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**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF LIFEHOUSE PROJECT INC.**

Scope

We have audited the financial report of Lifehouse Project Inc for the year ended 30 June 2006. We have conducted an audit of the financial report in order to express an opinion on it to the members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Australian Standards, other mandatory professional reporting requirements in Australia, the Associations Incorporation Act (Qld) and the association's constitution so as to present a view which is consistent with our understanding of Lifehouse Project Inc's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Qualification

Income expenditure is derived from fundraising and fees and, as in the case of similar organizations; it was impracticable to extend our examination of income and expenditure from these areas beyond the information, which is recorded in the books of account. In an organization of this type, it is impossible to verify Cash Receipts. Therefore we express no opinion in relation to Cash Receipts.

Qualified Audit Opinion

In my opinion, except for the effects on the financial report of the matter referred to in the qualification paragraph, the financial report represents fairly, in accordance with Applicable Accounting Standards and other mandatory professional reporting requirements, the financial position of Lifehouse Project Inc as at 30th June 2006 the results of its operations for the year then ended.

Name of firm: Rodgers Dart Pty Ltd

Name of Principal:



DOUGLAS DART

Address: 10 Cloyne Rd, Southport

Dated this 31 day of October 2006

Rodgers Dart Pty Ltd
Accountants and Advisors
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LIFEHOUSE PROJECT INC
93 907 491 184

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2006

LIFEHOUSE PROJECT INC
93 907 491 184

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COMMITTEE'S REPORT

Your committee members submit the financial report of the Lifehouse Project Inc for the financial year ended 30 June 2006.

Committee Members

The names of committee members throughout the year and at the date of this report are:

Ruth Knight
Zeke Knight

Principal Activities

The principal activities of the association during the financial year were
Community Assistance Projects

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The loss from ordinary activities after providing for income tax amounted to \$(49,080.89).

Signed in accordance with a resolution of the Members of the Committee.

Committee Member: 
Ruth Knight

Committee Member: 
Zeke Knight

Dated this day of 11 Nov 2006

LIFEHOUSE PROJECT INC
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INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
INCOME			
OTHER INCOME			
Gifts & Donations Income		5,765.44	50,731.75
Grants Income		16,121.00	30,952.00
Program Facilitation		5,990.00	6,300.00
Other Revenue		9,016.19	12,010.39
Refund of Unexpended Grant		(24,109.09)	-
		<u>12,783.54</u>	<u>99,994.14</u>

The accompanying notes form part of these financial statements.
This report is to be read in conjunction with the attached compilation report.

LIFEHOUSE PROJECT INC
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INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
EXPENDITURE			
Accountancy Fees		1,235.34	298.30
Books & Publications		17.18	45.41
Bank Charges		256.00	166.15
Consultancy Fees		340.91	1,575.00
Computer Expenses		563.62	240.89
Contract Work		450.00	855.00
Depreciation		544.00	1,089.00
Brokerage		1,477.64	1,180.00
Donations		144.65	109.49
Electricity		661.07	493.30
Fundraising Expenses		701.33	459.05
Insurance		3,379.29	4,793.02
Interest Paid		0.03	-
Legal Costs		13.50	-
Office Supplies		1,215.48	1,802.19
Postage		204.29	261.96
Printing & Stationery		4,297.05	692.97
Program Expenses		5,661.54	3,513.94
Rates & Taxes		-	124.10
Rent		9,680.00	7,911.83
Repairs & Maintenance		769.09	549.59
Staff Training & Welfare		693.00	435.00
Subscriptions		85.45	487.82
Sundry Expenses		309.22	-
Superannuation Contributions - Employees		-	219.38
Telephone		1,255.28	839.99
Travelling & Entertainment		2,577.29	559.42
Wages		25,332.18	13,859.62
		<u>61,864.43</u>	<u>42,562.42</u>
(Loss) Profit from ordinary activities before income tax		(49,080.89)	57,431.72

The accompanying notes form part of these financial statements.
This report is to be read in conjunction with the attached compilation report.

LIFEHOUSE PROJECT INC
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INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
Income tax expense attributable to operating loss		-	-
(Loss) Profit from ordinary activities after income tax		(49,080.89)	57,431.72
Retained profits at the beginning of the financial year		90,547.68	33,115.96
Retained profits at the end of the financial year		41,466.79	90,547.68

The accompanying notes form part of these financial statements.
This report is to be read in conjunction with the attached compilation report.

LIFEHOUSE PROJECT INC
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BALANCE SHEET
AS AT 30 JUNE 2006

	Note	2006 \$	2005 \$
CURRENT ASSETS			
Cash assets	2	37,788.86	87,306.86
Receivables	3	1,039.21	440.00
Other assets		299.91	299.91
TOTAL CURRENT ASSETS		<u>39,127.98</u>	<u>88,046.77</u>
NON-CURRENT ASSETS			
Fixed Assets			
Plant and equipment	4	2,840.91	3,384.91
		<u>2,840.91</u>	<u>3,384.91</u>
TOTAL NON-CURRENT ASSETS		<u>2,840.91</u>	<u>3,384.91</u>
TOTAL ASSETS		<u>41,968.89</u>	<u>91,431.68</u>
CURRENT LIABILITIES			
Trade Creditors		-	240.00
Amounts Withheld		175.10	-
Income Tax Payable		327.00	327.00
Payables		-	317.00
TOTAL CURRENT LIABILITIES		<u>502.10</u>	<u>884.00</u>
TOTAL LIABILITIES		<u>502.10</u>	<u>884.00</u>
NET ASSETS		<u>41,466.79</u>	<u>90,547.68</u>
MEMBERS' FUNDS			
Issued capital			
Retained profits	5	41,466.79	90,547.68
TOTAL MEMBERS' FUNDS		<u>41,466.79</u>	<u>90,547.68</u>

The accompanying notes form part of these financial statements.
This report is to be read in conjunction with the attached compilation report.

LIFEHOUSE PROJECT INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

1 Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act QLD. The committee has determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act and the following Australian Accounting Standards:

AAS 3 :	Accounting of Income Tax
AAS 5:	Materiality
AAS 8:	Events Occurring After Reporting Date
AAS 17:	Leases

No other applicable Australian Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report is also prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

Fixed Assets

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

LIFEHOUSE PROJECT INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
2 Cash Assets		
Cheque Account	21,653.42	76,706.85
Petty Cash	400.00	200.01
Petty Cash - PEP	-	200.00
Trust Account	15,735.44	10,200.00
	<u>37,788.86</u>	<u>87,306.86</u>
3 Receivables		
Current		
Accounts Receivable	530.00	-
Amounts Withheld	-	440.00
GST Clearing Account	509.21	-
	<u>1,039.21</u>	<u>440.00</u>
4 Plant and Equipment		
Computer Equipment	4,473.91	4,473.91
Less: Accumulated Depreciation	(1,633.00)	(1,089.00)
	<u>2,840.91</u>	<u>3,384.91</u>
Total Plant and Equipment	<u>2,840.91</u>	<u>3,384.91</u>
5 Retained Profits		
Retained profits at the beginning of the financial year	90,547.68	33,115.96
(Net loss) Net profit attributable to the association	(49,080.89)	57,431.72
Retained profits at the end of the financial year	<u>41,466.79</u>	<u>90,547.68</u>

These notes are to be read in conjunction with the attached compilation report.

LIFEHOUSE PROJECT INC
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STATEMENT BY MEMBERS OF THE COMMITTEE

The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee the financial report as set out on pages 1 to 7:

1. Presents a true and fair view of the financial position of Lifehouse Project Inc as at 30 June 2006 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Lifehouse Project Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

President: 
Ruth Knight

Treasurer: 
Zeke Knight

Dated this day of 11 Nov 2006

**COMPILATION REPORT
TO LIFEHOUSE PROJECT INC
93 907 491 184**

Scope

On the basis of information provided by the Committee of Management of Lifehouse Project Inc, we have compiled, in accordance with APS 9: Statement on Compilation of Financial Reports the general purpose financial report of Lifehouse Project Inc for the year ended 30 June 2006 as set out on pages 1 to 8.

The Committee of Management is solely responsible for the information contained in the general purpose financial report and has determined that the accounting policies used are consistent with the financial reporting requirements of the Association's Constitution and are appropriate to meet the needs of the Committee of Management for the purposes of complying with the Association's Constitution.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Committee of Management provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the Association, may suffer arising from any negligence on our part. No person should rely on the general purpose financial report without having an audit or review conducted.

The general purpose financial report was prepared exclusively for the benefit of the Association and the purpose identified above. We do not accept responsibility to any other person for the contents of the general purpose financial report.

Name of Firm: Rodgers Dart Pty Ltd
Accountants & Advisors

Name of Partner: _____
Zaak Wheaton

Address: 10 Cloyne Rd, Southport, QLD, 4215

Dated this day of 7th November 2006.


LIFEHOUSE PROJECT INC
93 907 491 184

CERTIFICATE BY MEMBERS OF THE COMMITTEE

I, Ruth Knight and I, Zeke Knight certify that:

- (a) We are members of the committee of Lifehouse Project Inc.
- (b) We attended the annual general meeting of the association held on 4 Nov 2006
- (c) We are authorised by the attached resolution of the committee to sign this certificate.
- (d) This annual statement was submitted to the members of the association at its annual general meeting.

Committee Member: 
Ruth Knight

Committee Member: 
Zeke Knight

Dated this day of 11 Nov 2006

LIFEHOUSE PROJECT INC
93 907 491 184

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
INCOME		
Gifts & Donations Income	5,765.44	50,731.75
Grants Income	16,121.00	30,952.00
Program Facilitation	5,990.00	6,300.00
Other Revenue	9,016.19	12,010.39
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	61,864.43	42,562.42

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PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

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	\$	\$
(Loss) Profit from ordinary activities before income tax	<u>(49,080.89)</u>	<u>57,431.72</u>

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