

Metro Community Housing Co-operative Ltd

Annual Report

01 July 2012 – 30 June 2013



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: 02 9560 5331 **Fax:** 02 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***

Published by: Metro Community Housing Co-operative Ltd
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 2013

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 report
7. Appointment of Returning Officer
8. Election of Board of Directors
9. Appointment of Auditor
10. New business - advice re special general meeting to increase number of directors

Co-Operative Ltd

Minutes of the Annual General Meeting

Meeting held 7 November 2012
Meeting held at Leichhardt Public Library,
Norton St, Leichhardt

The Chairperson Eanna O’Ceallachain opened the meeting at 5.30 pm and welcomed everyone to the AGM.

The Secretary confirmed that attendance sheet had been signed by everyone and there was a quorum for the meeting.

1. Present:

Elizabeth Sharaq, Susan Taylor, Mark Gell, James Kennedy, Eanna O’Ceallachain, David Abello, Malcolm Pollard (Board Members),

Julie Harrison, Nermin Odemis, Maree Arkell, Amy McMurtrie, Leigh Batterham, Lauren Stevens, Dawn Kavouras, Kathleen Williams, Alan Mathew, Dennis Elacion, Cath Davies (staff),

Jennifer Croton, Anthony O’Shea (tenants), Joanna Barbara, Joanna Kemp, Nick Limberis, Christine Hough (partner agencies)

2. Apologies:

Bill Ng (Auditor), Yarrie Sillah, Siu M Law, (members),
Virginia McKay - YWCA Young Women’s Supported Accommodation Program, Ellie Hawkins - Salvation Army, Chris Lyons - Aboriginal Assertive Outreach, Zed Tintor - B Miles, Des Walsh - WHOS, Tina Martinez - Green Aid

3. Minutes of the previous meeting:

Motion: That the Minutes of the Annual General Meeting of Metro Community housing, held on the 7th November 2012 be accepted as a true and accurate record of the meeting.

Moved: David Abello

Seconded: Mark Gell

Carried unanimously

4. Matters arising from previous minutes:

None.

5. REPORTS

5.1 Chairperson's Report:

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

Motion: to accept Chairperson's reports.

Moved: James Kennedy

Seconded: Elizabeth Sharaq

Carried unanimously

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 that over 50% of the cash reserves are restricted as the monies held are allocated for future expenses.

Motion to accept Treasurer's Report

Moved: Sue Taylor

Seconded: Malcolm Pollard

Carried unanimously

5.3 Managers Report:

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

Motion: to accept Manager's Report.

Moved: Mark Gell

Seconded: Elizabeth Sharaq

Carried unanimously

6. Appointment of Returning Officer:

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

Moved: James Kennedy

Seconded: Sue Taylor

Carried unanimously.

Appointment accepted by Alan.

7. Election of Board of Directors:

Returning Officer outlined changes to our constitution in 2010 which meant Directors are elected for a term of two years. Half the members stand down at each Annual General Meeting.

James Kennedy, Malcolm Pollard, Elizabeth Sharaq and Sue Taylor, who were 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 3 valid nominations for the position of Director. The names of the nominations were read out:

They were:

- Mark Gell
- Eanna O'Ceallachain
- David Abello

Alan called for any nominations from the floor.

There being no further nominations, Alan explained that as the number of valid nominations was less than the number of positions on the board, all those who nominated were declared elected unopposed. This leaves a vacancy on the board which will be filled by way of a casual appointment.

8. Appointment of Auditor:

Motion: that our current auditors - Partlett, Chave and Rowland be reappointed as the auditors for 2011/2012.

Moved: Mark Gell
Seconded: David Abello
Carried unanimously

9. New Business:

Julie advised that information had been sent to all tenants requesting nominations for the Tenant Network. Only two nominations had been received – from Malcolm Pollard and Josie Evans. As Metro can have two positions on the Tenant Network both nominations are accepted without the need for an election.

Eanna thanked all those who attended.

The meeting was declared closed at 5.50pm.

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 and Private Housing Market 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 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.

The transitional housing programs are for periods of between 6 and 24 months depending on the individual circumstances of the tenant.

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 35% 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 qualifications and experience in law, financial and strategic management, human resources, disability advocacy and evaluation, community support and property/asset management. Board members are elected for two terms.

Directors Eanna O'Ceallachain, David Abello and Mark Gell were elected for two year terms at the AGM in 2012. Mark Gell resigned from the Board in December 2012.

Directors James Kennedy, Malcolm Pollard, Elizabeth Sharaq and Sue Taylor were elected for two year terms in 2011 and will stand down from their positions and re-stand at the 2013 AGM. If re-elected they will service terms of two years.

Valerianne Byrnes and Melinda Tunbridge were appointed as Directors to fill casual vacancies at the Board of Directors Meeting on 16 October 2013. They will also stand for election at this AGM along with Emma Murphy.

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. Registration is undertaken on an annual basis and through this process we are required to demonstrate that all aspects of our operations comply with the standards required by the independent Registrar. From 2014 a new National Regulatory System will commence and Metro will undertake registration as a Tier 2 Community Housing Provider in February 2014.

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 2013. We will undertake accreditation again in February 2016.

Chairperson's Report

The past year has been one of consolidation for Metro Community Housing Coop. The year commenced with a review of our strategic objectives. Our Strategic Plan for 2012-2014 committed us to reaching a target of 35% of total tenancies for clients nominated by our support partners by. We are on track to meet this objective, as of 30 June 2013.

Over the last 12 months, we reinforced our relationships with partner agencies. Metro completed a review of all current partnerships with support providers early in 2013. This helped ensure partnerships meet their stated objectives - to assist tenants to obtain and sustain successful tenancies - and ensure tenancies are offered on the basis of demonstrated need. We also reviewed our Memoranda of Understanding with support providers, clarifying the stated objectives.

Metro Community Housing allocates 28% of all tenancies to support partnership nominations. Metro remains committed to housing people in high need and our focus remains on the expansion and strengthening of our partnerships.

We increased our total of capital properties to 94, creeping ever closer to our first target, of 100 capital properties. The Metro board hopes to continue to increase our capital portfolio through targeted stock-transfer opportunities, small-scale purchases or through redevelopment of new or existing properties.

Metro had hoped to achieve some small-scale growth through collaboration with larger housing providers. We have experienced delays in meeting this objective due to uncertainty about the future direction of the title transfer program from the Land and Housing Corporation, which hampered opportunities for larger providers to engage in development projects.

In line with our Strategic Plan, Metro is still examining opportunities for the purchase of, or development of, a small number of properties, with purchase costs to be met by exiting cash reserves and bank financing arrangements. We developed an acquisition brief and confirmed lending arrangements with our financial institution. The recent upward

trend in residential real estate values in Sydney, particularly in the inner-to-middle ring suburbs, has impacted on plans to purchase existing properties. We are currently reviewing acquisition strategies.

In the first quarter of 2013, Metro Community Housing underwent an independent, external assessment, receiving full accreditation for the maximum term of three years, to 2016, by GlobalMark, Australia.

in January 2014, the new national regulatory system will commence. Metro will be seeking registration as a “Tier 2” provider under the new structure in February 2014.

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.

Metro consistently meets or exceeds performance benchmarks for the housing sector. Thanks for this great performance goes to our wonderful staff, who carry out the day-to-day operations of the Coop. I would also like to give special thanks to manager Julie Harrison, for the excellent guidance and support she provides to the Board of Directors.

Thanks go to each of my fellow members of the Board of Directors for their invaluable and voluntary contribution to the effective governance of the Metro Community Housing Coop. We thank Nigel Head and Mark Gell for their service to the board, both of whom resigned over the last year. We welcome three new directors to the board – Ms Valerieanne Byrnes, Ms Melinda Tunbridge and Ms Emma Murphy. Each has previous experience in board membership, serving as directors in the not-for-profit and coop sector, and add welcome expertise in HR, Accounting and Finance to the board skill-set.

Metro Community Housing Coop is financially sound, with experienced, capable staff and a skilled board of directors. Metro has a clear vision, an identified set of targets and a strategy to achieve these targets. We are growing year-on-year and I am confident we will continue making a positive contribution to the social housing sector.

Eanna O’Ceallachain

Treasurer's Report

I am pleased to present this report on the financial performance of your Cooperative for the year 2012/13.

Highlights of our performance include:

- An increase in income of 5.3% from the previous year to \$8.3 million.
- An increase in grant income of 2.2% to \$4.7 million.
- Cash reserves at the end of 2012/13 of \$1,960,000 (\$1,398,500 in 2012).
- An operating surplus of \$519,000 – an increase of \$213,000 over 2011/12.

Total expenses for the year increased to \$7.85 million (an increase of 2.5%), with employee and administrative expenses reducing slightly offset by modest increases in property related expenses.

METRO's balance sheet position at the end of the year improved again and continues to be very strong by any measure of comparative or absolute performance

Total assets at the end of the 2013 financial year balance date were \$3.3m (an increase of 14%) while liabilities were \$523,000 (a decrease of 13%).

This has resulted in a ratio of assets to liabilities of 6.3 to 1, which represents a strongly improved financial position.

The continued strength of METRO's cash reserves - 22% greater than for the 2012 financial year, further enhances our strong asset to liabilities position.

METRO's sound financial position ensures the continuity of its operations.

METRO meets its responsibilities to the satisfaction of the regulatory authorities and its independent assessor GlobalMark.

Prudent operational and financial management processes overseen by the management team give the Board confidence METRO will continue to

provide security of ongoing accommodation to our members and other tenants.

The strength of METRO's financial performance has allowed the Board and management the flexibility to consider opportunities to increase the availability of homes, to house more people who need them.

James Kennedy

Manager's Report

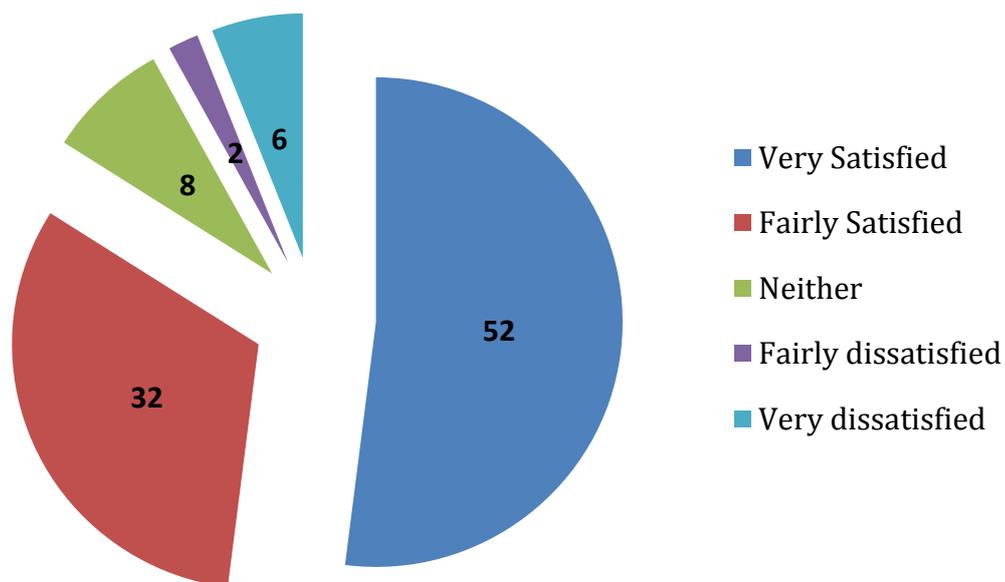
Metro has previously conducted our tenant satisfaction surveys in house but this year we engaged the NSW Federation of Housing Associations to conduct the surveys for us to help ensure tenants felt confident in their ability to make comments anonymously and have the assurance of independence in the collection and analysis of the survey data.

All tenants were sent written surveys developed in consultation with the Federation and based on sector reporting requirements and benchmarks. Tenants were provided with return paid envelopes to return their completed surveys directly to the Federation for analysis.

Overall the results of the 2013 tenant satisfaction survey were very positive, with 84% of respondents satisfied or very satisfied with Metro's overall service.

All service areas apart from repairs and maintenance and complaints and appeals had a combined satisfaction rating above 75% (this threshold has been used by the Federation as a high rate of combined satisfaction).

Overall satisfaction with housing services



Overall satisfaction by main service areas:

Overall satisfaction	Very satisfied	Fairly satisfied	Neither	Fairly dissatisfied	Very dissatisfied	Combined Satisfaction	Combined dissatisfaction
Housing Services	52%	32%	8%	2%	6%	84%	8%
Supported Housing	60%	20%	20%	0%	0%	80%	0%
Complaints	19%	19%	29%	10%	24%	38%	33%
Repairs and Maintenance	46%	26%	13%	5%	9%	73%	15%
Communication	55%	25%	5%	8%	6%	80%	15%
Tenant Engagement	43%	36%	14%	4%	3%	79%	7%

Other areas that were highlighted in the analysis of survey results included:

The combined satisfaction with respondents' neighbourhood as a place to live was extremely high at 91%.

Satisfaction that tenants' rights are upheld by Metro was very high at 86%.

Satisfaction with the condition of tenants' homes was very high at 83%.

Whilst Metro is very pleased with the overall satisfaction ratings the results in the three areas below warrant further investigation to determine if these aspects of our operations need greater focus or changes to our operations/communication strategies.

The dot point comments are taken from the analysis report written by the NSW Federation of Housing Associations.

Complaints and Appeals:

There are a significant proportion of tenants (58%) who either don't know or are unsure how to make an appeal. It is recommended that Metro work with tenants to increase their understanding of the appeal process.

37% of respondents did not know or were unsure whether they knew how to make a complaint to Metro.

All tenants are given a copy of our Tenant Handbook at the time they sign their lease. This outlines their rights and responsibilities as tenants and also includes detailed information about the options available to tenants if they are dissatisfied with any aspect of our service delivery or decision making. The handbook contains information about both internal and external processes for complaints and appeals.

Our website also includes information about complaints and appeals but these results indicate that more regular communication or exploration of alternate strategies to keep tenants informed may be required.

Repairs and Maintenance:

The combined overall rate of satisfaction with the repairs and maintenance service was 73%. This is slightly below the Registrar of Community Housing's threshold of 75%, however the result is within the margin of error for this survey.

It is noted that Metro Community Housing has a very high percentage (over 60%) of our housing portfolio in the leasehold portfolio (that is rented from the private rental market). This means that Metro is not responsible for the provision of planned or responsive maintenance for 260 out of the 360 properties under our management.

Whilst Metro attempts to ensure that private owners/managing agents provide effective and timely maintenance services to properties they own/manage we clearly have less control over this area than we do in relation to properties we manage.

When owners/real estate agents are not responsive or do not undertake repairs as required we do attempt to take action in the Consumer, Trader or Tenancy Tribunal to enforce maintenance requirements or we will hand properties back at the end of the lease period. We do however need to be aware of the disruption and costs to tenants of having to move properties and in cases tenants are not willing to be moved due to poor maintenance by owners.

Metro will utilise its own funds for leasehold properties in extreme circumstances but as we are responsible for the effective management of public funds we do not believe it is our role to contribute to the upkeep of privately owned assets except where there is damage caused by tenants where these costs are not recoverable from the tenant.

Tenant engagement:

Respondents' satisfaction with tenants' ability to influence the decisions that Metro makes was low with a combined satisfaction rate of 64%. Metro may like to consider how it engages tenant and demonstrates ways in which tenants can influence decision making.

Metro has attempted to engage more effectively with tenants – for example we asked for tenant participation in relation to the review of our Policies and Procedures, but we received no interest from tenants in relation to this process.

Metro does have a tenant representative on our Board and two Metro tenants are representatives on the Social Housing Tenant's Network. Over the next six months we will review the strategies we have in place and whether there is a need for additional strategies to promote greater tenant involvement.

Supported Housing:

While supported housing scored well overall, respondents were less satisfied with the frequency of contact with their support worker (64%)

It is fundamental to the success of supported tenancies that there is effective engagement with tenants by their support providers. Again however this is an area which is not directly within our control. We will attempt to obtain further information to try and identify whether dissatisfaction is across the board or relates specifically to a small number of organisation.

Metro did undertake a review of the Support partnership arrangements to ensure that support providers were meeting their obligations and in some cases Metro determined to end agreements with specific providers due to concerns about the quality of ongoing support.

I would like to take the opportunity to thank all Metro's staff for their contribution to our achievements this year. The tenant survey demonstrates that tenants are very appreciative of the quality of relationships they have with our staff.

Julie Harrison

Our Housing Partners

As of 30 June 2013 approximately 30% of Metro properties were allocated to clients referred through support partnerships with 21 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 (Biala)**
- **B Miles Women's Foundation**
- **Camperdown Health**
- **Central South West Sydney Area Health Service and Community Mental Health teams**
- **Glebe House**
- **Inner City Intensive Support Program**
- **Inner City Youth At Risk**
- **Jean's Place**
- **Launchpad Youth Community**
- **Lillian's Place**

- **Mathew Talbot Homelessness Outreach Service**
- **NEAMI Way2Home and Aboriginal Assertive Outreach**
- **Oasis**
- **Rainbow Lodge/Rainbow Dreaming**
- **St Louise Lodge**
- **Stepping Out**
- **The Crossing**
- **Uniting Care Supported Living Program**
- **We Help Ourselves**
- **Wesley Mission**
- **YWCA Young Women's Support Program**

The Metro Board would like to take this opportunity to thank all our partner agencies for their contributions over this last year.

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



Statistical Information for Metro Community Housing

Incorporation status Co-operative, Public Benevolent status
Accreditation status Awarded full accreditation for 3 years in February 2013
Registration status Registered as Class 2 Housing Provider

Properties 364 (as at 30 June 2013)
 Leasehold: 260
 Capital: 94
 Fee for Service: 4
 Platform 70 3
 Other* 3

* (HPA, fee for service, non CHLP funded)

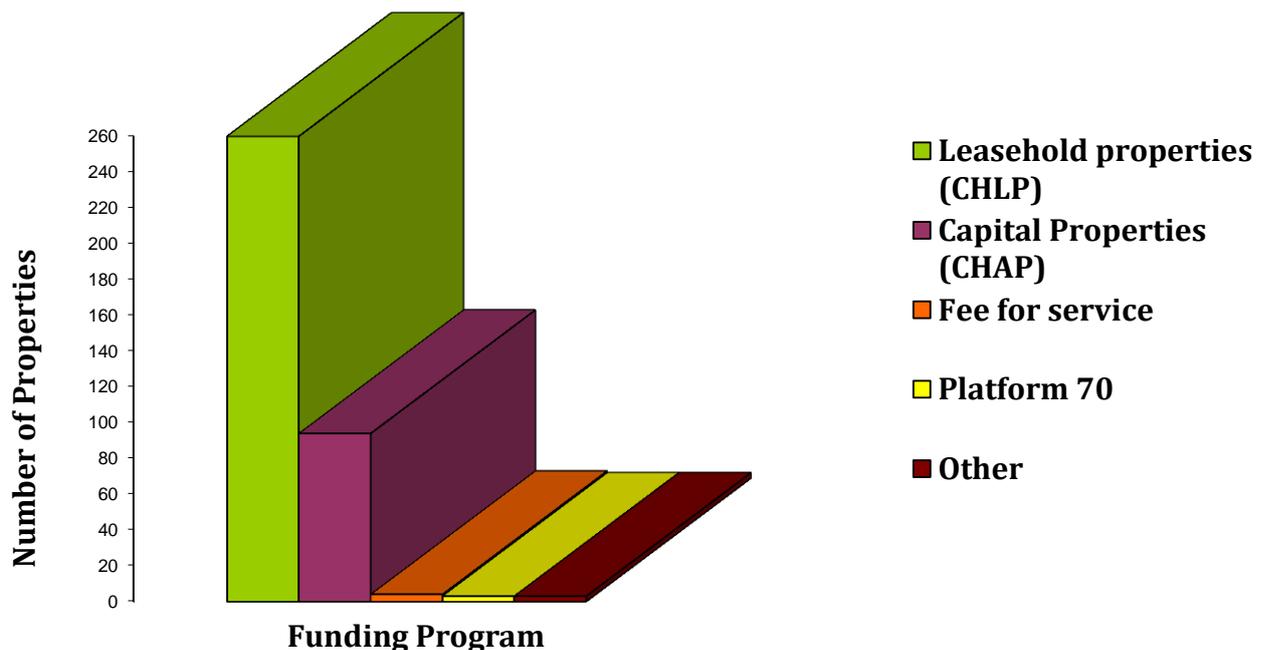
Tenancies* 387

* Number of tenants is greater than number of properties as we have several 'shared' properties with more than one head tenant

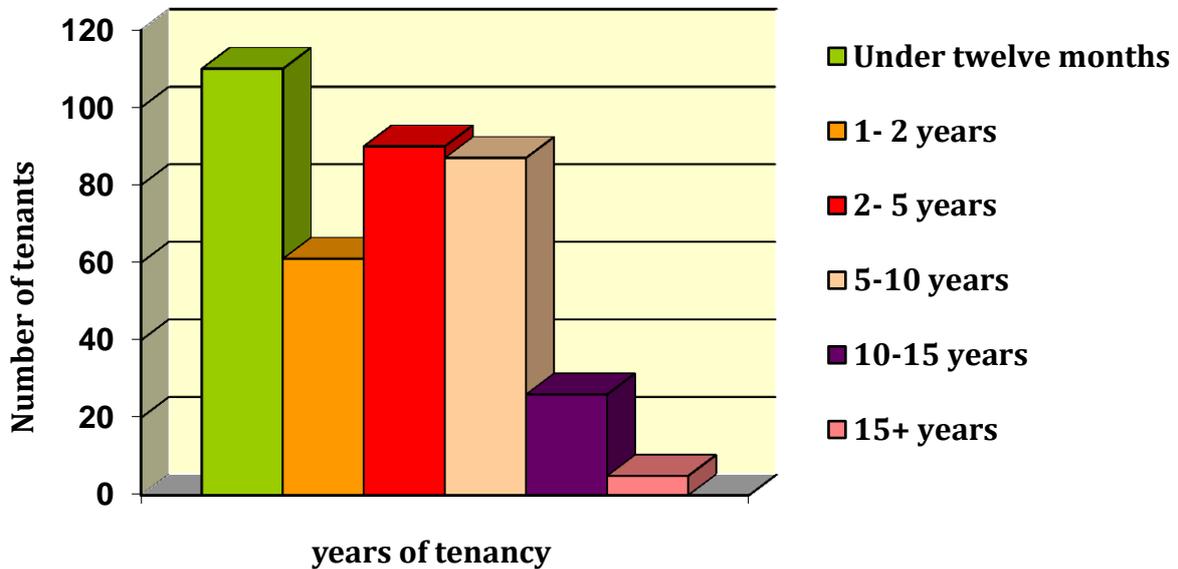
Total housed* 740

* This includes head tenants, their children and additional occupants

Breakdown of properties by funding programs

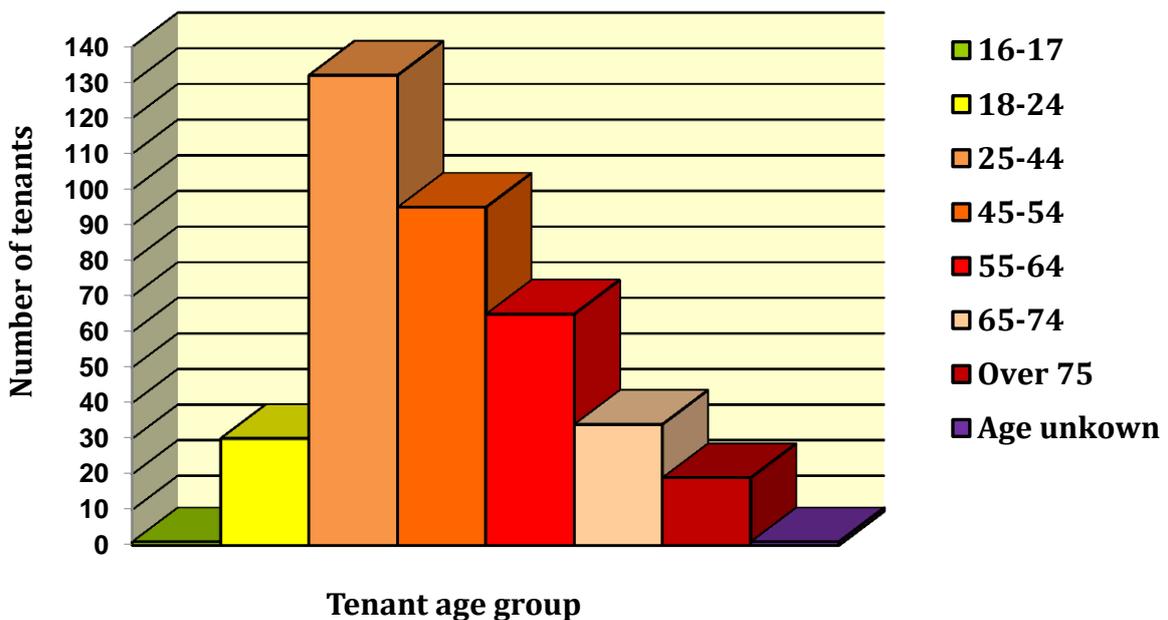


Length of tenancies

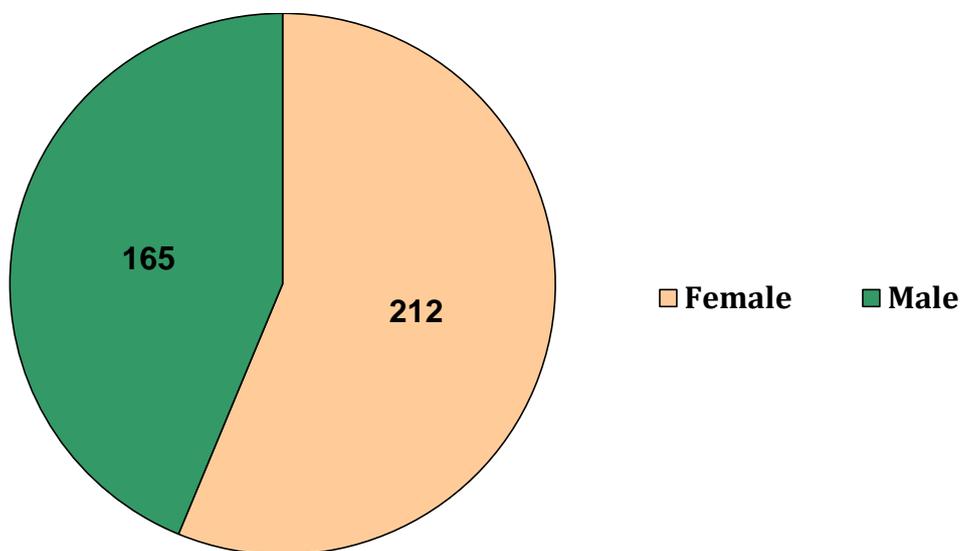


Note: the relatively large no of tenants in the “under twelve months category” reflects tenants housed for short periods through transitional housing programs.

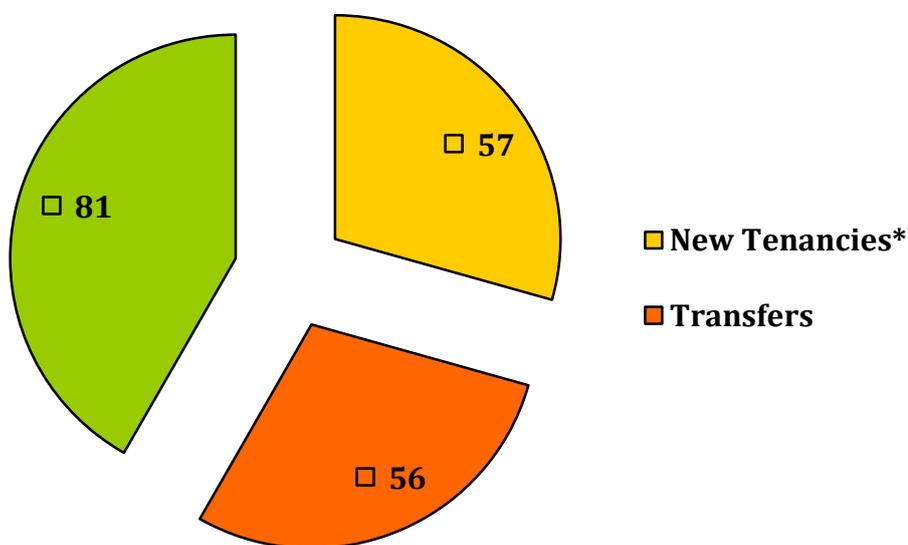
Ages of head tenants



Gender of tenants



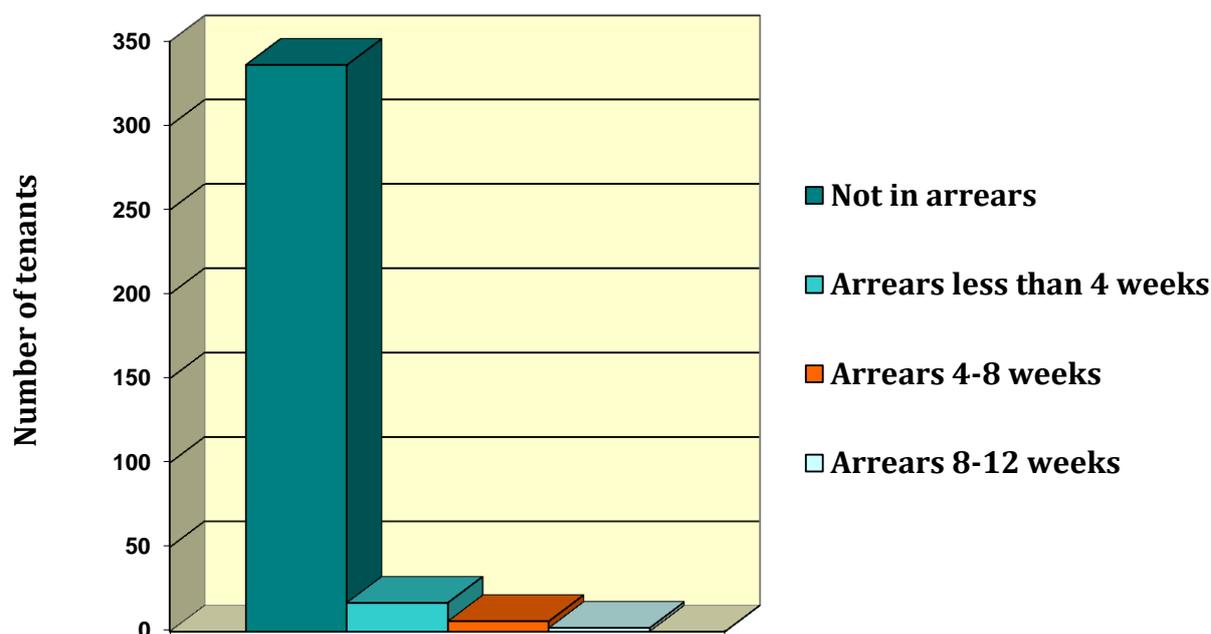
Tenancy Movements 2012/13



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 30/06/2013



Cultural Mix (as identified by tenants)

Cultural Identity	% of tenants
Australian/Not stated	52.8
Aboriginal/Torres Strait Islander	8.4
SE Asian - Vietnamese/Cambodian/Indonesian/Burmese	5.6
Arabic	4.5
English/Irish/Other Northern European	2.4
Greek	2.1
Central European (Hungaria, Serbia, Croatia, Czech, Romania, Slovakia)	2
South American (Argentinean, Chilean, Uruguayan, Salvadorian)	1.9
American, Spanish, South African, Portugese, Korean, Japanese (less than 1%)	1.8
Turkish	1.6
Sierra Leone/Egyptian/Sudanese/other African	1.6
Middle Eastern (Iraq, Kurdish, Palestine, Lebanese)	1.6
South Pacific Islander (Tonga, Cook Islands, Fiji)	1.6
Chinese	1.3
Filippino	0.8
Indian	0.8
Maori & New Zealander	0.8
Russian & Ukrainian	0.6
Other Nationalities	7.8
Total	100%

Metro Housing Co-operative Ltd

Audited Financial Statements

2012/13

METRO COMMUNITY HOUSING CO-OPERATIVE LTD

A.B.N. 85 775 722 514

FINANCIAL REPORT

FOR THE YEAR ENDED
30TH JUNE 2013

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 2013.

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 (resigned 31/10/12)
Mark Gell (resigned 30/11/13)
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 \$519,674.

REVIEW OF OPERATIONS

As at 30 June 2013 Metro Community Housing housed 708 people in 364 properties. This included 379 head tenants (the head tenant is the person who holds the lease with Metro Community Housing) and 197 dependent children.

Of the head tenants as at 30 June 2013, there were 212 females and 165 males. Of the 197 children or young people aged 18 or under, there were 92 females and 105 males.

Other than the children of tenants other persons residing in properties are classified as "additional occupants" (persons who pay rent but do not hold an individual lease with Metro) and these included domestic partners, friends, carers and other family members.

We also have several properties which are "shared" houses - meaning that they are tenanted by unrelated people who are nominated by support providers who hold "nomination rights" to specific properties. Each person living at these properties does however has a individual lease with Metro.

In relation to the length of time our tenants have been housed with us, 5 tenants have been housed with Metro for over 15 years; 26 for between 10-15 years, 87 between 5-10 years; 90 between 2-5 years; 61 between 1-2 years and 110 for less than twelve months.

The relatively high number of persons housed for under twelve months reflects Metro's strategic plan objective of maintaining the proportion of "transitional" tenancies offered for periods of between 6 - 24 months to 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 2012-2014 committed us to reaching a target of 35% of our total tenancies to be offered to clients nominated by our support partners by 30 June 2014. We are on track in meeting this objective and as at 30 June 2013, Metro Community Housing allocated 28% of all tenancies to support partnership nominations.

Supported tenancies provide housing to people with more complex needs who are nominated by, and receive ongoing assistance from a community based support provider. Under these arrangements we provide housing to people who are homeless or insecurely housed and who also have other disadvantages that limit their ability to obtain or retain affordable housing.

Through these programs we work in partnership with specialist services to support tenants with a lengthy history or primary homelessness, tenants with psychiatric and intellectual disabilities; young people and women with dependent children exiting crisis refuges, people exiting residential drug and alcohol rehabilitation programs and people exiting the criminal justice system.

Metro Community Housing had 94 capital properties as at 30 June 2013, an increase of only 1 property during the 2012/13 financial year.

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. As Metro had hoped to achieve this small scale growth in part through collaboration with larger providers, we have experienced delays in meeting this objective in part due to the delays/lack of certainty about the future directions of the in the title transfer program from the Land and Housing Corporation which has slowed opportunities for larger providers to engage in development projects using funds leveraged from title transfer.

Significant upward trends in residential real estate prices in Sydney, particularly in inner/middle ring suburbs has also impacted on potential plans to purchase existing properties due to concerns about purchasing properties in such an over-heated market.

Metro Community Housing, in line with other community housing providers funded by the Community and Private Housing Market Division (CAPHM) 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 fourth year that Metro will be undertaking registration under the statutory 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. A new National regulatory system commences in January 2014 and Metro be undertaking registration as a "Tier 2" provider under the new structure in February 2014.

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

DIRECTORS' REPORT

REVIEW OF OPERATIONS (continued)

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).

In the first quarter of 2013 Metro Community Housing also voluntarily underwent an independent, external accreditation assessment and we been fully accredited for the maximum term of three years up until 2016 by GlobalMark, Australia.

A continuing focus of our activities over the last twelve months has been strengthening our relationships with partner agencies. As part of this process we undertook a review of all current partnerships with support providers in late 2012/early 2013. This helped us to ensure that partnerships were meeting their stated objectives to assist tenants to obtain and sustain successful tenancies and ensure that tenancies were being offered on the basis of demonstrated need. The review process assisted us to clarify our organizational priorities in relation to better targeting of nomination rights to:

- People who had experienced primary homelessness or whose current housing situation is unstable/insecure or places them at risk particularly focused on
 - o Young people
 - o Indigenous people
 - o People with a psychiatric disability.

As a result of the review realigned tenancy offers and allocated a greater proportion of nomination rights to current partner organisations working with these target groups, or have actively sought out and entered into new partnerships.

We also reviewed our Memorandum of Understanding agreements with support providers to provide greater clarity about the length of time that tenants will be offered in transitional tenancies. Decisions about the maximum term and exit pathways for transitional tenants are confirmed through joint decision making with the tenant, the support provider and Metro staff once the housing register status of transitional tenants has been confirmed no later than thirteen weeks after the commencement of their tenancy.

Only tenants who are priority approved are offered the maximum term of two years, except for young people who are engaged in full-time vocational or tertiary education.

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 the first half of this financial year, Metro utilized 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.

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

DIRECTORS' REPORT

REVIEW OF OPERATIONS (continued)

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 2012/13, 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 2012/13 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.

LIKELY DEVELOPMENTS

In line with our Strategic Plan developed in January 2012, Metro is still examining opportunities for the purchase and/or development 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 2013

	Position	Date Appointed
Eanna O'Ceallachain	Director, Chairperson	13th August 2008
Susan Taylor	Director	22nd November 1996
Elizabeth Sharaq	Director, Deputy Chairperson	27th November 2002
David Abello	Director, Treasurer	13th August 2008
Malcolm Pollard	Director	21st March 2007
Nigel Head	Director	Resigned 31st Oct 2012
Mark Gell	Director, Treasurer	Resigned 30th Nov 2013
James Kennedy	Director	13th April 2012

(b) Directors' Meetings

During the financial year, 12 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	12	9
Elizabeth Sharaq	12	11
David Abello	12	12
Malcolm Pollard	12	12
Eanna O'Ceallachain	12	11
Nigel Head	12	2
Mark Gell	12	2
James Kennedy	12	8

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 co-operative 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

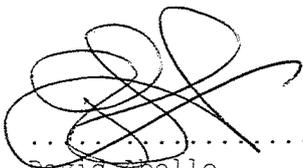
PROCEEDINGS ON BEHALF OF CO-OPERATIVE

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

David Abello

Director

Susan Taylor

Dated this 6TH day of NOVEMBER 2013

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 2013 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 6TH day of NOVEMBER 2013

Address: Baulkham Hills

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

**STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2013**

	Note	2013 \$	2012 \$
REVENUE			
Rent Received or Receivable		3,432,398	3,128,339
Government Grants	2	4,710,858	4,612,809
Others	3	227,989	220,873
Total Revenue		<u>8,371,245</u>	<u>7,962,021</u>
EXPENSES			
Tenancy and Property Expenses	4	7,389,888	7,149,933
Administration Expenses	5	461,683	506,293
Total Expenses		<u>7,851,571</u>	<u>7,656,226</u>
Current year operating surplus/(loss)		<u>519,674</u>	<u>305,795</u>
Tax expense		-	-
Net current year operating surplus/(loss)		<u>519,674</u>	<u>305,795</u>
Other comprehensive income:			
Net gain/(loss) on revaluation of non current assets		-	-
Net gain/(loss) on revaluation of financial assets		-	-
Total other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u><u>519,674</u></u>	<u><u>305,795</u></u>
Net current year operating surplus attributable to members of the entity		<u><u>519,674</u></u>	<u><u>305,795</u></u>
Total comprehensive income attributable to members of the entity		<u><u>519,674</u></u>	<u><u>305,795</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 2013

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash assets	6	1,960,448	1,398,520
Receivables	7	711,870	945,408
Other assets	8	126,218	66,425
TOTAL CURRENT ASSETS		<u>2,798,536</u>	<u>2,410,353</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	47,482	59,625
Other Assets	10	474,660	443,195
TOTAL NON-CURRENT ASSETS		<u>522,142</u>	<u>502,820</u>
TOTAL ASSETS		<u><u>3,320,678</u></u>	<u><u>2,913,173</u></u>
CURRENT LIABILITIES			
Payables	11	449,914	511,072
Provisions	12	21,027	51,375
Other	13	20,310	34,224
TOTAL CURRENT LIABILITIES		<u>491,251</u>	<u>596,671</u>
NON-CURRENT LIABILITIES			
Provisions	12	32,007	26,613
TOTAL CURRENT LIABILITIES		<u>32,007</u>	<u>26,613</u>
TOTAL LIABILITIES		<u><u>523,258</u></u>	<u><u>623,284</u></u>
NET ASSETS		<u><u>2,797,420</u></u>	<u><u>2,289,889</u></u>
EQUITY			
Reserves	15	127,457	139,600
Retained surplus	14	2,669,963	2,150,289
TOTAL EQUITY		<u><u>2,797,420</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 CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2013

	Retained Surplus \$	Total Reserve \$	Total \$
Balance at 1 July 2011	1,844,494	118,820	1,963,314
Operating Surplus/(Loss)	305,795	-	305,795
Other Comprehensive Income	-	-	-
Movement in Reserves	-	20,780	20,780
Balance at 30 June 2012	2,150,289	139,600	2,289,889
Balance at 1 July 2012	2,150,289	139,600	2,289,889
Operating Surplus/(Loss)	519,674	-	519,674
Other Comprehensive Income	-	-	-
Movement in Reserves	-	(12,143)	(12,143)
Balance at 30 June 2013	2,669,963	127,457	2,797,420

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 2013

	2013	2012
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Rent and Charges Received from Tenants	3,662,231	3,159,085
Government Grants	4,782,497	4,537,277
Interest Received	69,194	75,630
Other Income	35,192	30,837
Payments to Suppliers and Employees	(7,955,721)	(7,684,137)
	593,393	118,692
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Rental Bonds	(31,465)	(15,252)
	(31,465)	(15,252)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Sale of Capital Items	-	-
	-	-
Net increase (decrease) in cash held	561,928	103,440
Cash at Beginning of Financial Year	1,398,520	1,295,080
Cash at end of year	1,960,448	1,398,520

The accompanying notes form part of these financial statements.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
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CASH FLOWS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
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	362	500
Cash at Bank	1,260,085	845,311
Term Deposits	700,001	552,709
	<u>1,960,448</u>	<u>1,398,520</u>
Reconciliation of Net Cash provided by Operating Activities to profit from ordinary activities after Income Tax		
Operating surplus (loss) after income tax	519,674	305,795
Non-cash flows in operating surplus (loss)		
Provision for Annual Leave	(8,517)	(7,283)
Provision for Doubtful Debts	(11,618)	(5,330)
Provision for Long Service Leave	5,395	5,582
Provision for Time in Lieu	(1,829)	(6,171)
Provision for Leasehold Maintenance	(20,000)	-
Changes in assets and liabilities		
(Increase) Decrease in Sundry Debtors	140,868	(90,124)
(Increase) Decrease in Interest Receivable	(2,253)	(4,889)
(Increase) Decrease in Prepayments	(1,359)	(9,955)
(Increase) Decrease in Rent Paid in Advance	(56,180)	(18,430)
(Increase) Decrease in Input Tax Credits	5,582	(3,932)
(Increase) Decrease in Grants Receivable	140,753	(130,551)
(Decrease) Increase in Sundry Creditors	(2,853)	(12,214)
(Decrease) Increase in Rent in Advance/Arrears	(36,465)	8,942
(Decrease) Increase in Accrued Expenses	(13,914)	18,382
(Decrease) Increase in PAYG Withholding	725	(775)
(Decrease) Increase in GST Payable	6,838	14,626
(Decrease) Increase in Grants in Advance	(71,454)	55,019
	<u>593,393</u>	<u>118,692</u>
Cash flows from operations		

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 2013

1 Statement of Significant Accounting Policies

The financial statements are 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 6th November 2013 by the directors of the co-operative.

Accounting Policies

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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

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 co-operative 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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

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.

New Accounting Standards for Application in Future Periods

The Australian Accounting Standards Board has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the co-operative has decided not to early adopt.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
2 Government Grant Revenue		
CTS Housing Grants	4,553,555	4,580,112
Other Grants Received	3,829	867
Platform 70 Subsidy	153,474	31,830
	<u>4,710,858</u>	<u>4,612,809</u>
3 Other Revenue		
Sundry Revenue	9,029	1,918
Management Fees	22,082	15,502
Interest Received	71,448	80,519
Tenants Charges	125,430	122,934
	<u>227,989</u>	<u>220,873</u>
4 Tenancy and Property Expenses		
Rent Paid	6,543,861	6,111,951
Repairs & Maintenance	213,549	394,141
Electricity	21,596	19,164
Insurance	48,579	52,861
Rates & Taxes	157,198	155,015
Water Usage	41,330	42,293
Bad Debts - Tenants Charges	5,391	15,298
Bad Debts - Rent	13,706	4,429
Sundry Costs	27,973	16,431
Salaries and Superannuation	316,705	338,350
	<u>7,389,888</u>	<u>7,149,933</u>
5 Administration Expenses		
Office Expenses	116,181	138,639
Rent	44,928	47,842
Salaries and Superannuation	292,574	312,312
	<u>453,683</u>	<u>498,793</u>
5A Auditor's Remuneration		
Auditing of Financial Statements	8,000	7,500
	<u>461,683</u>	<u>506,293</u>

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
6 Cash Assets		
Cash on Hand	362	500
Cash at Bank	1,260,085	845,311
Term Deposits	700,001	552,709
	1,960,448	1,398,520
	1,960,448	1,398,520
7 Receivables		
CURRENT		
Sundry Debtors	56,761	197,629
Less: Provision for Doubtful Debts	(18,887)	(30,505)
	37,874	167,124
	37,874	167,124
Other debtors	673,996	778,284
	711,870	945,408
	711,870	945,408

Provision for Doubtful Debts

Current trade receivables are generally 30-day terms. These receivables are assessed for recoverability and a provision for doubtful debts is recognised when there is objective evidence that an individual trade receivable may not be recoverable. These amounts have been included in other expenses items.

Opening balance	30,505	35,835
Charge for year	(11,618)	(5,330)
Written off		
	18,887	30,505
	18,887	30,505

Credit Risk - Trade and Other Receivables

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 Statement of financial position 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.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30TH JUNE 2013

	2013	2012					
	\$	\$					
7 Receivables (continued)							
<p>The following table details the co-operative's trade and other receivables exposed to credit risk with aging analysis. Amounts are considered as past due when the debt has not been settled within the terms and conditions agreed between the co-operative and the customer or counter party to the transaction. Receivables that are past due are assessed as doubtful by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the co-operative.</p>							
	Gross Amount	Past due and doubtful	Past due but not doubtful (days overdue)				Within initial terms
	\$	\$	< 30	31-60	61-90	> 90	\$
2013							
Sundry Debtors	56,761	18,887	7,467	5,920	11,576	4,952	7,959
Other debtors	673,996	-	-	-	-	-	673,996
Total	730,757	18,887	7,467	5,920	11,576	4,952	681,955
2012							
Sundry Debtors	197,629	30,505	6,572	7,301	14,553	13,838	124,860
Other debtors	778,284	-	-	-	-	-	778,284
Total	975,913	30,505	6,572	7,301	14,553	13,838	903,144

8 Other Assets

CURRENT		
Interest Receivable	12,714	10,460
Prepayments	113,504	55,965
	126,218	66,425

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30TH JUNE 2013

	2013 \$	2012 \$
9 Property, Plant and Equipment		
Office Machines & Equipment	77,224	72,127
Less: Accumulated Depreciation	(44,001)	(31,085)
	33,223	41,042
Office Furniture & Equipment	32,847	32,847
Less: Accumulated Depreciation	(18,588)	(14,484)
	14,259	18,363
Software	8,709	8,709
Less: Accumulated Depreciation	(8,709)	(8,489)
	-	220
Total Plant and Equipment	47,482	59,625

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Office Machine and Equipment \$	Office Furniture and Equipment \$	Software \$	Total \$
Balance at 1 July 2011	30,474	7,255	1,116	38,845
Additions	21,534	12,959	-	34,493
Disposals - written-down value	-	-	-	-
Revaluations increment	-	-	-	-
Depreciation - Capital Reserve	(10,966)	(1,851)	(896)	(13,713)
Carrying amount at 30 June 2012	41,042	18,363	220	59,625

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012	
	\$	\$	
9 PROPERTY, PLANT AND EQUIPMENT (continued)			
	Office Machine and Equipment \$	Office Furniture and Equipment \$	Software \$
			Total \$
Balance at 1 July 2012	41,042	18,363	220
Additions	5,097	-	-
Disposals - written-down value	-	-	-
Revaluations increment	-	-	-
Depreciation - Capital Reserve	(12,916)	(4,104)	(220)
Carrying amount at 30 June 2013	33,223	14,259	-
10 Other Assets			
Rental Bonds			
Rental Bonds with Bond Board		466,660	435,195
Rental Bond Office		8,000	8,000
		<u>474,660</u>	<u>443,195</u>
11 Payables			
CURRENT			
Sundry Creditors		10,564	13,412
Deferred Grant Income		315,784	387,239
Input Tax Credits		(10,158)	(15,740)
GST Payable		128,137	121,299
Amounts Withheld		5,587	4,862
		<u>449,914</u>	<u>511,072</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 2013

	2013	2012
	\$	\$
12 Provisions		
CURRENT		
Provision for Annual Leave	16,359	24,877
Provision for Leasehold Maintenance	-	20,000
Provision for Time in Lieu	4,668	6,498
	21,027	51,375
	21,027	51,375
NON-CURRENT		
Provision for Long Service Leave	32,007	26,613
	32,007	26,613
	32,007	26,613
13 Other Liabilities		
CURRENT		
Accrued Expenses	20,310	34,224
	20,310	34,224
14 Retained Surplus		
Retained surplus/(accumulated losses) at the beginning of the financial year	2,150,289	1,844,494
Net profit attributable to members of the entity	519,674	305,795
Retained surplus/(accumulated losses) at the end of the financial year	2,669,963	2,150,289
	2,669,963	2,150,289
15 Reserves		
Capital grants reserve	47,482	59,625
General reserve	521	521
General reserve - Resamen	79,454	79,454
	127,457	139,600
	127,457	139,600

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

NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
15 Reserves (continued)		
Capital grants reserve		
Movements during the year:		
Opening Balance for the year	59,625	38,845
Asset acquisition	5,097	34,493
Depreciation	(17,240)	(13,713)
	47,482	59,625
	47,482	59,625
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
	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	825	750
Susan Taylor	675	675
Elizabeth Sharaq	825	675
David Abello	900	675
Malcolm Pollard	900	750
Nigel Head	150	450
Mark Gell	150	600
James Kennedy	600	600
	5,025	5,175
	5,025	5,175
No retirement benefits provided to Directors.		

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
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	<u>4,710,858</u>	<u>4,612,809</u>
18 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	42,831	45,078
Between 12 months and five years	-	42,831
Total Operating Lease Liability	<u>42,831</u>	<u>87,909</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 the year.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

19 Financial Instruments

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

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 Interest Rate			
	2013 %	2012 %	2013 \$	2012 \$
Financial Assets				
Cash at Bank	3.48	5.99	1,260,085	845,311
Term deposits	3.93	5.39	700,001	552,709
Total Financial Assets			1,960,086	1,398,020

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 co-operative 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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

20 Segment Reporting

This co-operative only operates in New South Wales.

21 Contingent Liabilities

The directors are not aware of any other significant events since the end of the reporting period.

22 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 co-operative, the results of those operations, or the state of affairs of the co-operative in subsequent financial years.

23 Entity Details

The registered office and principal place of business of the entity is:

Metro Community Housing
48A Norton Street
Leichardt NSW 2040

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 2013

	2013	2012
	\$	\$
CAPITAL PROPERTIES		
Grant Received - Stock Transfer	14,722	111,241
Grant Received - Fair Repairs	3,955	-
Rental Income	1,075,388	973,998
Insurance Claim	-	674
Tenants Charges	29,560	29,234
	1,123,625	1,115,147
LESS: COST OF GOODS SOLD		
Responsive Maintenance	79,122	128,939
Responsive Maintenance - Fair Repairs	3,955	-
Cyclical Maintenance	29,859	80,757
Cyclical Maintenance - Stock Transfer	33,286	111,241
Bad Debts Rent	8,742	338
Bad Debt Tenant Charges	678	1,682
Electricity	21,595	19,164
Insurance	44,746	48,961
Rates & Taxes	157,198	155,015
Sundry Expenses	4,050	2,559
	383,231	548,656
LESS: DIRECT COSTS		
Salaries & Wages	72,202	69,087
Superannuation	10,141	16,586
	82,343	85,673
	658,051	480,818
GROSS PROFIT (LOSS) FROM TRADING	658,051	480,818

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 2013

	2013	2012
	\$	\$
CTS HOUSING		
Housing Grants	4,530,896	4,468,872
Grant Received - Fair Repairs	3,982	-
Rental Income	2,297,546	2,089,944
Tenants Charges	94,268	92,453
	6,926,692	6,651,269
LESS: COST OF GOODS SOLD		
Rent Paid	6,376,585	6,021,764
Responsive Maintenance	46,981	72,663
Responsive Maintenance - Fair Repairs	3,981	-
Legal Expenses Leasehold	10,936	1,889
Insurance	3,833	3,899
Rates & Taxes	40,694	41,721
Bad Debts Rent	4,794	4,091
Bad Debt Tenant Charges	4,713	13,616
Sundry Expenses	12,987	11,983
	6,505,504	6,171,626
LESS: DIRECT COSTS		
Salaries & Wages	205,498	201,843
Salaries & Wages - Contracted Staff	-	2,377
Superannuation	28,864	48,457
	234,362	252,677
GROSS PROFIT (LOSS) FROM TRADING	186,826	226,966

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 2013

	2013	2012
	\$	\$
AFFORDABLE HOUSING		
Rental Income	13,331	20,913
Housing Grants	3,829	866
	<u>17,160</u>	<u>21,779</u>
LESS: COST OF GOODS SOLD		
Rent Paid	17,160	21,329
Responsive Maintenance	-	450
	<u>17,160</u>	<u>21,779</u>
GROSS PROFIT (LOSS) FROM TRADING	<u>-</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

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
RENTAL NON QUOTA		
Rental Income	9,002	36,876
Tenants Charges	636	573
	<hr/>	<hr/>
	9,638	37,449
LESS: COST OF GOODS SOLD		
Rent Paid	8,684	36,826
Responsive Maintenance	120	-
Bad Debt	170	-
Rates & Taxes	636	573
	<hr/>	<hr/>
	9,610	37,399
GROSS PROFIT (LOSS) FROM TRADING		
	<hr/>	<hr/>
	28	50
	<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 2013

	2013	2012
	\$	\$
PLATFORM 70		
Rental Subsidy Received	141,999	22,189
Maintenance Subsidy Received	2,655	1,180
Rental Income	37,130	6,607
Tenants Charges	966	-
	<hr/>	<hr/>
	182,750	29,976
LESS: COST OF GOODS SOLD		
Rent Paid	156,432	32,030
Responsive Maintenance	1,174	90
Rates & Taxes	71	-
	<hr/>	<hr/>
	157,677	32,120
GROSS PROFIT (LOSS) FROM TRADING	<hr/>	<hr/>
	25,073	(2,144)
	<hr/>	<hr/>

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 2013

	2013	2012
	\$	\$
Rental Income	3,432,397	3,128,338
Housing Grants	4,534,725	4,469,737
Grant Received - Stock Transfer	14,722	111,241
Grant Received - Fair Repairs	7,937	-
Tenants Charges	125,430	122,259
Insurance Claim	-	674
Management Fees	7,582	7,502
Bond Subsidy Platform 70	8,820	8,460
Management Fee Platform 70	13,500	6,000
Finders Fee Platform 70	1,000	2,000
Grant Received Fair Repairs Tenant Participation	1,113	-
Insurance and Management Fee Stock Transfer	1,227	-
Rental Subsidy Received	141,999	22,189
Maintenance Subsidy Received	2,655	1,180
Wages Subsidy	-	1,500
Wage Reimbursement Workers Compensation	2,267	-
	8,295,374	7,881,080
LESS: COST OF GOODS SOLD		
Rent Paid	6,558,861	6,111,949
Responsive Maintenance	127,397	202,142
Responsive Maintenance - Fair Repairs	7,936	-
Cyclical Maintenance	29,859	80,757
Cyclical Maintenance - Stock Transfer	33,286	111,241
Electricity	21,595	19,164
Insurance	48,579	52,860
Legal Expenses Leasehold	10,936	1,889
Rates & Taxes	198,599	197,309
Bad Debts Rent	13,706	4,429
Bad Debt Tenant Charges	5,391	15,298
Sundry Expenses	17,037	14,542
	7,073,182	6,811,580
LESS: DIRECT COSTS		
Salaries & Wages	277,700	270,930
Salaries & Wages - Contracted Staff	-	2,377
Superannuation	39,005	65,043
	316,705	338,350
GROSS PROFIT (LOSS) FROM TRADING	905,487	731,150

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 2013

	2013	2012
	\$	\$
OTHER INCOME		
Interest Received	71,448	80,519
Miscellaneous Income	4,422	418
	75,870	80,937
	981,357	812,087
EXPENDITURE		
Advertising	551	2,133
Administration Wages	269,230	289,514
Auditors Remuneration	8,000	7,500
Bank Charges	10,509	9,907
Compliance Technology	12,706	4,933
Computer Expenses	11,177	6,298
Courier Expenses	27	-
Directors' Fees	5,025	5,175
Provision for Doubtful Debts	(11,618)	(5,330)
Electricity	6,327	6,416
Filing Fees	-	16
Insurance	3,694	2,663
Legal Costs	4,466	625
Provision for Long Service Leave	5,395	5,582
Meeting Costs	2,748	975
Office Expenses - Equipment Purchases	5,178	40,694
Office Cleaning	6,668	7,497
Office Rent	44,928	47,842
Printing, Postage & Stationery	6,751	7,362
Provision for Time in Lieu	(1,830)	(6,171)
Provision for Annual Leave	(8,517)	(7,283)
Repairs & Maintenance	1,301	3,095
Removal Costs	-	1,596
Scholarship Costs	850	-
Staff Amenities	1,584	1,848
Strategic Plan Review Costs	206	-
Subscriptions	5,064	14,345
Sundry Expenses	2,747	1,596
Superannuation	23,344	22,798
Telephone	11,585	14,592
Tenant Participation	1,985	203
Training	19,900	4,527
Travelling	7,113	7,824
Website Expenses	1,428	4,949
Workers' Compensation	3,161	2,571
	461,683	506,292
OPERATING PROFIT (LOSS)	519,674	305,795

The accompanying notes form part of these financial statements.

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

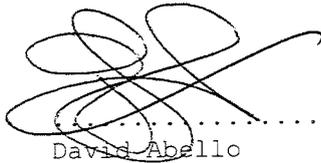
DIRECTORS' DECLARATION

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 2013 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.

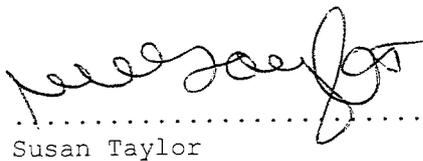
This declaration is made in accordance with a resolution of the Board of Directors.

Director



.....
David Abello

Director



.....
Susan Taylor

Dated this 6TH day of NOVEMBER 2013

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 2013, and the statement of profit or loss and comprehensive 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 2013 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 6TH day of NOVEMBER 2013

Address: Baulkham Hills