

*Christian regeneration
in London*

a way forward



ACHAL Annual Review 2005

Introduction

Graham Garner

CHAIRMAN

Since inception ACHAL's mission has been to facilitate Christian regeneration in London; its specific contribution has been to ensure that appropriate affordable housing is made available for key Christian workers.

In this review we highlight two examples. One a youth worker housed by ACHAL 9 years ago in Herne Hill who is now training as a Baptist minister and the other a teacher in East London helping to create, model and develop Christian community in the heart of Shadwell. These are just two of many examples. Since our birth in 1988 ACHAL and our partners have been able to house 47 key workers, something of a milestone for our small charity but a drop in the ocean in the wider picture of assisting spiritual regeneration in our capital. Housing key Christian workers is



not just about buying homes, it is about bringing prayer and light into the inner city, so that God can transform it.

Two years ago I talked about our vision to raise £1million of new capital over 5 years. I am delighted to say that we are halfway towards our target. This has only been possible because of our partnership with other stakeholders, individuals, trusts and commercial lenders.

A relatively recent concept has been the use of equity loans; supporters who offer long term loans on a low or no interest basis to assist a particular individual or couple to buy

a home. Mr & Mrs Hasler explain how they made use of this scheme to help fund a house in Kidbrook.

Applications to our funds continue to be high and our constant challenge is to make best use of the limited resources we have available. If we are to see a sustained growth in the number of successful applications it is vital that we have a sustained growth in financial partners like the Haslers; prayerful individuals who can give generously to resource those who seek to be light in the darkness of the inner city.

The reality of house price inflation in London has tested our resolve to continue to serve God in this way but we remain determined to prevent Kingdom workers from being priced out of the housing market whenever we can. With your prayers and financial support we can achieve this.

Mission statement

TO PARTICIPATE IN ADVANCING GOD'S KINGDOM BY PROVIDING AFFORDABLE HOUSING FOR KEY CHRISTIAN WORKERS CALLED TO WORK AND MINISTER IN URBAN AREAS OF LONDON

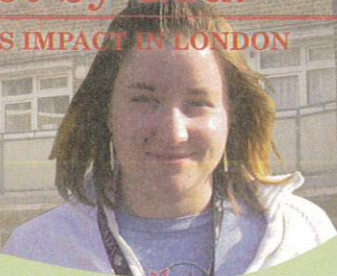
'OUR VISION IS TO SEE CHURCHES AND CHRISTIAN ORGANISATIONS RESOURCED WITH KEY WORKERS WHO CAN MAKE KNOWN THE UNCONDITIONAL LOVE OF JESUS TO THE PEOPLE OF LONDON'

Our objectives

- To enable Christian workers to find affordable homes near their church or place of ministry
- To heighten awareness of the need for affordable housing for such workers among Christians in churches and business communities, by showing how prohibitive housing costs weaken Christian witness in the city
- To strengthen relationships between those ACHAL support, and those who give, and in doing so create wider support networks and reciprocal sharing
- To invite those who share ACHAL's vision to contribute to our work through donations of money, shares, legacy gifts and long term loans

Forgotten? Not by God!

TWO STORIES OF ACHAL'S IMPACT IN LONDON



THESE TWO KEY WORKERS WOULD NOT BE ABLE TO LIVE LOCALLY IF IT WASN'T FOR ACHAL'S HELP

Sandwiched in between two main roads, the City of London and Docklands, is a community of people living in poverty on forgotten council estates in a place called Shadwell. Most local people are trying to move away from the broken homes and growing drug culture, they question, 'why are you buying here?' For Sharon Jones the answer is simply, 'I love it, it's part of my church community.'

Sharon came here three years ago to teach in a Newham Primary school. Teaching in any inner city area is tough, stress levels are

high and the need to have a safe 'home' to live and relax in was crucial for Sharon.

Sharon is part of an Urban Expression church, their goal is to see households of believers on every estate in Shadwell, who are each committed to discovering and expressing the Kingdom of God, through being church with their neighbours.

For Sharon buying a property locally on her own was impossible, her church began to pray and look for creative ways to see their

vision fulfilled. A flat was offered and individuals mostly unknown to Sharon, agreed to invest their money in this property. A bridging loan helped, but £10,000 was still needed. At this point Sharon was introduced to ACHAL and in Sharon's words, 'ACHAL held it all together' providing a loan that enabled the flat to be bought.

Sharon's flat has been home to others who need affordable housing, her church and youth church meet there, their vision for that estate is being fulfilled.

HERNE HILL



SHADWELL

A few miles south in Herne Hill, Kate and Simon Lees are part of a Baptist church. Kate, formerly a youth worker, is now training for the ministry and Simon works for a charity called Pecan, helping the unemployed get back into work, in particular doing IT training for the over 50's.

Herne Hill neighbours Brixton, Peckham and East Dulwich, it's a real mixture of wealth, poverty and ethnic diversity, but lacks a sense of identity. It wasn't the place that Kate imagined herself working or staying in long term. Having

become the church's youth worker, Kate met Simon and they are now jointly involved in youth work, building a sense of community.

Early on, Kate needed a place to live near the church, but house prices and rents were too high. ACHAL solved the problem by buying a home, renting it to her at an affordable rate.

From a dead end, ACHAL brought hope that enables Kate and Simon to bring a much greater hope to many. When asked about ACHAL they said, 'it is vital that there are organisations like this!'

BOTH USE THEIR HOMES ACTIVELY AS PART OF THEIR LIFE AND WORK IN THE DIFFERENT URBAN COMMUNITIES

Area Statistics

FIGURES TAKEN FROM THE 2001 CENSUS



SOUTHWARK

Population: 244,866

Average house price: £208,963

30.2% of population Ethnic minority compared to 9% overall in England

6.8% Muslim, 28.4% no faith, 62% Christian

15.6% long term limiting illness

56.1% employed compared to 60.6% England & Wales

53.5% renting from council or housing association, compared to 19.2% overall in England

Crime rate- violence against a person 31.6 per 1,000 population, compared to 11.4 in the UK

HERNE HILL ●

TOWER HAMLETS

SHADWELL ●

TOWER HAMLETS

Population: 196,106

Average house price: £208,367

44% of population Ethnic minority compared to 9% overall in England

36.4% Muslim, 22% no faith, Christian 39%

17.2% long term limiting illness

49.1% employed compared to 60.6% England & Wales

52.5% renting from council or housing association, compared to 19.2% overall in England

Crime rate- violence against a person 32.2 per 1,000 population, compared to 11.4 in the UK

SOUTHWARK



How we achieved house purchases in 2004



In total ACHAL has provided the support that has enabled 47 individuals or families to find a home. This in turn has helped ministries all over London. At present there are 12 rental properties, 8 shared ownership and 4 housing loans. We would like to be able to support many more.

HOW CAN YOU HELP?

By giving a **donation** Gift Aided; regular or one off donations enable ACHAL to increase the gift by 28% using the tax refund

Charity vouchers e.g. CAF, Stewardship Giving

Shares can be donated directly and the donor can gain tax relief

Payroll giving for those in full time employment

Loans Individually negotiated with trusts and individuals with low or no interest. Or equity loans linked to shared ownerships on particular properties.

Definitions

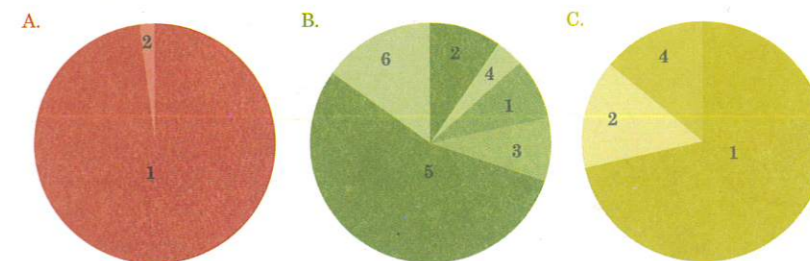
REVOLVING CAPITAL

As its name implies, is the capital which, having been used to purchase properties becomes available again for further use. This happens when shared ownership associates who are in a position to do so buy out part or even the whole of ACHAL's capital share in their home; they gain their independence and ACHAL can help other key workers obtain homes. It also happens when ACHAL sells a house from its rental portfolio. Approximately 80% of ACHAL's own contribution into the four properties purchased in 2004 came from revolving capital.

EQUITY LOANS

These provide a significant source of project funding. The loans are linked to particular properties; their eventual repayment value track changes in that property's value (either up or down). Equity loans are offered by those who wish to get behind and support the vision of those committed to serving God in London long-term. In 2004 approximately one third of the total capital required by associates for the purchase of properties was supplied by their supporters through equity loans.

Finance Matters



A. 2004 HOUSING ACTIVITY INCOME

	£69,105
1 Rental incomes	£67,720
2 Interest on housing loans	£1,385

B. 2004 PROPERTY MANAGEMENT EXPENSES

	£32,159
1 Maintenance	£2,726
2 Services & ground rent	£3,115
3 Property insurance	£2,662
4 Overdraft interest & fees	£1,209
5 Mortgage interest	£17,600
6 Loan interest	£4,847

C. 2004 MANAGEMENT & ADMIN EXPENSES

	£18,875
FUNDED BY:	
1) Donations	£13,499
2) Investment income	£2,617
3) New shares	£2
4) Housing income (balance)	£2,757

ACHAL keeps the administration costs low so that most of the capital is used for housing purposes. The current housing stock generates sufficient revenue to fund the maintenance budget and pay the mortgages. ACHAL's full accounts are available on request.

The Haslers story



**WE ARE DELIGHTED
THAT WE ARE NOW
WORKING WITH ACHAL
IN PARTNERSHIP •**

Helen and I are directors of a small family business, which has properties in the Kent area. We were also both brought up in South East London, in fact close to the first ACHAL property. We first heard about the work of ACHAL when Helen's work colleague, Kim, was being assisted by ACHAL with her housing.

During 2003 we were told of a particular need in Thornton Heath and, after a family discussion, we decided to make 10% of the value of our company's property assets available to ACHAL under equity loan plans. There are now two loans in place and we look upon these as long term arrangements largely dependent upon the needs of the charity

While discussing with ACHAL our possible involvement we found them to be very professional in their approach and this has also been the case as we have turned proposals into reality.

We are delighted that we are now working with ACHAL in partnership and recommend that other individuals and companies consider helping them in the same way.

Helen & Brian Hasler

**'ACHAL IS NOT JUST A
PROFESSIONAL HOUSING
ASSOCIATION, THEIR SUPPORT
OVER THE YEARS GOES WELL
BEYOND ANYTHING I WOULD
HAVE EXPECTED. AS SOMEONE
WHO KNOWS LITTLE ABOUT
HOUSING THEIR WISDOM AND
CARE HAS ENABLED ME TO FEEL
SECURE AND GET ON WITH THE
WORK GOD HAS CALLED ME TO
DO' KIM GOODING (RENTAL
PROPERTY SINCE 1996)**

The people behind the scenes



MANAGEMENT GROUP

Mr Aubrey Cardy MA MBA
Mrs Janet Cardy BEd
Dr John Davies
Mrs Dorothy Davies (Secretary)
Mr Graham Garner FRICS
(Chairman)
Revd Dr Steve Latham
Mr Simon Martin
Mr Nigel Parrington
Mrs Jean Smith

TREASURER

Mr John Woodman BSc FCA

ADMINISTRATOR

Mrs Judi Feasey

COUNCIL OF REFERENCE

Ms Fran Beckett
Revd Steve Chalke
Revd Jane Thorington Hassell

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BANKERS

Barclay Bank plc, Frinton-on-Sea
Lloyds Bank plc, Clacton-on-Sea
CAF Bank Ltd

SOLICITORS

Solomon Taylor & Shaw
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