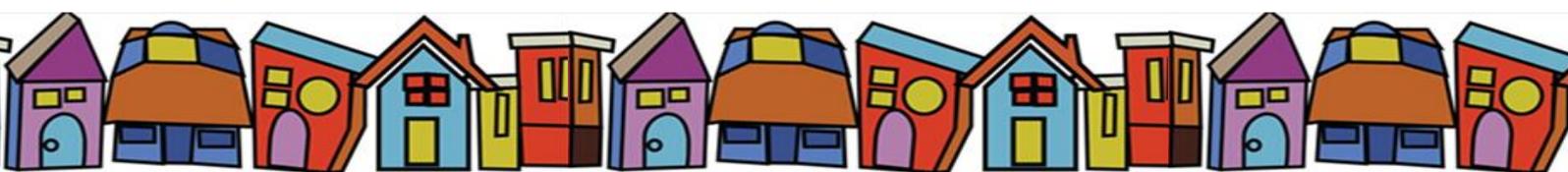




Co-operation HOUSING

Homes for sustainable communities

Annual report 2013



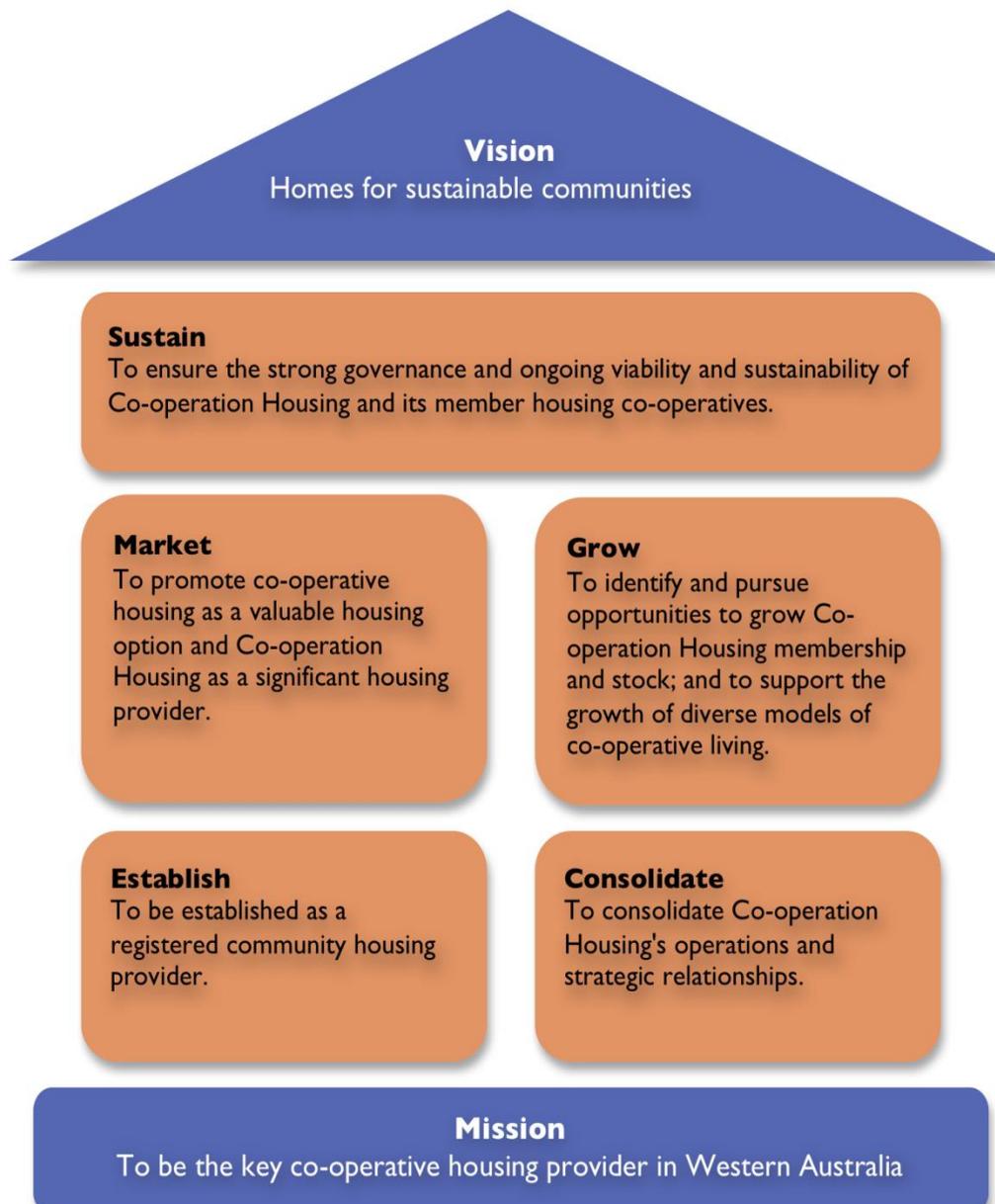
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About Co-operation Housing

Co-operation Housing is a not-for-profit Australian public company limited by guarantee that was established in 2010 with the aim of supporting and further developing the co-operative housing sector in Western Australia. Co-operation Housing is the only community housing provider registered with the Western Australian Department of Housing that specialises in housing co-operatives.

Vision, mission and strategic goals 2011–2013



Service model

The model within which Co-operation Housing delivers its products and services is shown below.



Under this model, member housing co-operatives pay an annual subscription fee, based on a percentage of their gross rental income.

This fee supports Co-operation Housing to:

- > work to develop and grow the co-operative housing sector
- > oversee registration, regulation, compliance and quality assurance
- > promote co-operative housing.

Co-operation Housing outlines the roles and responsibilities between itself and its members with respect to property management, tenancy management, costs, reporting and standards of operation.

Co-operation Housing may also enter into fixed-term fee-for-service arrangements with both members and non-member associations with regard to specific products and services.

The Co-operation Housing model has a number of advantages that are attractive to housing co-operatives and community housing providers, as follows.

- > Members can retain their independent legal status.
- > Members retain localised tenancy selection and tenancy management provision.
- > Tenants have opportunities to engage in the management of their housing co-operative, and participation levels are often high.
- > Members have a say in the strategic direction of Co-operation Housing through the participatory governance model.

Specifically, members undertake the following tenancy management and governance tasks and responsibilities:

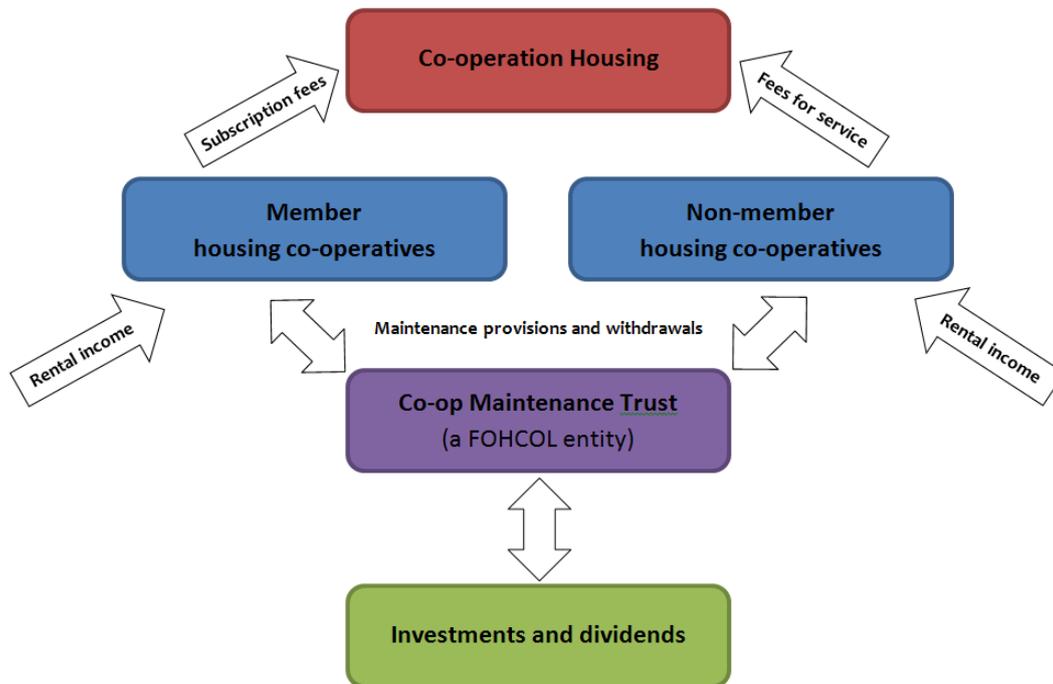
- > collecting rent
- > planning and arranging routine, responsive and long-term property maintenance
- > managing assets (including allocation of funds for long-term maintenance provision)
- > selecting new tenants
- > allocating homes
- > maintaining administration and records
- > meeting reporting requirements
- > participating in Co-operation Housing governance bodies, such as its Board of Directors and advisory groups.

Co-operation Housing undertakes the following tasks and responsibilities:

- > asset management support
- > rent assessment
- > training and resourcing of member housing co-operatives
- > growth strategies, projects and financing
- > fee-for-service activities
- > registration and compliance
- > overall program administration and management
- > stakeholder management.

Income flow

The diagram below depicts the income flow between Co-operation Housing and its associated bodies.



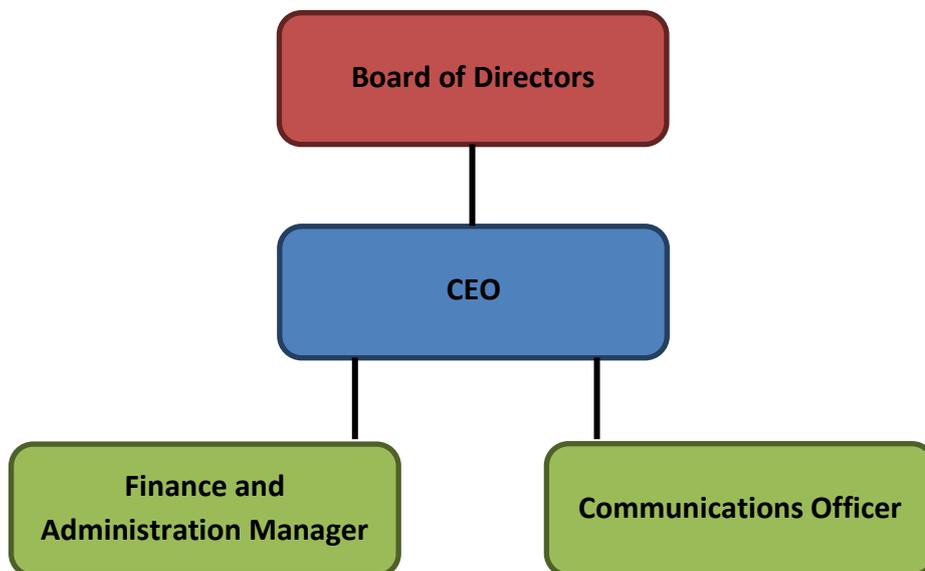
Organisational structure

Co-operation Housing is made up of member housing co-operatives. The company is governed by a Board of Directors, which comprises:

- > Elected Directors, being no more than five persons from existing full members elected at the Annual General Meeting
- > Technical Directors, being no more than four persons appointed by the Board and selected for the benefit of their technical expertise in law, accounting, social housing, real estate, finance, education, community development and other similar areas.

The current staff comprises a CEO, a Finance and Administration Manager and a Communications Officer, as depicted below.

These roles cover five areas of business organisation: growth and development; human resources and occupational health and safety; member services; property and asset management; and finance.



Board of Directors

Andrew Shack

Chairperson and Elected Director

Andrew's introduction to the world of housing co-operatives came in the early 2000s, when he met a number of members of the Pinakarri Community housing co-operative. In late 2005, after several years in the rental market, he moved into a nearby duplex and started to participate in community life. He went on to become a member of Pinakarri Community and eventually a home became available. Through living at Pinakarri, taking on various roles there and attending annual FOHCOL conferences, he has gained a thorough understanding and appreciation of housing co-ops. He describes living and participating in a housing co-op as 'a growth experience and a self-confidence builder'.



'I believe Co-operation Housing has the potential to grow the sector and give many more households the opportunity to live in a housing co-op, with their many benefits. Housing co-ops in WA should not be the best-kept secret in town.'

Lorica Storey

BCom, MBA, CPA, GAICD

Treasurer and Technical Director (Finance)

Lorica is a senior financial professional with a background in a variety of industries including mining and resources, education, energy generation and sustainable agriculture. She has diversified business skills and a keen interest in finance, compliance, governance and risk. She has more than 10 years' experience as a senior executive reporting to various boards and sub-committees on financial, strategic planning and commercial management matters. She holds memberships with a number of industry bodies including CPA Australia and the Australian Institute of Company Directors.



'I joined the Co-operation Housing Board to assist the organisation to become a key community housing provider in Western Australia.'

Tarnalea Bulman

BA (Sociology), LLB

Elected Director (Casual)

Tarnalea has been an active participant in the WA co-operative housing sector for 13 years. As a member and resident of Inanna's House she has held the positions of Treasurer, Tenancy Committee member and FOHCOL representative, and has served as a trustee with the FOHCOL Co-op Maintenance Trust. Her varied employment background brings valuable skills and knowledge to her role as director. She has approximately 20 years' experience as an educator, advocate and manager with small not-for-profit community-based organisations. Her passion for social justice then led her to study a joint law and sociology degree, and in 2011 she was admitted to practise as a lawyer in WA. She currently works with Legal Aid WA, where she assists the most vulnerable members of our community with legal matters.



'The international co-operative principles hold important meaning for me, and it is these principles that motivate me to participate as a director on the Co-operation Housing Board of Directors. I believe that by uniting the sector and working together towards a common goal, the organisation can achieve many things both for co-ops and for the wider community.'

Jamila Grace

BA (Visual Arts) (Hl)

Elected Director (Casual)

Jamila is a visual artist who has been painting and working in various creative cottage industries for many years. She has been involved in the housing co-operative sector since the 1990s, when she was part of a group who established a housing co-operative in Canberra. She moved in to Inanna's House in Hilton in 2002.

'I think it's very important for us, as member housing co-operatives, to have a voice and be a part of the direction development of Co-operation Housing.'

Peter Shooter

BEng (Mechatronic)

Elected Director

Peter has been living at the First Fremantle Housing Collective with his partner and daughter for the past six years. An experienced industrial electrician with an interest in electronics, he has recently completed a degree in mechatronic engineering. His other interests include cycling and building recumbent bicycles. Peter is committed to the co-operative housing model and to working together to achieve what would be unachievable individually.



‘I’ve always been interested in looking at how we can make housing more affordable for people, and in how people can work together to achieve home ownership. I think the traditional model of one family, one house, one quarter-acre block is very isolating – apart from which it’s unaffordable for so many people. I think the First Fremantle Housing Collective co-op model works well – we share a lot of work together, but we don’t live in each other’s pockets.’

Olwyn Maddock

BAppSc (Psych), BPsych, PCGE

Technical Director (Education and Affordable Housing)

Olwyn is an AHPRA-registered psychologist and an associate member of the Australian Psychological Society. She is currently a registered school psychologist, and has previously worked as a TAFE lecturer. She lived at Pinakarri Community from 2000 to 2008, was trustee for the Co-op Maintenance Trust from 2001 to 2010 and was active with FOHCOL in a number of roles from 2003 to 2009. She has also represented the co-op sector as a tenant on the Community Housing Code of Practice Western Australia (2002–2004), and was a sector development worker with the Community Housing Coalition of Western Australia (2004–2005).



This is Olwyn’s third period of service on the Co-operation Housing board: she was a founding director (2009–2010), and later filled a casual vacancy as director and company secretary (2010–2011).

Brian Leveson

BA, LLB, Admitted Solicitor

Technical Director (Legal)

Brian is a government lawyer with a background in administrative, planning and property law. Before migrating to Australia from South Africa he was a human rights lawyer specialising in low-income housing development and consumer protection. During that time he was appointed by the democratically elected South African government to a position on its National Housing Board. He also served as a director of the not-for-profit Social Housing Foundation and of the National Home Builders Registration Council.



‘I am keen to assist with the development of Co-operation Housing, particularly at this time when new policies and systems are being established to strengthen and expand the co-operative housing sector.’

Rebecca Hicks

BA (Hons) Sociology & SE Asian Studies, Dip Interpreting

CEO and Company Secretary

Rebecca has more than 20 years’ experience in community development and housing-related roles, primarily in the not-for-profit sector. She has served as a director with the Northern Australian Social Research Institute, led a community development project for the Western Australian Council of Social Service, been commissioned by academic institutions to undertake a number of housing-related studies in Western Australia’s north-west and been involved in governance and other positions in a broad range of organisations including community legal centres, women’s refuges, research bodies, childcare centres and sporting groups. She has also worked as a consultant and teacher and published a number of articles in sociology-related academic books and journals. She joined Co-operation Housing in 2010 as project manager overseeing the registration process, and became CEO shortly before registration was achieved in 2012.



‘I find my role with Co-operation Housing interesting, challenging and worthwhile in its objective of getting more houses on the ground. I believe there is a real need for more affordable housing, and that the co-operative housing model is one that offers better outcomes for tenants.’

Staff

Rebecca Hicks

Chief Executive Officer

Rebecca has more than 20 years' experience in housing and community development, primarily in the not-for-profit sector.

Yvonne Hadad

Finance and Administration Manager

Yvonne has 10 years' experience in bookkeeping, finance and administration, including more than five years within the co-operative housing sector.

Janet Allen

Policy Officer

Janet has extensive experience in the community housing sector, particularly in policy and procedure development, including as CHCWA Code of Practice Officer and as policy development trainer for members of housing organisations.

Leila Jabbour

Communications Officer

Leila has more than 15 years' experience in writing and producing print and online publications for a wide a range of organisations, including not-for-profit organisations.

Chairperson's report

When I wrote last year's Chairperson's report, Co-operation Housing (CH) was on the brink of being granted community housing provider registration by the Western Australian Department of Housing. We had been advised that registration had been granted but were yet to receive written confirmation, so I was reluctant to crow about it in my report in case I somehow 'jinxed it' and the confirmation didn't come through! Sure enough, not long after the 2012 annual report was published, official confirmation of registration arrived in the mail – an achievement that represented a number of years of hard work by CH staff and directors past and present.

As I write this year's report, CH and FOHCOL are giving consideration to some form of partnership. Hopefully this will result in the two organisations having clearly defined objectives and eliminating any role duplication. The question of the relationship between the two organisations has been on the table for the past three years, and I look forward to CH and FOHCOL successfully working together and progressing in tandem in some form.

This has been another busy and productive year for CH, as the organisation nears the end of its establishment phase and takes early steps towards growth. At this point it is important to remind ourselves of CH's fundamental reason for being, which is to provide housing for low- to moderate-income households under the co-operative housing model.

Our staff has increased during the year, with Leila Jabbour in the new position of Communications Officer, making a valuable contribution from her first day of employment. On behalf of my fellow Directors I would like to sincerely thank our CEO, Rebecca Hicks, for her valued professional contribution to the success of CH. Similarly I would like to thank our Finance and Administration Manager, Yvonne Hadad, for her contribution to the smooth and efficient operation of the office over the past 12 months.

In conclusion I would like to thank my fellow Directors – Elected, Technical and Appointed – for their meeting attendances, contributions and preparation.

I wish Co-operation Housing a very successful year ahead, as we continue to work for 'homes for sustainable communities'.

Andrew Shack

Chairperson

Chief Executive Officer's report

As CEO of Co-operation Housing, I am proud to report on the noteworthy progress of the organisation in the UN-declared International Year of Co-operatives.

Achieving registration as a third-tier community housing provider with the Western Australian Department of Housing in October 2012 was a historic event for state's co-operative housing sector. Years of hard work to establish the foundations required to provide sustainable opportunities for the growth of the sector had finally been officially recognised.

The legal and operational frameworks required to obtain registered provider status are comprehensive and require high professional standards. Demonstrated good governance practices were an essential component of our successful application, and credit is due to the skill and expertise of the Board of Directors in leading the organisation through the complexities of the regulation and compliance requirements involved in the registration process. Thank you to all the Elected, Technical and Casual Directors who served on the Board throughout the year.

Our staff are an integral component of Co-operation Housing's success. The dedication and commitment of Finance and Administration Manager Yvonne Hadad and of Policy Officer Janet Allen over the past year are a credit to the sector. Janet chose to finish her work with us during the year, leaving a legacy of high-quality, practical policy foundations to be acted on in the future.

Improving communication was identified by the Board as a priority area for this year. The Board and staff collaboratively developed a Communications Plan, setting out the organisation's communication requirements and objectives, and developed a member capacity strategy in consultation with member co-ops. A part-time Communications Officer position was also created and finalised with the recruitment of Leila Jabbour, a welcome asset to our team.

It cannot be forgotten that member co-ops are the mainstay of Co-operation Housing. Credit and thanks are due to the ongoing support of and commitment to the Co-operation Housing vision, mission and strategic goals of ARCH, First Fremantle Housing Collective, Inanna's House and Subiaco-Leederville Housing Collective. Additionally, the provision of office space by First Fremantle Housing Collective is a tremendous benefit to Co-operation Housing.

Our focus this year will be on growth and development of the sector. To this end we have commissioned affordable housing expert Dr Tony Gilmour to recommend viable growth options specific to the WA co-operative housing sector. In these challenging economic times, increasing opportunities for people to live in co-operative housing is more essential than ever before.

Rebecca Hicks

Chief Executive Officer

Directors' report

The Board of Directors present their report on Co-operation Housing for the financial year ended 30 June 2013.

Company Secretary

The name of the Company Secretary is as follows.

Rebecca Hicks (CEO)	23/11/2011–current
---------------------	--------------------

Directors

The names of the Directors in office at any time during, or since the end of, the year are as follows.

Current Directors	Date appointed	
Andrew Shack (Elected, Chairperson)	23/11/2011	
Brian Leveson (Technical)	07/07/2011	
Olwyn Maddock (Technical)	21/02/2012	
Lorica Storey (Technical)	10/07/2012	
Peter Shooter (Elected)	28/10/2012	
Tarnalea Bulman (Casual)	04/12/2012	
Jamila Grace (Casual)	04/12/2012	
Resigned Directors	Date appointed	Date resigned
Pauline Farrell (Elected)	21/11/2010	27/10/2012
Alisha Ryans-Taylor (Elected)	21/11/2010	27/10/2012

Information on Directors and Officers, including relevant qualifications and experience, is contained elsewhere in this report. During the financial year, 14 meetings of Directors were held (see 'Board Members and attendance' on page 28).

A review of the operations of the company is contained elsewhere in this report. No significant change in the nature of business activities occurred during the year.

Co-operation Housing's member co-operatives throughout the financial year were Alternative Resource Community Housing (ARCH), First Fremantle Housing Collective (FFHC), Inanna's House and Subiaco-Leederville Housing Collective (SLHC). Pinakarri Community suspended its membership on 7 May 2013.

The net profit of the company for the financial year amounted to \$3,722.

No matters or circumstances have 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 future financial years.

The liability of Full Members is limited to \$5 in the event of winding up. The liability of Associate Members is nil.

Dividends are prohibited by the company's constitution.

Finance report

A copy of the full financial report and auditor's report will be sent to any member, free of charge, on request.

Income statement

The profit from ordinary activities for the year was \$3,722.

Balance sheet

Liabilities increased by \$12,744, from \$9,559 to \$22,303 at 30 June 2013, mainly due to the commencement of provisioning annual leave in December 2012. Annual leave liability accrued prior to December 2012 to the value of \$9,118 was also provisioned as an opening balance against retained earnings in December 2012.

Based on the net profit of \$3,722, net assets should have increased. Instead, net assets decreased by \$5,396, from \$25,460 to \$20,064. This anomaly was due to the \$9,118 annual leave expensed against retained earnings in December 2012.

- > The financial reports have been prepared in accordance with the Australian Accounting Standards and Co-operations Housing's finance policy as amended from time to time.
- > All material commitments have been disclosed.
- > In my opinion, Co-operation Housing is solvent and able to meet its financial obligations.
- > There have been no post-30 June 2013 transactions subsequent to the financial reports already presented that require adjustment or disclosure.
- > The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial report as a whole.
- > Taxation and superannuation liabilities have been met, and there are no outstanding taxation or superannuation obligations for this financial year.
- > Long-service leave entitlements are accrued in accordance with the *Long Service Leave Act 1958 (WA)*, which provides for 13 weeks' leave after 15 years of continuous service, with entitlement payable after 10 years of continuous service. All employees currently have less than 3 years' continuous service, so no employees have any long-service leave entitlement.
- > Annual leave is provisioned on a monthly basis and other employee entitlements, such as personal leave, can be met.

Yvonne Hadad

Finance and Administration Manager

CO-OPERATION HOUSING
ABN 86 142 277 003

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2013

Liability limited by a scheme approved under
Professional Standards Legislation

**CO-OPERATION HOUSING
ABN 86 142 277 003**

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CO-OPERATION HOUSING
ABN 86 142 277 003**

Report on the Financial Report

I have audited the accompanying financial report, being a special purpose financial report, of Co-Operation Housing, which comprises the balance sheet as at 30 June 2013, profit and loss statement for the year then ended, a summary of significant accounting policies, other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report, and have determined that the accounting policies described in Note 1 of the financial report are appropriate to meet the requirements of the company's constitution and are appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I 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 risks of material misstatement 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of Australian professional ethical pronouncements.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CO-OPERATION HOUSING
ABN 86 142 277 003**

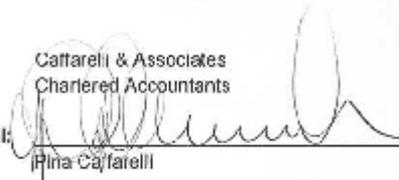
Auditor's Opinion

In my opinion, the financial report presents fairly, in all material aspects, the financial position of Co-Operation Housing as of 30 June 2013 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for distribution to members for the purpose of fulfilling the director's financial reporting responsibilities under the company's constitution. As a result, the financial report may not be suitable for another purpose.

Name of Firm: Caffarelli & Associates
Chartered Accountants

Name of Principal: 
Pina Caffarelli

Address: Level 1, 38 Richardson Street, West Perth WA

Dated this 7th day of October 2013

**CO-OPERATION HOUSING
ABN 86 142 277 003**

**BALANCE SHEET
AS AT 30 JUNE 2013**

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	35,939	31,804
Trade and other receivables	3	5,286	-
TOTAL CURRENT ASSETS		<u>41,225</u>	<u>31,804</u>
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,142	3,215
TOTAL NON-CURRENT ASSETS		<u>1,142</u>	<u>3,215</u>
TOTAL ASSETS		<u>42,367</u>	<u>35,019</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	5	22,303	9,559
TOTAL CURRENT LIABILITIES		<u>22,303</u>	<u>9,559</u>
TOTAL LIABILITIES		<u>22,303</u>	<u>9,559</u>
NET ASSETS		<u>20,064</u>	<u>25,460</u>
EQUITY			
Retained earnings	6	20,064	25,460
TOTAL EQUITY		<u>20,064</u>	<u>25,460</u>

The accompanying notes form part of these financial statements.
Page 3

CO-OPERATION HOUSING
ABN 86 142 277 003

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
Profit (Loss) before income tax		3,722	(27,429)
Income tax expense		-	-
Profit (Loss) after income tax		<u>3,722</u>	<u>(27,429)</u>
Retained earnings at the beginning of the financial year		<u>16,342</u>	<u>52,889</u>
Total available for appropriation		<u>20,064</u>	<u>25,460</u>
Retained earnings at the end of the financial year		<u>20,064</u>	<u>25,460</u>

The accompanying notes form part of these financial statements.
Page 4

**CO-OPERATION HOUSING
ABN 86 142 277 003**

**PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

	2013 \$	2012 \$
INCOME		
Fee for Service	200	7,500
Membership Fees	100,985	77,091
Non-operating Other Income	12,673	23,500
	<u>113,858</u>	<u>108,091</u>
OTHER INCOME		
Interest Received	485	1,069
	<u>114,343</u>	<u>109,160</u>
EXPENSES		
Accountancy Fees	840	735
Advertising	57	-
Bank Charges	94	116
Consultancy Fees	11,030	19,660
Computer Expenses	3,349	2,007
Depreciation	2,073	494
Insurance	2,857	1,655
Meeting Expenses	863	1,094
Motor Vehicle Expenses	503	566
Postage	14	301
Printing & Stationery	1,158	2,195
Professional Fees	-	19,728
Repairs & Maintenance	450	598
Software Expense	133	82
Staff Training & Welfare	1,462	5,764
Subscriptions	644	149
Superannuation Contributions	6,536	6,437
Telephone	1,374	653
Travelling Expenses	250	1,171
Wages	76,867	73,294
	<u>110,621</u>	<u>136,589</u>
Profit (Loss) before income tax	<u>3,722</u>	<u>(27,429)</u>

The accompanying notes form part of these financial statements.
Page 5

CO-OPERATION HOUSING

ABN 86 142 277 003

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

1 Statement of Significant Accounting Policies

The directors have prepared the financial statements on the basis that the company is a non reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of these statements are as follows:

Property, Plant and Equipment

All property, plant and equipment excluding freehold land and buildings, are initially measured at cost and are depreciated over their useful lives to the company.

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

Depreciation

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the company. Depreciation commences from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation method and useful life of assets is reviewed annually to ensure they are still appropriate.

Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in income statement.

**CO-OPERATION HOUSING
ABN 86 142 277 003**

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

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Trade and Other Payables

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

CO-OPERATION HOUSING
ABN 86 142 277 003

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

	2013 \$	2012 \$
2 Cash and Cash Equivalents		
Bendigo Bank A/c 142422971	35,732	31,631
Bendigo Bank Debit Card A/c	207	173
	<u>35,939</u>	<u>31,804</u>
3 Trade and Other Receivables		
Current		
Trade Debtors	<u>5,286</u>	<u>-</u>
4 Property, Plant and Equipment		
Plant & Equipment	3,709	5,709
Less: Accumulated Depreciation	<u>(2,567)</u>	<u>(494)</u>
	<u>1,142</u>	<u>3,215</u>
Total Plant and Equipment	<u>1,142</u>	<u>3,215</u>
Total Property, Plant and Equipment	<u>1,142</u>	<u>3,215</u>
5 Trade and Other Payables		
Current		
Superannuation Payable	1,542	1,760
Leave Liability	10,776	-
GST Payable	9,813	4,885
Amounts Withheld	<u>372</u>	<u>2,794</u>
	<u>22,303</u>	<u>9,559</u>
6 Retained Earnings		
Retained earnings at the beginning of the financial year	16,342	52,889
Net profit (Net loss) attributable to members of the company	<u>3,722</u>	<u>(27,429)</u>
Retained earnings at the end of the financial year	<u>20,064</u>	<u>25,460</u>

CO-OPERATION HOUSING
ABN 86 142 277 003

DIRECTORS' DECLARATION

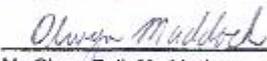
The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

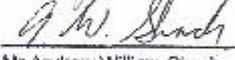
The directors of the company declare that:

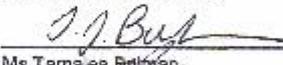
1. The financial statements and notes, as set out on pages 4 to 8, present fairly the company's financial position as at 30 June 2013 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

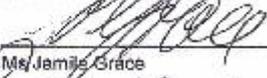
This declaration is made in accordance with a resolution of the Board of Directors.

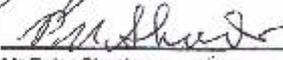
Director: 
Mr Brian Leveson

Director: 
Ms Olwyn Ruth Maddock

Director: 
Mr Andrew William Shack

Director: 
Ms Tameesah Bulman

Director: 
Ms Jamilla Grace

Director: 
Mr Peter Shooter

Director: 
Ms Larica Storey

Dated this 19th day of November 2013

**CO-OPERATION HOUSING
ABN 86 142 277 003**

**STATEMENT OF FINANCIAL RATIOS
FOR THE YEAR ENDED 30 JUNE 2013**

	This Year \$	Last Year \$
Debtors turnover		
Trade debtors	5,266	-
Working capital ratio		
Current assets	41,225	31,804
Current liabilities	22,303	9,559
Working capital ratio	2	3
Profitability ratio		
Operating profit before income tax	3,722	(27,420)
Total income	114,343	109,160
Profitability	3.26 %	(25.13)%
Debt/Equity ratio		
Total liabilities	22,303	9,559

The accompanying notes form part of these financial statements.

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Board members and attendance 2012–13

	Year appointed	Meetings eligible	Meetings attended
Current Directors and Officers			
Andrew Shack (Elected, Chairperson)	2011	14	11
Rebecca Hicks (CEO, Secretary)	2011	14	14
Brian Leveson (Technical)	2011	14	13
Olwyn Maddock (Technical)	2012	14	12
Lorica Storey (Technical)	2012	14	10
Peter Shooter (Elected)	2012	9	6
Tarnalea Bulman (Casual)	2013	6	4
Jamila Grace (Casual)	2013	6	6
Resigned Directors and Officers			
Pauline Farrell (Elected)	2010	6	6
Alisha Ryans-Taylor (Elected)	2010	6	3

Co-operative principles

The co-operative principles are guidelines by which co-operatives put their values into practice.

1. Voluntary and open membership

Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. Democratic member control

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organised in a democratic manner.

3. Member economic participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership.

Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

4. Autonomy and independence

Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5. Education, training and information

Co-operatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their co-operatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of co-operation.

6. Co-operation among co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

7. Concern for community

Co-operatives work for the sustainable development of their communities through policies approved by their members.

Source: *International Co-operative Alliance* (<http://ica.coop/en/what-co-op/co-operative-identity-values-principles>).

CO-OPERATION HOUSING

Homes for sustainable communities

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