd was set up to head the development of 10-12 Lynton Rd which was completed in 2016 and the company has not traded for the 2017 year.

	Group		Trust	
	2017	2016	2017	2016
	\$	\$	\$	\$
10 Related Party Loan				
Lynton Housing Limited	-	-	-	1,286,515

Lynton Housing Limited is wholly owned by the Trust. This unsecured loan bears interest at 6% p.a. and has no fixed terms of repayment.

	Group		Trust	
	2016	2015	2016	2015
	\$	\$	\$	\$
11 Loans				
Christian Savings (previously NZ Baptists Savings and Development Society) [CS] – mortgage loans	1,038,595	1,154,531	1,038,595	1,154,531
Housing New Zealand Corporation [HNZC] – mortgage loans	2,341,749	3,280,579	2,341,749	3,280,579
KiwiBank – mortgage loan	196,113	200,675	196,113	200,675
ASB – mortgage loan	5,127,233	5,905,888	5,127,233	5,905,888
ASB Credit Facility	6,632,794	2,069,632	6,632,794	782,938
	15,336,483	12,611,305	15,336,483	11,324,611
<u>Current Portion – payable within 12 months</u>	<u>780,366</u>	<u>424,803</u>	<u>780,366</u>	<u>424,803</u>
<u>Term Portion – payable after 12 months</u>	<u>14,556,117</u>	<u>12,186,501</u>	<u>14,556,117</u>	<u>10,899,808</u>

The CS, HNZC, Kiwibank and ASB mortgages are secured by registered first mortgages over the Trust's investment properties.

CS mortgages bear interest at the rate of 5.99% per annum.

HNZC loans are interest free for 10 years and thereafter interest is payable at market rates.

The ASB Credit Facility and mortgage loan bears interest at rates between 4.90-6.21% per annum.

The Kiwibank mortgage loan bears interest at 5.35% p.a. and is repayable in fixed monthly instalments of \$1,274.

12 Conditional Grants

ASB Community Trust	900,000	900,000	900,000	900,000
Social Housing Unit	10,166,369	6,059,577	10,166,369	6,059,577
	11,066,369	6,959,577	11,066,369	6,959,577

(i) The grant from ASB Community Trust is received towards Housing Innovation Fund projects and if within the period of 10 years after the grant is made, the Trust sells the properties or alters their use so that they no longer provide affordable rental accommodation to persons with social needs, then the Trust will repay the conditional grants to ASB Community Trust.

(ii) The grant from the Social Housing Unit was received towards Social Housing Project Funding. If the Trust sells the properties or alters its social housing purpose in accordance with the Relationship and Grant Agreement, then the funds must be re-invested in Social Housing or the Social Housing Unit may require the funds to be repaid.

13 Related Party Transactions

Ponsonby Baptist Church is a related party as it has the right to appoint four members of the Board of Trustees. During the year, the trust paid Ponsonby Baptist Church \$- for office rent and \$- for a grant towards community worker costs (2016: \$8,740 and \$3,471 respectively). At year-end the balance owing to Ponsonby Baptist Church was \$-.

The Trust has received a loan from its wholly owned company, Lynton Housing Limited. This loan is unsecured and has no fixed terms of repayment. At year-end the balance owing was\$- (2016: \$1,286,693). The Trust has provided an unlimited all obligations joint and several guarantee and indemnity to ASB Bank Limited in support of the facilities provided by the bank to the Trust and Lynton Housing Limited. During the year, interest amounting to \$- (2016: \$71,344) was paid in respect of this loan.

The Trust has received directors' fees from its associate, Tamaki Makaurau Community Development Limited in respect of services rendered.

No related party debts have been written off or forgiven during the year (2016: nil).

14 Contingent Assets and Liabilities

There are no contingent assets or liabilities as at 31 March 2017 (2016: nil).

15 Capital and Operating Commitments

(a) Capital commitments

2017:

At 31 March 2017, the Trust has contracted to purchase land and/or social housing units at various developments under construction in New Lynn, Takanini and Otahuhu at a cost of \$4,350,000.

2016:

At 31 March 2016, the Trust had contracted to purchase land and/or social housing units at various developments under construction in Waimahia and New Lynn at a cost of \$5,847,101.

(b) Operating commitments

As at the reporting date, the Trust has entered into the following operating commitments in respect of office equipment and office premises:

	Group		Trust	
	2016	2015	2016	2015
	\$	\$	\$	\$
No later than one year	55,501	54,641	55,501	54,641
Later than one year and no later than five years	64,992	12,230	64,992	12,230
Later than five years	-	-	-	-
	1,201,493	66,871	1,201,493	66,871

16 Categories of Financial Assets and Liabilities

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

Financial assets

Loans and receivables

Cash and cash equivalents	780,008	446,904	780,008	446,726
Receivables from non-exchange transactions	106,115	54,983	106,115	54,83
	886,124	501,887	886,124	501,709

Available-for-sale financial assets

Investments	-	-	-	-
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Financial liabilities

Trade and other creditors	345,470	95,271	345,470	95,271
Loans	15,336,484	1,261,305	15,336,484	12,611,126
Conditional grants	11,066,369	6,959,577	11,066,369	6,959,577
	26,748,323	19,666,152	26,748,323	19,665,974

17 Events after the Reporting Date

The Board of Trustees and management is not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of the Community of Refuge Trust. [2016: Nil].



stephen's story

Stephen has been a CORT tenant for four years and moved into his new New Lynn unit in April 2017.

He enjoys sitting in the sun in his front porch. 'I'm much happier living here. It's a relaxed area to live in. People are friendly. They'll usually say hello when they walk past,' he says.

'Being a CORT tenant has brought more stability into my life. Before this I'd never stayed anywhere for more than a year since 1990, when I moved to Auckland. CORT has helped me to break the cycle. Their support is incremental. It's not obvious, but I know they're there. There's someone I can call. The tenancy manager is very approachable.'

sweeta's story

'This is the first time I've ever lived in a new home. I feel very blessed,' says Sweeta Bajaj.

New Delhi-born Sweeta has lived in New Zealand since 2004. She has been in her Otahuhu unit for two years as a first-time CORT tenant.

Her pride in her home is evident; she maintains it beautifully. One of Sweeta's recent paintings of teapots is propped against the wall.

Sweeta knows her neighbours in the other CORT units in her block and feels she is part of a community.

She attends most of CORT's events for tenants and also regularly visits her Buddhist friends. She enjoys listening to music, watching Indian Bollywood movies on DVD and cooking dishes from her native India. She has an exercycle to keep up her fitness.



seeti and faith's story

'For us the best things about our new house are having a backyard and the property being fenced to make it safe for our children,' says Seeti. 'It's also easy to heat in winter.'

Samoan-born Seeti and Faith became CORT tenants in 2015 and now have three children – Rosalie eight, Wallace two and Elena six months. In March 2017, the family was transferred from a two-bedroom CORT home in Waimahia to a new three-bedroom CORT home to accommodate their growing family. Rosalie has now been attending Weymouth Primary School for a year and has settled well.

They own a car, which enables the family to attend regular services at the Church of Christ, Manurewa, just a few minutes' drive away.



CORT partner organisations

CORT values the contribution of our partners in assisting us to create safe, affordable accommodation for people on low incomes. We work in a range of partnerships in order to share and gain access to diverse specialist expertise.

- Accessible Properties
- ACOS
- Affinity Services
- ASB Bank
- ASB Community Trust
- Auckland Community Housing Provider Network
- Auckland DHB
- Bays Community Housing Trust
- Beacon Pathways Inc
- Buchanan Rehabilitation Centre
- Crossroads Clubhouse
- Community Housing Aotearoa
- Cornwall House
- Emerge Aotearoa
- Equip Mental Health Services
- Habitat for Humanity
- Housing New Zealand
- Kiwibank
- Lifemark
- Lifewise
- Link People
- Mahi Tahī
- Manaaki House
- Ministry of Business Innovation and Employment
- Ministry of Social Development
- New Zealand Housing Foundation
- Monte Cecilia Housing Trust
- Pathways
- Ponsonby Baptist Church
- St Luke's Community Mental Health Centre
- Taylor Centre
- Tamaki Collective
- Te Tumu Kainga
- Te Tumu Paeoa
- The Cottage CMHC
- Toi Ora Live Art Trust
- Vision West Community Trust
- Waitemata DHB
- Westpac Bank



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