



Annual Report

2011 - 2012

Metro Community Housing Co-operative Ltd

Location: 48a Norton Street, Leichhardt.
Postal Address: PO Box 551, Leichhardt 2040

Office hours

Monday, Tuesday and Thursday: 10.00am – 4.00pm.
Wednesday 1.00pm - 4.00pm

Tenants and applicants for social housing are seen by appointment outside these times.

Telephone: 9560 5331 **Fax:** 9560 8027

Our values

To create a better community by

- ✓ providing housing and other assistance to people in our community who are in high need;
- ✓ empowering our tenants and enhancing their life choices through access to affordable, appropriate and secure housing;
- ✓ making links and working collaboratively with other housing providers and community service providers to help us achieve these aims; and
- ✓ actively participating in the social housing sector and the broader political process.

Thank you to all who have contributed to the co-operative over the last year

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For a copy of the Metro Community Housing Annual Report please call us on 9560 5331 or e-mail reception@metrohousing.org.au,
This report can be downloaded from www.metrohousing.org.au

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Agenda

Annual General Meeting 2012

1. Welcome
2. Apologies
3. Minutes of previous meeting
4. Matters arising from the previous minutes
5. Reports:
 - a) Chairperson's report
 - b) Treasurer's report
 - c) Manager's report
6. Motion for acceptance of reports
7. Appointment of Returning Officer
8. Election of Board of Directors
9. Appointment of Auditor
10. New business

Metro Community Housing Co-Operative Ltd Minutes of the Annual General Meeting

Meeting held 29 November 2011 Herb Greedy Hall, Petersham Rd, Marrickville

1. Deputy Chairperson Elizabeth Sharaq opened the meeting at 6.00pm, welcomed everyone to the AGM and checked that attendances had been recorded.

Elizabeth explained that due to the inability of the Chairperson to be in attendance, she would chair the meeting and give the Chairperson's report on behalf of Eanna O'Ceallachain

Present:

Elizabeth Sharaq, Susan Taylor, Mark Gell, Nigel Head, James Kennedy, (Board Members);

Julie Harrison, Nermin Odemis, Sue O'Neill, Maree Arkell, Madeleine Russell, Robert Waters, Amy McMurtrie, Nita Mala, Alan Mathew (staff),

Josie Evans, Yarrie Sillah, Siu Miu Law (Tenants)

2. Apologies: Tina McManus, Uniting Care Disability; Virginia McKay, YWCA Young Women's Supported Accommodation Program; Liz Osbourne, St Lousing Lodge; Eszter Hida, Canterbury Council; Eanna O'Ceallachain, David Abello, Malcolm Pollard (Metro Directors)

3. Minutes of the previous meeting:

Elizabeth noted that she was incorrectly recorded as attending the AGM the previous year and this needed to be amended.

Motion: That subject to the above amendment, the Minutes of the Annual General Meeting of Metro Community housing, held on the 23rd November 2010 be accepted as a true and accurate record of the meeting.

Moved: Mark Gell
Seconded: James Kennedy

Carried unanimously

4. Matters arising from previous minutes: None.

5. REPORTS

5.1 Chairperson's Report. Elizabeth presented the Chairperson's Report as tabled in the Annual Report and available in the papers distributed.

5.2 Treasurer's Report: Mark presented the Treasurer's Report as tabled in the Annual Report and available in the AGM papers distributed. He noted his thanks to the management team and highlighted his appreciation of the work of our accountant Alan Mathews and the assistance given to the Board and to him as Treasurer.

5.3 Managers Report: Julie Harrison presented the Manager's Report as tabled in the Annual Report and available in the papers distributed at the AGM.

Motion: to accept all tabled reports.

Moved: Sue Taylor
Seconded: Mark Gell

Carried unanimously

6. Appointment of Returning Officer

Motion: that Alan Mathew be appointed as Returning Officer for the meeting.

Moved: Mark Gell
Seconded: Sue Taylor

Carried unanimously. Appointment accepted by Alan.

7. Election of Board of Directors:

Alan Mathew outlined the changes made to our rules regarding the election of directors at the last AGM. This means that directors are elected for a term of two years and half the members stand down at each Annual General Meeting.

This means that four directors will restand for election at this AGM and the four directors (Mark Gell, Nigel Head, Eanna O'Ceallachain and David Abello) appointed last year will serve another year before they are required to re-stand for election.

Alan checked the nomination forms and advised the meeting that there were 4 valid nominations for the position of Director. The names of the nominations were read out: They were:

Sue Taylor, Elizabeth Sharaq, James Kennedy, Malcolm Pollard.

Alan called for any nominations from the floor. There being no further nominations, Alan explained that as the number of valid nominations was equal to the number of positions on the board, all those who nominated were declared elected unopposed.

8. Appointment of Auditor:

Motion: that our current auditor -,Partlett, Chave and Rowland be reappointed as the auditors for 20010/2011.

Moved: David Abello
Seconded: Susan Taylor

Carried unanimously.

The Treasurer acknowledged the presence of Bill Ng of Partlett, Chave and Rowland at the AGM and thanked him for his commitment to Metro over many years.

New Business

10. Explanation of “Active Membership” provisions of the Metro constitution.

The Secretary, Susan Taylor provided advice regarding our intention to implement the “active membership” provisions of our rules to ensure that members of the co-operative were complying with this requirement.

These provisions require members of the co-operative to attend at least one board function a year to retain membership. This means that members need to attend either the Annual General Meeting or a board meeting.

We will include information about this in the next newsletter and ask tenants who wish to continue as members to complete an application form rather than assuming that all tenants wish to be members.

We also want to encourage representatives from our partner agencies to join the board so that the interests of their clients can be communicated to and reflected in decisions of the board.

Elizabeth thanked all those who attended. The meeting was declared closed at 6.35pm.

A Snapshot of Metro Community Housing

How do we operate?

Metro Community Housing is one of 30 community housing associations in NSW that receives leasehold subsidy and operational funding from the Community Housing Division of Housing NSW.

Our purpose is to provide long term, subsidised accommodation to people on low incomes in need of affordable housing.

We also provide transitional housing for up to two years for people referred through support partnership nominations. These tenants require short-medium term assistance to prevent homelessness when exiting in-patient psychiatric services, crisis refuges, drug and alcohol programs, or the criminal justice system.

Through a program run in collaboration with Area Health and Community Mental health teams we also provide transitional housing to tenants who need to demonstrate independent living skills in order to be approved for priority housing from the Department of Housing.

Who do we house?

Metro is a generalist housing association, but our Strategic Plan for 2011-15 commits us to an objective of increasing tenancies offered through support partnership nominations for those in high need from 25% to 40% by 2014.

An amendment to our rules passed at a Special General Meeting held on 28 February 2007 inserted a clause into our Objects of Association to ensure that approximately 1/3rd of all tenancies are allocated to single men. This reflects an acknowledgement that this client group is generally under-resourced in the provision of affordable housing, and our commitment to the ongoing needs of this target group following the amalgamation with Resamen Men's Housing.

We have historically allocated between 10-15% of our properties to Aboriginal tenants and approximately 50% of our tenants were born outside Australia.

Where do we operate?

The majority of our properties are located within the inner west metropolitan area - primarily in the Ashfield, Canterbury, Leichhardt and City of Sydney Local Government areas. We also have a smaller number of properties located in another 12 local government areas. Our housing stock ranges from studio apartments to six bedroom houses.

How are we governed?

Metro is incorporated as a not-for-profit, co-operative of members with Public Benevolent status. Membership of the co-operative is made up of Metro tenants and other persons with a demonstrated interest in our organisation or in the provision of community housing more generally. All potential members complete a written application and these are put to the Board for approval.

All members of the co-operative must then meet the “active membership” provisions which require them to attend at least one meeting of the Board per annum. This would normally be the Annual General Meeting. All members of the co-operative are entitled to nominate for, and/or vote at the AGM for appointment as a Director.

The newly elected Board of Directors then call for nominations and elects specific position holders (ie Chairperson, Treasurer) at the first board meeting held after the Annual General Meeting.

What is the role of the Board of Directors?

The role of the 8 independent Directors on Metro’s Board is to ensure the good governance and financial viability of the organisation. The Board of Directors are responsible for setting and monitoring Metro’s strategic direction and ensuring the organisation is meeting its legal, regulatory and fiduciary responsibilities.

The Board meets every month to monitor the implementation of the plans (Strategic Plan, Business Plan, and Risk Management Plan) which provide the framework for our operations.

At each meeting the Board is presented with information in relation to our key performance indicators in the areas of arrears, asset maintenance, income and expenditure and significant tenancy issues.

The day to day management of the organisation is the responsibility of the Manager. The Manager liaises regularly with the Chairperson, attends all board meetings and provides the Board with timely data relating to organisational effectiveness measures such as tenant arrears, vacant/voided property trends, Consumer, Trader and Tenancy Tribunal action and implementation of the Asset Maintenance Plan.

The Board is provided with profit and loss and balance sheet statements for the preceding quarter and month and the accountant attends several board meetings each year to respond to any board enquiries about our financial position.

Our Current Board.

Current Metro Board members have a mix of skills in law, disability advocacy, public administration, community support, financial and strategic management and property development. Board members are elected for two year terms.

Directors Eanna O’Ceallachain, Mark Gell, David Abello and Nigel Head were elected for a two year term in 2010 and all will stand down from their positions at the 2012 AGM. Chairperson, Eanna O’Ceallachain, Treasurer, Mark Gell and Director, David Abello will re-stand at this election. If re-elected they will serve terms of two years.

Directors, Susan Taylor (Secretary), Elizabeth Sharaq (Deputy Chairperson), James Kennedy and Malcolm Pollard were appointed for two year terms at the Annual General Meeting held on 23 November 2011.

Information about the date each Director was appointed and the number of meetings attended in the 2011/12 Financial year is contained in the Audit Report.

External Accountability

Metro is Registered as a Class 2 Housing Provider by the statutory Registrar of Community Housing. We undertake Registration on an annual basis and are required to demonstrate that all aspects of our operations comply with the standards required by the independent Registrar.

We also provide detailed financial and governance data on an annual basis to the NSW Registry of Co-operatives, Department of Fair Trading, and report on key performance data in relation to tenancy management, maintenance of our assets and overall financial position on an annual and quarterly basis to the Community Housing Division of Housing NSW (our primary funder).

Metro has also undertaken independent accreditation and has been fully accredited by *GlobalMark* for a 3 year period from January 2010. We will undertake accreditation again in February 2013.

Chairperson's Report

The past year has been “business as usual” for Metro with a focus on implementing key areas of our Strategic Plan. In line with our Strategic Objective to increase tenancies allocated through support partnership nominations and to build and strengthen relationships with our support partners, Metro appointed a Partnership Project Officer in February 2012 to review, update and develop new Deeds of Agreement and improve referral/risk assessment and exit planning processes.

We have streamlined our procedures for collaboration with partner agencies and in accordance with our Strategic Plan we increased the proportion of supported tenancies by 5% over the last financial year.

In line with Metro's overall strategy “to house those in need”, particularly in an environment where social housing is a very scarce resource, Metro intends to undertake a thorough review of all support partnerships to ensure we are working with agencies who have demonstrated capacity to provide support to those in greatest need.

Metro Community Housing saw only a small increase in the number of capital properties under our management. Previous new supply in the previous 12 months was primarily through the Lease Transfer program – this is where smaller community support providers allocated properties by Community Housing Division indicated their willingness to form a partnership with Metro and have their properties transferred to Metro. This allowed these providers to focus on client support with Metro assuming responsibility for tenancy and property management functions. As most small providers have now either assigned their leases or decided to take registration this program has seen little new growth.

In line with our Strategic objective to slowly grow our portfolio, Metro has been successful in obtaining approval for bank financing to purchase between 2 - 4 properties per annum. Purchase costs will be met from a combination of cash reserves and bank financing. We will engage consultants to identify and conduct the initial negotiations in relation to the purchase of properties that meet our acquisition brief.

Metro has a clear vision, identified targets and strategies to achieve our goals. As a financially sound organisation, focused on moderate achievable growth and high quality tenancy management, I am confident we will continue to make a positive contribution to the social housing sector.

Eanna O'Ceallachain

Treasurer's Report

I am pleased to present this report on the Board's financial governance for the year 2011/12. Highlights of our performance include:

- An increase in income of 11% from the previous year to over \$7.88 million. The major contributors to the increase were grant and rental income.
- An increase in grant income of 1% to \$4.6 million.
- Cash reserves at the end of 2011/12 of \$1,398,520, (\$1,295,080 in 2011).
- An operating surplus of \$305,000 – an increase of \$4880 over 2010/11.

Total expenses for the year increased by \$779,468 to \$7.65 million (an increase of 11.33%) stemming primarily from increases in property costs (some of which were covered by additional grants), and employment expenses. Employment expenses were affected by redundancy payments.

The costs of administration (not include wages or salary related expenses) rose by \$12,276 (7%) to \$192,00, but this included one off costs for equipment purchases and enhanced office security following the acquisition of new office premises at the end of 2010/2011 financial year, and set up costs to purchase *Complispace* compliance technology licences.

METRO's balance sheet position at the end of the year improved slightly and remains strong in line with historical trends.

Total assets at the end of the 2012 financial year balance date were \$2,912,694 (an increase of 15%) while liabilities were \$623,240 (an increase of 11%). This has resulted in a ratio of assets to liabilities similar to last year of 4.67 to 1, which represents a strong financial position. The largest component of METRO's strong asset to liabilities position is its cash reserves.

METRO's sound financial position has allowed it to manage its operations, discharge its responsibilities, including the effective management of assets, and provide high quality services to our tenants, and assist applicants for social housing.

This is the result of prudent operational and financial management processes overseen by the management team.

Mark Gell

Manager's Report

This year saw the completion of the 'Sustainability on A Shoestring' pilot project. This project was a collaboration between Metro, City of Sydney Council, Marrickville Council, Canterbury City Council and Sustainability Action Values Everyone (SAVE).

The program was developed in response to research that showed earlier sustainability initiatives had not reached those on low incomes. Sustainability on A Shoestring was a year long project which provided tenants with a series of professional workshops providing education about free and low cost ways for tenants to reduce their carbon footprint. The project was completed with the development of a 'toolkit' a resource for those interested in running similar programs. Sustainability on A Shoestring put Metro Housing at the forefront of social housing and sustainability resource development and provided a select number of tenants with education and community building opportunities.

We have been pleased this year to be a part of *Platform 70*. This is a 'Housing First' initiative funded by the NSW Government to assist 70 rough sleepers from the Wollomooloo area into secure, affordable and long term housing.

The project has been managed by Bridge Community Housing and has seen us continue our partnership with the Neami Way2Home program and the Aboriginal Assertive Outreach Service who are responsible for the support service delivery aspects of the program. As a result of this project we have housed 6 rough sleepers in suburbs of their choice throughout the inner city.

We are also excited about new opportunities for working with social enterprise, Green Aid. This organisation provides affordable and reliable maintenance services to Community Housing providers across metropolitan Sydney. Building on the expertise of Green Aid in the employment and support services industries we are currently working in collaboration on programs to assist our tenants with hoarding and squalor problems. This is increasingly being seen in mental health services as an under-identified problem which puts people's tenancies at great risk.

We are also about to embark on a financial management program with Green Aid to assist our tenants manage their money more effectively. We are looking forward to the positive outcomes we believe this partnership can bring to us as an organisation, and most importantly our tenants.

This has been a year of some change for the organisation in terms of our staffing structure.

In August 2011 Dennis Elacion joined Metro as a Trainee Accountant. After migrating to Australia the previous year, Dennis had commenced studies to allow him to qualify as an accountant in Australia. To do this he needed to be able to obtain work in this field and we were approached by the educational institution to offer him a traineeship.

Dennis is being mentored and supported in this role by our Accountant Alan Mathew. Alan will retire in late 2012 after providing excellent financial oversight to Metro for over 20 years. Dennis also works collaboratively with Nermin Odemis who is responsible for our accounts payable functions as well as tenant rent entries and payment of landlord rents.

In February 2013, Amy McMurtrie took up the Partnership Support Officer role after having previously worked for Metro in Project Officer and Administrative support roles over the previous 12 months.

Due to ill health our Asset Manager, Bob Waters retired in February 2012 and moved to northern NSW to be nearer to family. We were very fortunate in recruiting Kathleen Williams as Metro's new Asset Manager shortly before Bob retired. Kathleen has also assumed responsibility for Work Health and Safety management within the organisation.

In May 2012 Lauren Stephens joined Metro as our new Housing Worker. Although new to the housing sector Lauren has previous experience in non-government community support roles and she has quickly familiarised herself with her tenants.

Lauren has been mentored and supported in her new role by Maree Arkell who is our Senior Housing Worker. Maree is primarily responsible for management of support partnership tenancies.

In June 2012 Sue O'Neill left Metro Housing after having worked for the organisation for over 10 years in casual and permanent part time positions. Sue had worked as Senior Housing Worker and was in the Team-Leader, Access and Demand role when she accepted voluntary redundancy.

Access and Demand functions are performed by Nita Mala who joined Metro just after the introduction of Housing Pathways in 2010.

Leigh Batterham continues as Metro's administrative officer and receptionist and she is generally the first point of contact for social housing applicants and tenants.

My sincere thanks to all the Metro staff for their continued commitment and dedication in the way they perform their duties.

Julie Harrison

Our Housing Partners

As at 30 June 2012 approximately 28% of Metro properties were allocated to clients referred through support partnerships with 19 separate service providers.

A support partnership is one where the service provider has nomination rights – that is, they refer a client who is in urgent need of housing and provide support to help that person establish and maintain a successful tenancy.

The Metro Strategic Plan 2011/2015 sets a goal of increasing partnerships by 3-5% each year until we reach our target of 40% of all tenancies offered through support partnerships by 2014. Current priority groups for support partnerships include:

- ✓ Women and their children exiting crisis accommodation
- ✓ Young people (16-25) who are homeless or exiting crisis accommodation
- ✓ People exiting residential drug and alcohol programs
- ✓ People exiting the criminal justice system
- ✓ People with a psychiatric disability
- ✓ People with an intellectual disability

Our current partners include:

- **Aftercare Association**
- **NEAMI Way2Home and Aboriginal Assertive Outreach**
- **Launchpad**
- **We Help Ourselves**
- **St Louise Lodge**
- **Uniting Care Supported Living**
- **Inner City Youth At Risk**
- **Jeans Place**
- **YWCA Young Women's Program**
- **B Miles**
- **Central South West Sydney Area Health Service and Community Mental Health teams**
- **Glebe House**
- **Mathew Talbot Outreach Service**

The Metro Board would like to take this opportunity to thank all our partner agencies for their contributions over this last year. We want to also acknowledge the work of our local government partners – City of Sydney and Canterbury for their commitment to assisting our tenants through the Sustainability on a Shoestring program.

The Community Housing Division is our major funding body and we also thank them for their contribution and assistance.



COMMUNITY
HOUSING
DIVISION

Statistical Information for Metro Community Housing

Incorporation status Co-operative, Public Benevolent status
Accreditation status Awarded full accreditation for 3 years in January 2010
Registration status Registered as Class 2 Housing Provider

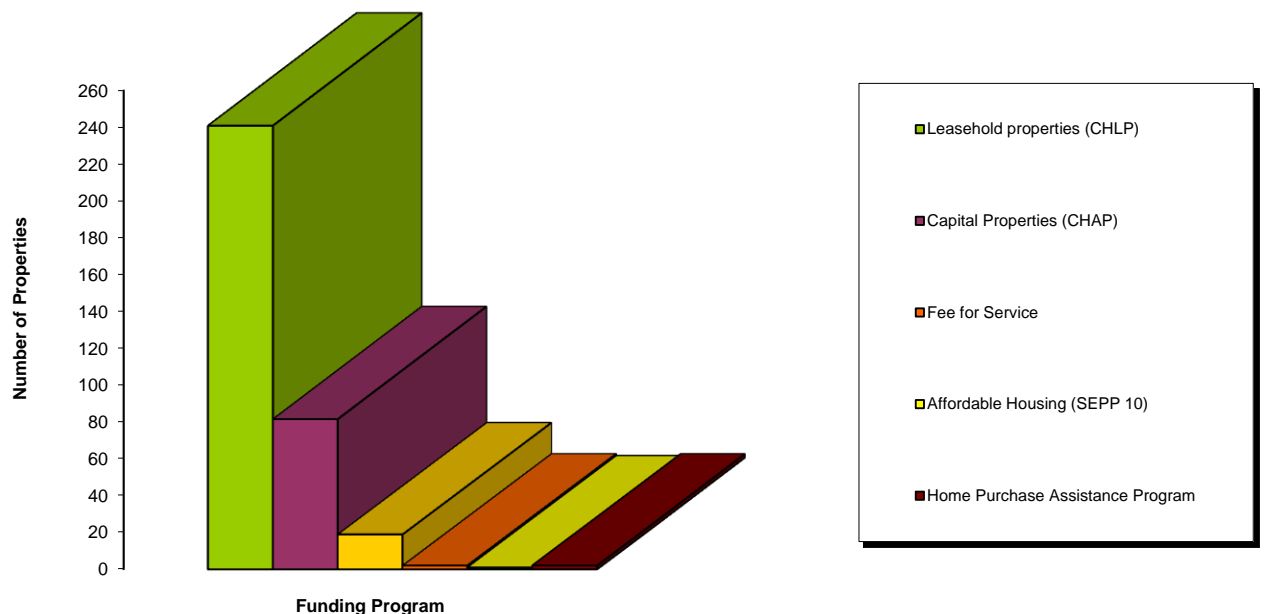
Properties 362 (as at 30 June 2012)

Leasehold: 257
 Capital: 93
 Platform 70 4
 Fee for Service: 4
 Affordable SEPP: 1
 Non quota* 1
 HPA: 1

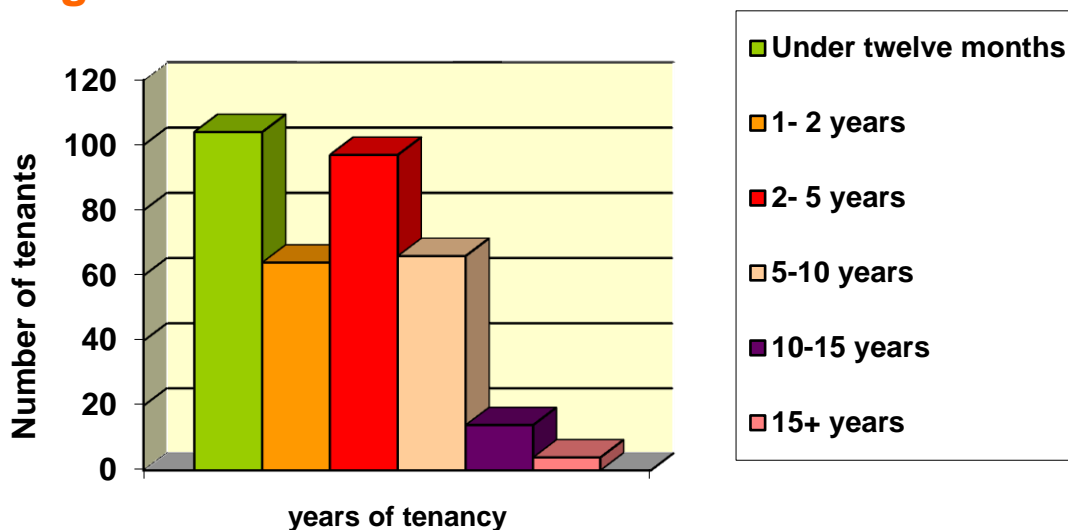
Tenancies 391

Total housed 721

Breakdown of properties by funding programs

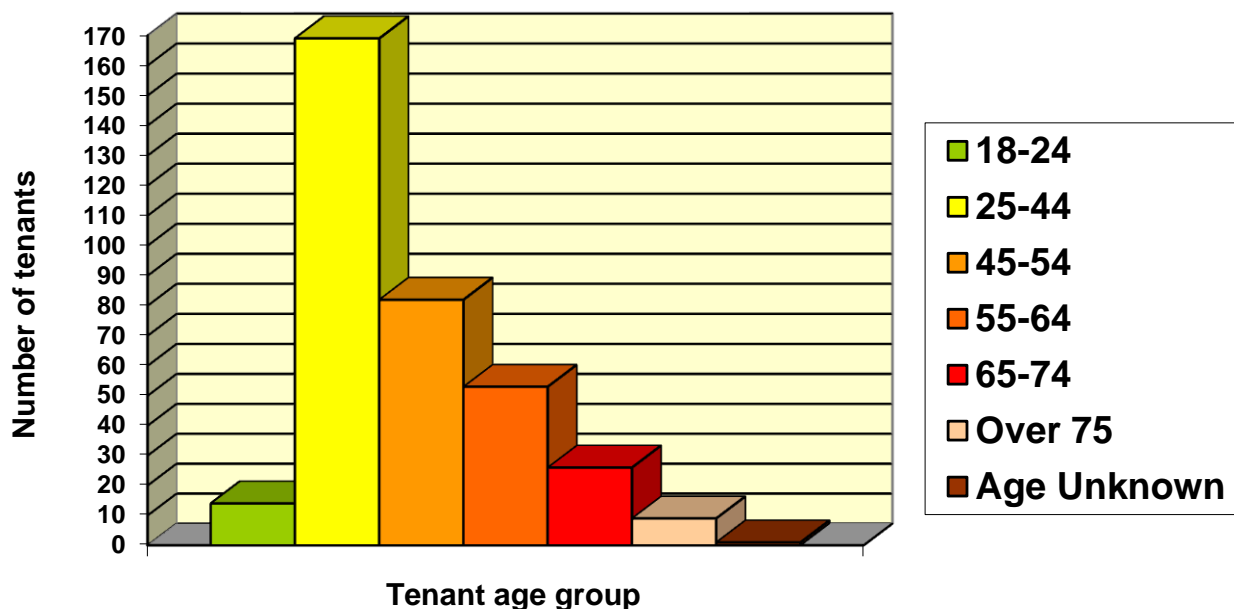


Length of tenancies

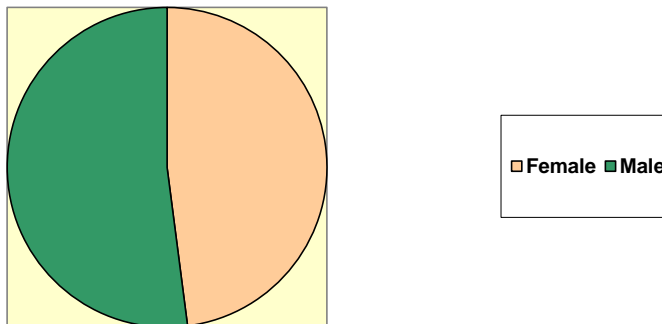


Note: the relatively large no of tenants in the “under twelve months category” reflects tenants housed for short periods through transitional housing programs.

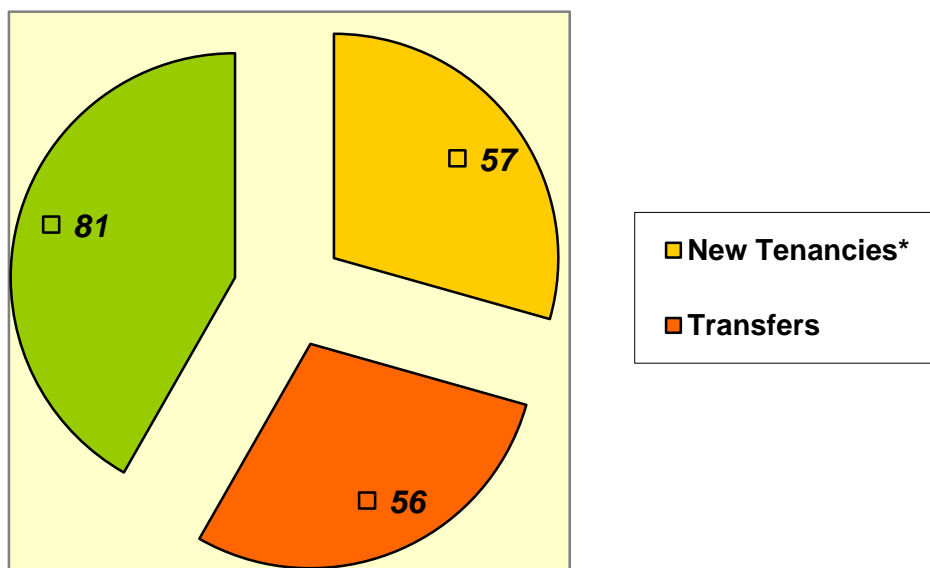
Ages of head tenants



Gender of tenants



Tenancy Movements 11/12

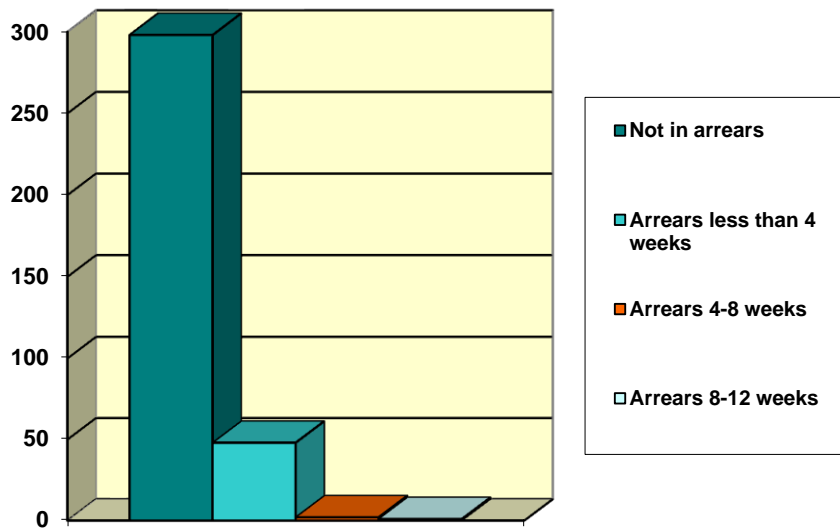


Notes:

1. New tenancies does not include tenants transferring between Metro Properties

2. The relatively large number of tenancies ending (shown in green) reflects tenants completing transitional housing programs. Many of these tenants exit to permanent housing with Housing NSW or other community housing providers, tenants who have exited to the private rental market or to reside with family and a small proportion of tenants who have exited due to higher support care facilities such as aged care hostels, residential programs for Alcohol and other drug treatment or who have been incarcerated

Rent Arrears as at 30/06/2012



Cultural Mix (as identified by tenants)

Cultural Identity	%of tenants
Australian	40.6
Aboriginal/Torres Strait Islander	8.1
Arabic	4.2
SE Asian - Vietnamese/Cambodian/Indonesian/Burmese	4.9
South American (Argentinean, Chilean, Paraguayan, Uruguayan)	2.9
English/Irish/Other Northern European	5.3
Turkish	2.2
Sierra Leone/Egyptian/other African	3.3
Chinese	2.2
Greek	2.5
Lebanese	1.6
Indian	2.1
South African	2.0
Italian	1.1
Maori New Zealander	1.5
Filippino	1.0
Russian	1.1
Central European (Hungaria, Serbia, Croatia)	1.8
South Pacific Islander (Tonga, Cook Islands, Fiji)	2.0
German, Korean, Kurdish, Eritrean, Iranian, Iraqi, Palestinian, Spanish, Slovakian, Syrian, Russian (less than 1%)	10.7
Total	100%

Metro Housing Co-operative Ltd
Audited Financial Statements
2011/12

METRO COMMUNITY HOUSING CO-OPERATIVE LTD

A.B.N. 85 775 722 514

FINANCIAL REPORT

FOR THE YEAR ENDED
30TH JUNE 2012

METRO COMMUNITY HOUSING CO-OPERATIVE LTD

A.B.N. 85 775 722 514

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METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

DIRECTORS' REPORT

Your directors present their report on the co-operative for the financial year ended 30th June 2012.

DIRECTORS

The names of the directors in office at any time during the year and to the date of the report are:

Eanna O'Ceallachain
Susan Taylor
Elizabeth Sharaq
David Abello
Malcolm Pollard
Nigel Head
Mark Gell
James Kennedy

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activities of the co-operative during the financial year were:

Provision of Affordable Community Housing to people who met Housing NSW Eligibility Criteria

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

RESULT OF OPERATIONS

The profit of the co-operative for the financial year amounted to \$305,795.

REVIEW OF OPERATIONS

As at 30 June 2012 Metro Community Housing housed 719 people in 362 properties. This included 383 head tenants (the head tenant is the person who holds the lease with Metro Community Housing) and 204 dependant children.

Of the head tenants as at 30 June 2011, there were 218 females and 165 males. Of the 204 children or young people under 18, there were 89 females and 119 males.

Other than the children of tenants; additional occupants also included domestic partners, friends, carers and other family members. We also have several properties which are "shared" houses - housing unrelated people who are nominated by specific support providers. Each person living at the property does however has a separate lease with Metro.

In relation to the length of time our tenants have been housed with us, 4 tenants have been housed with Metro for over 15 years; 18 for between 10-15 years, 82 between 5-10 years; 115 between 2-5 years; 57 between 1-2 years and 109 for less than twelve months.

The relatively high number of persons housed for under twelve months reflects Metro's organisational objective of increasing the proportion of tenancies offered for periods of between 6 - 24 months for people housed through partnership agency nominations.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

DIRECTORS' REPORT

REVIEW OF OPERATIONS (continued)

Our Strategic Plan 2011-2014 commits us to increasing the proportion of supported tenancies from 25% to 30%. We are on track with this and as at 30 June 2012, Metro Community Housing allocated 27% of all tenancies to support partnership nominations.

Supported tenancies provide housing to people with more complex needs who are nominated by, and receive assistance from a community based organization. Under these arrangements we provide housing to people who are homeless or insecurely housed who also have other disadvantages that limit their ability to obtain or retain affordable housing. Through these programs we work with tenants with psychiatric and intellectual disabilities; young people and women with dependent children exiting crisis refuges, and people exiting drug rehabilitation programs or the criminal justice system.

Metro Community Housing had 93 capital properties as at 30 June 2012, an increase of only 3 properties during the 2011/12 financial year. As was the situation in 2010/11 the transferred properties had previously been managed by small community support providers who have decided to relinquish their leases and allow Metro to provide tenancy and property management rather than undertake Registration themselves.

The Metro board hopes to continue to increase our capital portfolio (and enhance financial viability) through targeted stock transfer opportunities, small scale purchases or redevelopment of existing properties.

Metro Community Housing, in line with other housing providers funded by the Community Housing Division of Housing NSW, is required to ensure we are accountable for the effective use of government funds and assets.

This is primarily achieved through an annual Registration process. The Registration system is administered by the independent Registrar of Community Housing. This is the third year that Metro will be undertaking registration under the new system which requires housing associations to apply for registration as either a Class 1, Class 2, or Class 3 Housing Providers.

The class of Registration relates to the size of the organization and the involvement of the housing association in development or other activities which require the association to raise private capital. Metro is currently registered as a Class 2 Provider and we will be undertaking registration for this class of provider again in November 2012.

Metro is also required to meet compliance requirements of the funding body on a quarterly and annual basis. This reporting includes data in relation to key performance benchmarks (such as arrear rates, vacancy/void rates and financial activities).

Metro Community Housing has also voluntarily undertaken external accreditation assessments and been accredited up until early 2013 by GlobalMark, Australia.

A continuing focus of our activities over the last twelve months has been our involvement in programs to assist our tenants to reduce energy costs and gain an appreciation of resource use issues through our involvement in the "Sustainability on a Shoestring" programs.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

DIRECTORS' REPORT

Although the take up rate has not been high, Metro will continue to offer scholarships for tenants wishing to undertake vocational training, and we are developing relationships and referral processes with more specialist organisations that can provide assistance to our tenants to access employment training/work experience opportunities, paid employment and psychological services..

During this financial year, Metro also received grant funding to assist us to provide intensive property maintenance and cleaning services to tenants whose tenancies may be at risk because of property care issues.

We continue to implement effective maintenance and upgrading of our capital properties to ensure that all properties meet (or exceed) the Asset Standards set by Housing NSW. All our properties were scoped in early 2008 by an independent company with expertise in this area and a 20 year Asset Maintenance Plan developed. Each year from 2011/12, Metro will rescope 20% of our properties to ensure effective monitoring and timely responses to maintenance requirements.

The condition of all properties was recorded and dates set for replacement of major items such as carpets, kitchens, hot water systems, bathrooms in the scoping process. Scoping also identified all urgent work required on our properties and this work has now been completed.

The Asset Maintenance plan guides our actions in relation to planned work on our capital properties and allows us to give our tenants a clear understanding of when, and how work will be programmed.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes to our activities in the 2011/12 financial year.

AFTER BALANCE DATE EVENTS

No matters of circumstance have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the result of those operations, or the state of affairs of the co-operative in subsequent financial years.

Last year we reported that Metro was a party to two legal matters where action has been taken against us in the Supreme Court. One matter related to a dispute with a property owner over claims for end of tenancy damage to a leasehold property. The matter was strongly defended and was eventually settled at a rate significantly lower than the original amount claimed. Although Metro did incur legal costs to defend the matter these did not exceed the provisions made for any settlement payment. The other matter related to a claim by a tenant for compensation relating to a fall from one of our properties. Metro was the second defendant in the matter and it was resolved in conciliation with the first defendant and no costs were incurred by Metro.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

DIRECTORS' REPORT

LIKELY DEVELOPMENTS

In line with our Strategic Plan developed in January 2011, Metro is currently examining opportunities for the purchase of a small number of properties with purchase costs to be met out of our existing cash reserves and bank financing arrangements. We have developed an acquisition brief and confirmed lending arrangements with our financial institution. We are currently reviewing acquisition strategies, but given our fiduciary responsibility to ensure any risks to the organisation are minimised, the Board is happy to proceed slowly and cautiously before making this expenditure.

As an organisation Metro remains committed to housing people in high need and our focus will remain on expanding and strengthening partnerships to ensure we can assist supported tenants to demonstrate their capacity for independent living in order to access long term, secure housing.

We believe the housing of tenants through transitional and supported arrangements complements the "Housing First" model which focuses on assisting people experiencing primary homelessness as a priority target group.

This strategy reduces the need for temporary assistance/use of other Housing NSW products such as Private Rental subsidy'; promotes consistent engagement with support services and allows transitional tenants to access living skills and other programs which promote capacity building for this targeted client group.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

DIRECTORS' REPORT

DIRECTORS PARTICULARS

(a) Directors' Positions as at 30 June 2012

	Position	Date Appointed
Eanna O'Ceallachain	Director, Chairperson	13th August 2008
Susan Taylor	Director	22nd November 1996
Elizabeth Sharaq	Director, Dep. Chairperson	27th November 2002
David Abello	Treasurer	13th August 2008
Malcolm Pollard	Director	21st March 2007
Nigel Head	Director	21st October 2009
Mark Gell	Director Treasurer	24th November 2009
James Kennedy	Director	13th April 2011

(b) Directors' Meetings

During the financial year, 10 meetings of directors were held.

Attendances were:

	<u>Directors' Meetings</u>	
	<u>Number Eligible</u>	<u>Number</u>
	<u>to attend</u>	<u>attended</u>
Susan Taylor	10	8
Elizabeth Sharaq	10	7
David Abello	10	10
Malcolm Pollard	10	9
Eanna O'Ceallachain	10	10
Nigel Head	10	5
Mark Gell	10	7
James Kennedy	10	7

DISCLOSURE OF INTERESTS

No director has received or become entitled to receive, during or since the end of the financial year, a benefit because of a contract made by the co-operative or a related body corporate with the director, a firm of which the director is a member or a company in which the director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the co-operative's accounts, or the fixed salary of a full time employee of the co-operative or related body corporate.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the co-operative.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

DIRECTORS' REPORT

PROCEEDINGS ON BEHALF OF CO-OPERATIVE

No person has applied for leave of Court to bring proceedings on behalf of the Co-operative or intervene in any proceedings to which the Co-operative is a party for the purpose of taking responsibility on behalf of the Co-operative for all or any part of those proceedings. The Co-operative was not party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under the Co-operatives Act 1992 and the Co-operatives Regulation 2005 is attached following this Directors' Report.

Signed in accordance with a resolution of the Board of Directors:

Director
Eanna O'Ceallachain

Director
Susan Taylor

Dated this _____ day of _____

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

AUDITOR'S INDEPENDENCE DECLARATION UNDER
THE CO-OPERATIVES ACT 1992
TO THE DIRECTORS OF METRO COMMUNITY HOUSING CO-OPERATIVE LTD

We declare that, to the best of our knowledge and belief, during the year ended 30th June 2012 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Co-operatives Act 1992 and the Co-operatives Regulation 2005 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: Partlett, Chave & Rowland Baulkham Hills
Chartered Accountants

Name of Partner:
Robert Bruce Rowland

Dated this _____ **day of** _____

Address: Baulkham Hills

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

STATEMENT OF INCOME
FOR THE YEAR ENDED 30TH JUNE 2012

	Note	2012 \$	2011 \$
REVENUE			
Rent Received or Receivable		3,128,339	2,787,007
Government Grants	2	4,612,809	4,189,438
Others	3	220,873	200,793
TOTAL REVENUE		<u>7,962,021</u>	<u>7,177,238</u>
EXPENSES			
Tenancy and Property Expenses	4	7,149,933	6,463,210
Administration Expenses	5	506,293	413,548
TOTAL EXPENSES		<u>7,656,226</u>	<u>6,876,758</u>
OPERATING SURPLUS / (LOSS)		305,795	300,480
Funds available for future utilisation at the beginning of the Financial Year		<u>1,844,494</u>	<u>1,544,014</u>
FUNDS AVAILABLE FOR FUTURE UTILISATION AT THE END OF THE FINANCIAL YEAR		<u><u>2,150,289</u></u>	<u><u>1,844,494</u></u>

The accompanying notes form part of these financial statements.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2012

	Note	2012 \$	2011 \$
CURRENT ASSETS			
Cash assets	6	1,398,520	1,295,080
Receivables	7	945,408	728,344
Other assets	8	66,425	33,154
TOTAL CURRENT ASSETS		2,410,353	2,056,578
NON-CURRENT ASSETS			
Property, plant and equipment	9	59,625	38,845
Other Assets	10	443,195	427,944
TOTAL NON-CURRENT ASSETS		502,820	466,789
TOTAL ASSETS		2,913,173	2,523,367
CURRENT LIABILITIES			
Payables	11	511,072	458,352
Provisions	12	51,375	64,829
Other	13	34,224	15,842
TOTAL CURRENT LIABILITIES		596,671	539,023
NON-CURRENT LIABILITIES			
Provisions	12	26,613	21,030
TOTAL CURRENT LIABILITIES		26,613	21,030
TOTAL LIABILITIES		623,284	560,053
NET ASSETS		2,289,889	1,963,314
EQUITY			
Contributed equity		-	-
Reserves	15	139,600	118,820
Retained profits	14	2,150,289	1,844,494
TOTAL EQUITY		2,289,889	1,963,314

The accompanying notes form part of these financial statements.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2012

	Retained Profit \$	Total Reserve \$	Total \$
Balance at 30 June 2010	1,544,014	112,534	1,656,548
Operating Profit/(Loss)	300,480		300,480
Movement in Reserves		6,286	6,286
Balance at 30 June 2011	<u>1,844,494</u>	<u>118,820</u>	<u>1,963,314</u>
Operating Profit/(Loss)	305,795		305,795
Movement in Reserves		20,780	20,780
Balance at 30 June 2012	<u><u>2,150,289</u></u>	<u><u>139,600</u></u>	<u><u>2,289,889</u></u>

The accompanying notes form part of these financial statements.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Rent and Charges Received from Tenants	3,159,085	2,880,280
Government Grants	4,537,277	4,237,350
Interest Received	75,630	71,720
Other Income	30,837	21,826
Payments to Suppliers and Employees	(7,684,137)	(6,856,462)
	118,692	354,714
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Rental Bonds	(15,252)	(39,860)
Payments for Capital Items	-	-
	(15,252)	(39,860)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Sale of Capital Items	-	18
	-	18
Net increase (decrease) in cash held	103,440	314,872
Cash at Beginning of Financial Year	1,295,080	980,208
Cash at end of year	1,398,520	1,295,080

The accompanying notes form part of these financial statements.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

CASH FLOWS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011
	\$	\$
Notes to the Cash Flows Statement		
Reconciliation of Cash		
Cash at the end of financial year as shown in the Cash Flows Statement is reconciled to the related items in the Statement of Financial Position as follows:		
Cash on Hand	500	500
Cash at Bank - CBA Cash Investment	546,603	223,902
Cash at Bank - CBA Cheque	6,536	12,149
Cash at Bank - CBA Bus Saver	292,172	530,488
Term Deposits	552,709	528,041
	1,398,520	1,295,080
	1,398,520	1,295,080
Reconciliation of Net Cash provided by Operating Activities to profit from ordinary activities after Income Tax.		
Operating profit (loss) after income tax	305,795	300,480
Non-cash flows in operating profit		
Provision for Annual Leave	(7,283)	11,116
Provision for Doubtful Debts	(5,330)	9,242
Provision for Long Service Leave	5,582	11,857
Provision for Time in Lieu	(6,171)	2,235
Changes in assets and liabilities, net of the effects of purchase and		
(Increase) Decrease in Sundry Debtors	(90,124)	(27,725)
(Increase) Decrease in Interest Receivable	(4,889)	(3,756)
(Increase) Decrease in Prepayments	(9,955)	(1,040)
(Increase) Decrease in Rent Paid in Advance	(18,430)	(9,905)
(Increase) Decrease in Input Tax Credits	(3,932)	(892)
(Increase) Decrease in Grants Receivable	(130,551)	(66,075)
(Decrease) Increase in Sundry Creditors	(12,214)	3,780
(Decrease) Increase in Rent in Advance/Arrears	8,942	5,998
(Decrease) Increase in Accrued Expenses	18,382	1,797
(Decrease) Increase in PAYG Withholding	(775)	(55)
(Decrease) Increase in GST Payable	14,626	4,138
(Decrease) Increase in Grants in Advance	55,019	113,987
(Decrease) Increase in Superannuation Payable	-	(468)
	118,692	354,714
Cash flows from operations	118,692	354,714

The accompanying notes form part of this financial report.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012

1 Statement of Significant Accounting Policies

The financial statements is for Metro Community Housing Co-operative Ltd as an individual entity, incorporated and domiciled in Australia. The Metro Community Housing Co-operative Ltd is a co-operative.

Basis of Preparation

The financial statements is a general purpose financial statements that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS) Material accounting policies adopted in the preparation of this financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial statements, except for cash flow information, has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on _____ by the directors of the co-operative.

The following is a summary of the material policies adopted by the entity in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Income Tax

The Co-operative is exempt for income tax purposes. No provision for taxation has been made.

Investments

Investments are measured on the cost basis. The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of the investments. The recoverable amount is assessed from the quoted market value for shares in listed companies or the underlying net assets for other non-listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012

Property, Plant and Equipment

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

Property

Freehold land and buildings are measured on the cost basis.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge.

The useful life for each class of depreciable asset are:

Office Equipment	20%
Property Equipment	15%
Software	40%

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the company are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012

Employee Entitlements

Provision is made for the co-operative's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Long Service Leave is accrued in respect of all employees with more than 5 years service with the co-operative.

Revenue

Revenue from rental income is recognised on accrual basis.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the assets or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in at call deposits with banks or financial institutions, investments in money market instruments maturing within less than three months, net of bank overdrafts. Bank overdrafts are shown in current liabilities on the balance sheet.

Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011
	\$	\$
2 Government Grant Revenue		
Other Grants Received	867	439
CTS Housing Grants	4,580,112	4,188,999
Platform 70	31,830	-
	4,612,809	4,189,438
	4,612,809	4,189,438
3 Other Revenue		
Sundry Revenue	1,918	13,473
Management Fees	15,502	8,287
Interest Received	80,519	75,477
Tenants Charges	122,934	103,538
Profit on Sale of Non Current Asset	-	18
	220,873	200,793
	220,873	200,793
4 Tenancy and Property Expenses		
Rent Paid	6,111,951	5,688,981
Repairs & Maintenance	394,141	208,652
Electricity	19,164	15,806
Insurance	52,861	46,174
Rates & Taxes	155,015	127,517
Water Usage	42,293	46,222
Bad Debts - Tenants Charges	15,298	7,667
Bad Debts - Rent	4,429	5,230
Sundry Costs	16,431	11,949
Stimulus Package	-	-
Salaries and Superannuation	338,350	305,012
	7,149,933	6,463,210
	7,149,933	6,463,210
5 Administration Expenses		
Office Expenses	138,639	160,101
Rent	47,842	41,326
Salaries and Superannuation	312,312	200,721
	498,793	402,148
	498,793	402,148
5A Auditor's Remuneration		
Auditing of Financial Statements	7,500	7,500
Other Non Auditing	-	3,900
	7,500	11,400
	7,500	11,400
Total	506,293	413,548

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011
	\$	\$
6 Cash Assets		
Cash on Hand	500	500
Cash at Bank - CBA Cash Investment	546,603	223,902
Cash at Bank - CBA Cheque	6,536	12,149
Cash at Bank - CBA Bus Saver	292,172	530,488
Term Deposits	552,709	528,041
	<u>1,398,520</u>	<u>1,295,080</u>
7 Receivables		
CURRENT		
Sundry Debtors	197,629	107,505
Less: Provision for Doubtful Debts	(30,505)	(35,835)
	<u>167,124</u>	<u>71,670</u>
Other debtors	778,284	656,674
	<u>945,408</u>	<u>728,344</u>
8 Other Assets		
CURRENT		
Interest Receivable	10,460	5,572
Prepayments	55,965	27,582
	<u>66,425</u>	<u>33,154</u>

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011
	\$	\$
9 Property, Plant and Equipment		
Land and Buildings		
Office Machines & Equipment	72,127	50,593
Less: Accumulated Depreciation	(31,085)	(20,119)
	<u>41,042</u>	<u>30,474</u>
Office Furniture & Equipment	32,847	19,888
Less: Accumulated Depreciation	(14,484)	(12,633)
	<u>18,363</u>	<u>7,255</u>
Software	8,709	8,709
Less: Accumulated Depreciation	(8,489)	(7,593)
	<u>220</u>	<u>1,116</u>
Total Plant and Equipment	<u><u>59,625</u></u>	<u><u>38,845</u></u>
10 Other Assets		
Rental Bonds		
Rental Bonds with Bond Board	435,195	414,344
Rental Bond Office	8,000	13,600
	<u>443,195</u>	<u>427,944</u>

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011
	\$	\$
11 Payables		
CURRENT		
Sundry Creditors	13,412	25,630
Deferred Grant Income	387,239	332,219
Input Tax Credits	(15,740)	(11,807)
GST Payable	121,299	106,673
Amounts Withheld	4,862	5,637
	511,072	458,352
	511,072	458,352
12 Provisions		
CURRENT		
Provision for Annual Leave	24,877	32,160
Provision for Leasehold Maintenance	20,000	20,000
Provision for Time in Lieu	6,498	12,669
	51,375	64,829
	51,375	64,829
NON-CURRENT		
Provision for Long Service Leave	26,613	21,030
	26,613	21,030
	26,613	21,030
13 Other Liabilities		
CURRENT		
Accrued Expenses	34,224	15,842
	34,224	15,842
	34,224	15,842
14 Retained Profits		
Retained profits (accumulated losses) at the beginning of the financial year	1,844,493	1,544,013
Net profit attributable to members of the company	305,795	300,480
	2,150,289	1,844,493
	2,150,289	1,844,493
15 Reserves		
Capital grants reserve	59,625	38,845
General reserve	521	521
General reserve - Resamen	79,454	79,454
	139,600	118,820
	139,600	118,820

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011
	\$	\$
Capital grants reserve		
Movements during the year:		
Opening Balance for the year	38,845	32,559
Asset acquisition & depreciation adjustment	20,780	6,286
	59,625	38,845
Closing balance	59,625	38,845
General reserve		
Movements during the year:		
Opening Balance for the year	521	521
	521	521
	521	521
General reserve - Resamen		
Movements during the year:		
Opening Balance for the year	79,454	79,454
	79,454	79,454
Closing balance	79,454	79,454
16 Remuneration and Retirement Benefits		
The names of directors who have held office and were paid remuneration during the financial year were:		
Eanna O'Ceallachain	750	675
Susan Taylor	675	600
Elizabeth Sharaq	675	525
David Abello	675	600
Malcolm Pollard	750	675
Nigel Head	450	600
Mark Gell	600	525
James Kennedy	600	225
	5,175	4,425
	5,175	4,425
No retirement benefits provided to Directors.		
17 Economic Dependence		
The co-operative relies on grant payments made available by the NSW State Government.		
The government grants shown in accounts are:		
Housing Grants	4,612,809	4,189,438
	4,612,809	4,189,438
	4,612,809	4,189,438

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011
	\$	\$
18 Segment Reporting		
This co-operative only operates in New South Wales.		
19 Capital and Leasing Commitments		
(a) Finance Lease Commitments		
No Finance Lease commitments during year.		
(b) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable		
Not later than 12 months	45,078	43,344
Between 12 months and five years	42,831	87,909
Total Operating Lease Liability	<u>87,909</u>	<u>131,253</u>
Operating lease consists of:		
- Office Lease		
The Office lease is a lease for a three year term, with rent payable monthly in advance. Contingent rental provisions with the lease agreement allow for minimum lease payments to be increased by the higher of CPI or 4% per annum. An option exists to renew the lease at the end of the term for an additional three year term.		
(c) Capital Expenditure Commitments		
No Capital Expenditure commitments at the end of year.		
20 Contingent Liabilities		
The claim by a tenant for damages from the Co-operative was settled during August 2012. The directors are not aware of any other significant events since the end of the reporting period.		
21 Events after the reporting period		
No other matters or circumstance has arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.		

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012

2012 2011
 \$ \$

22 FINANCIAL INSTRUMENTS

The co-operative's financial instruments consist mainly of deposits with banks, term deposit investments and accounts receivable and payable.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to and forming part of the financial statements.

The co-operative does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the co-operative.

Interest Rate Risk

Interest rate risk relates to the co-operative's exposure to fluctuations in repayments due to changes in market interest rates. The average interest rates of the entities financial assets and liabilities are as follows:

	Average Effective		2012	2011
	Interest Rate			
	2012	2011		
	%	%		
Financial Assets				
Cash at Bank	5.99	6.04	845,811	767,039
Term deposits	5.39	5.51	552,709	528,041
Total Financial Assets			1,398,520	1,295,080

Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011
	\$	\$
CAPITAL PROPERTIES		
Grant Received - Stock Transfer	111,241	-
Rental Income	973,998	825,287
Insurance Claim	674	-
Tenants Charges	29,234	25,413
	<hr/>	<hr/>
	1,115,147	850,700
 LESS: COST OF GOODS SOLD		
Responsive Maintenance	128,939	88,696
Cyclical Maintenance	80,757	67,664
Cyclical Maintenance - Stock Transfer	111,241	-
Electricity	19,164	15,805
Insurance	48,961	42,314
Rates & Taxes	155,015	127,051
Bad Debts Rent	338	2,687
Bad Debt Tenant Charges	1,682	1,256
Sundry Expenses	2,559	469
	<hr/>	<hr/>
	548,656	345,942
 LESS: DIRECT COSTS		
Salaries & Wages	69,087	60,861
Superannuation	16,586	15,392
	<hr/>	<hr/>
	85,673	76,253
	<hr/>	<hr/>
GROSS PROFIT (LOSS) FROM TRADING	480,818	428,505
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011
	\$	\$
<hr/>		
CTS HOUSING		
Rental Income	2,089,944	1,918,992
Housing Grants	4,468,872	4,188,999
Tenants Charges	92,453	77,657
	<hr/>	<hr/>
	6,651,269	6,185,648
LESS: COST OF GOODS SOLD		
Rent Paid	6,021,764	5,651,049
Responsive Maintenance	72,663	52,291
Legal Expenses Leasehold	1,889	-
Insurance	3,899	3,860
Rates & Taxes	41,721	46,222
Bad Debts Rent	4,091	2,543
Bad Debt Tenant Charges	13,616	6,411
Sundry Expenses	11,983	11,480
	<hr/>	<hr/>
	6,171,626	5,773,856
LESS: DIRECT COSTS		
Salaries & Wages	201,843	182,583
Salaries & Wages - Contracted Staff	2,377	-
Superannuation	48,457	46,176
Provision for Leasehold Maintenance	-	-
	<hr/>	<hr/>
	252,677	228,759
GROSS PROFIT (LOSS) FROM TRADING	<hr/> <hr/>	<hr/> <hr/>
	226,966	183,033

The accompanying notes form part of these financial statements.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011
	\$	\$
<hr/>		
AFFORDABLE HOUSING		
Rental Income	20,913	26,456
Housing Grants	866	439
	<hr/>	<hr/>
	21,779	26,895
LESS: COST OF GOODS SOLD		
Rent Paid	21,329	26,895
Responsive Maintenance	450	-
	<hr/>	<hr/>
	21,779	26,895
	<hr/>	<hr/>
GROSS PROFIT (LOSS) FROM TRADING	<hr/> <hr/>	<hr/> <hr/>
	-	-

The accompanying notes form part of these financial statements.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011
	\$	\$
RENTAL Non Quota		
Rental Income	36,876	16,272
Tenants Charges	573	467
	<u>37,449</u>	<u>16,739</u>
LESS: COST OF GOODS SOLD		
Rent Paid	36,826	11,037
Rates & Taxes	573	467
	<u>37,399</u>	<u>11,504</u>
GROSS PROFIT (LOSS) FROM TRADING	<u>50</u>	<u>5,235</u>

The accompanying notes form part of these financial statements.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011
	\$	\$
Platform 70		
Rental Subsidy Received	22,189	-
Maintenance Subsidy Received	1,180	-
Rental Subsidy Received	6,607	-
	<u>29,976</u>	<u>-</u>
LESS: COST OF GOODS SOLD		
Rent Paid	32,030	-
Responsive Maintenance	90	-
	<u>32,120</u>	<u>-</u>
GROSS PROFIT (LOSS) FROM TRADING	<u>(2,144)</u>	<u>-</u>

The accompanying notes form part of these financial statements.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

DETAIL PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011
	\$	\$
Rental Income	3,121,731	2,787,007
Housing Grants	4,469,737	4,189,438
Grant Received - Stock Transfer	111,241	-
Management Fees	7502	8,287
Tenants Charges	122,259	103,538
Insurance Claim	674	-
Rental Subsidy Received	22,189	-
Maintenance Subsidy Received	1,180	-
Rental Subsidy Received	6,607	-
Bond Subsidy Platform 70	8,460	-
Management Fee Platform 70	6,000	-
Finders Fee Platform 70	2,000	-
Wages Subsidy	1,500	-
	7,881,080	7,088,270
 LESS: COST OF GOODS SOLD		
Rent Paid	6,111,949	5,688,981
Responsive Maintenance	202,142	140,988
Cyclical Maintenance	80,757	67,664
Cyclical Maintenance - Stock Transfer	111,241	-
Electricity	19,164	15,806
Insurance	52,860	46,174
Legal Expenses Leasehold	1,889	-
Rates & Taxes	197,309	173,739
Bad Debts Rent	4,429	5,230
Bad Debt Tenant Charges	15,298	7,667
Sundry Expenses	14,542	11,949
	6,811,580	6,158,198
 LESS: DIRECT COSTS		
Salaries & Wages	270,930	243,444
Salaries & Wages - Contracted Staff	2,377	-
Superannuation	65,043	61,568
	338,350	305,012
 GROSS PROFIT (LOSS) FROM TRADING	 731,150	 625,060

The accompanying notes form part of these financial statements.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2012

	Note	2012 \$	2011 \$
OTHER INCOME			
Interest Received		80,519	75,477
Miscellaneous Income		418	13,473
Profit on Sale of Non-Current Asset		-	18
		80,937	88,968
		812,087	714,028
EXPENDITURE			
Advertising		2,133	252
Administration Wages		289,514	176,442
Auditors Remuneration		7,500	11,400
Bank Charges		9,907	9,561
Compliance Technology		4,933	-
Computer Expenses		6,298	3,416
Directors' Fees		5,175	4,425
Provision for Doubtful Debts		(5,330)	9,242
Electricity		6,416	2,852
Filing Fees		16	-
Insurance		2,663	1,213
Legal Costs		625	1,565
Provision for Long Service Leave		5,582	11,857
Meeting Costs		975	1,349
Office Expenses - Equipment Purchases		40,694	20,043
Office Cleaning		7,497	7,139
Office Rent		47,842	41,326
Printing, Postage & Stationery		7,362	8,694
Provision for Time in Lieu		(6,171)	2,235
Provision for Annual Leave		(7,283)	11,116
Repairs & Maintenance		3,095	1,000
Removal Costs		1,596	-
Scholarship Costs		-	436
Staff Amenities		1,848	1,045
Strategic Plan Review Costs		-	30,000
Subscriptions		14,345	2,068
Sundry Expenses		1,596	3,830
Superannuation		22,798	24,279
Telephone		14,592	13,725
Tenant Participation		203	52
Training		4,527	2,872
Travelling		7,824	5,585
Website Expenses		4,949	2,363
Workers' Compensation		2,571	2,166
		506,292	413,548
OPERATING PROFIT (LOSS)		305,795	300,480

The accompanying notes form part of these financial statements.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514

DIRECTORS' DECLARATION

The directors' of the co-operative declare that:

1. The financial statements and notes are in accordance with the Co-operatives Act 1992:
 - (a) comply with Accounting Standards and the Co-operatives Regulation 2005; and
 - (b) give a true and fair view of the financial position as at 30th June 2012 and of the performance for the year ended on that date of the co-operative;
2. In the directors' opinion there are reasonable grounds to believe that the co-operative will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director
Eanna O'Ceallachain

Director
Susan Taylor

Dated this _____ day of _____

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

METRO COMMUNITY HOUSING CO-OPERATIVE LTD

A.B.N. 85 775 722 514

Report on the financial report

We have audited the accompanying financial report of Metro Community Housing Co-operative Ltd, which comprises the statement of financial position as at 30th June 2012, and the statement of income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The Directors of the co-operative are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Co-operatives Act 1992 and the Co-operatives Regulation 2005. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances. In Note 1 the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment including the assessment of the risk of material misstatements of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

**METRO COMMUNITY HOUSING CO-OPERATIVE LTD
A.B.N. 85 775 722 514**

Independence

In conducting our audit, we have complied with the independence requirements of the Co-operative Act 1992 and the Co-operatives Regulation 2005. We confirm that the independence declaration required by the Co-operative Act 1992 and the Co-operatives Regulation 2005, which has been given to the directors of Metro Community Housing Co-operative Ltd, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion:

- (a) the financial report of Metro Community Housing Co-operative Ltd is in accordance with the Co-operative Act 1992, including:
 - (i) giving a true and fair view of the co-operatives financial position as at 30th June 2012 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Co-operatives Regulations 2005; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Name of Firm: Partlett, Chave & Rowland Baulkham Hills
Chartered Accountants

Name of Partner:
Robert Bruce Rowland

Dated this _____ **day of** _____

Address: Baulkham Hills