



Co-operation HOUSING

Annual Report 2016



About Co-operation Housing

Co-operation Housing was established by the Federation of Housing Collectives (FOHCOL) in 2010 as a not-for-profit Australian public company, in order to support and grow Western Australia's housing co-operative sector.

It is the only registered community housing provider in Western Australia whose primary focus is housing co-operatives.

Co-operation Housing's vision is:

to create and support positive, economically and socially self-sustaining residential communities based on the international principles of co-operation.

In order to realise this vision, Co-operation Housing's mission is to be:

ready to respond to opportunities as they arise, through preparation and due diligence; development, implementation and maintenance of a proven co-operative housing model; and investment in training and development of stakeholders at all levels, including commercial, government, tenants and the broader community

willing to promote the principles of co-operative living and facilitate their practical implementation, through the commitment of its members and staff and through its strong management and governance structures

able to support co-operative living in communities and to create innovative housing and living options through the delivery of the co-operative housing model.

The international co-operative principles

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.

Contents

Chairperson's report	2
Chief Executive Officer's report	4
Growth highlights	5
Our Board of Directors	9
Our staff	13
Directors' report	14
Finance Manager's report	18
Audited financial statements	19

Chairperson's report

This has been a busy year for Co-operation Housing. Initially growing out of a Housing Authority requirement for housing co-operatives to become registered community housing providers, we have since honed our skills in asset management, policy development and project management.

With hopes for sector growth through government stock transfers all but evaporated (particularly given the current state economic climate) and the likelihood of government grants to build the sector also negligible, we have been compelled to look to other opportunities to fulfil our commitment to growth. One avenue this had led us down is to undertake the property and tenancy management of an 11-unit seniors' complex in White Gum Valley, with an option to purchase the property at an affordable price in the future. Almost a full year of management has now been completed, with very positive feedback received through recent resident satisfaction surveys.

Another growth-focused activity this year has been the forming of a pro-bono working group made up of our CEO Rebecca Hicks along with sustainable community builder Eugenie Stockmann from Green Fabric, housing co-operative specialist Elizabeth Cheong and housing co-operative advocate Andrew Shack, with the aim of collaborating on a new affordable housing co-operative development. As part of its preliminary work, the group identified the City of Fremantle as a council likely to embrace innovative solutions to the lack of affordable housing. During the year the City of Fremantle invited expressions of interest to develop an affordable housing project at 7 Quarry Street, based on the European *baugruppe* ('building group') model. True to our mission of being 'ready, willing and able', the working group developed a demonstration project based jointly on the housing co-operative model and the *baugruppe*, offering an innovative and socially sustainable solution to the local shortage of affordable housing. The group has held two very successful booked-out community engagement events to generate support for the project. It is envisaged that the model could be scaled and replicated throughout the state and beyond.

This year we also welcomed Pinakarri Community as an associate member of Co-operation Housing, in appreciation of its support for our work for the sector.

We also joined representatives of FOHCOL and interstate organisations Common Equity New South Wales and Common Equity Housing Limited (Victoria) to form the new National Housing Co-operative Network. Each of these organisations supports common-equity rental housing co-operatives in its respective state. The Network holds regular teleconferences with the aim of



sharing information and ideas and jointly tackling common challenges. A particular focus will be on raising the national profile of housing co-operatives and providing a united voice.

As an advocate for the sector, during the year Co-operation Housing made a submission to the Senate Inquiry into the contribution of co-operatives, mutuals and member-owned firms to the Australian economy, whose report has now been released.

I would like to commend our technical directors, Natasha French (Property), Brian Leveson (Legal), Olwyn Maddock (Education and Affordable Housing) and Lorica Storey (Finance). While they do not share the benefits of living within a housing co-operative themselves, they give freely of their time, skills, experience and wisdom in helping Co-operation Housing to work towards its goal of growing the sector and providing the best service possible to its member co-operatives. Their hard work and dedication is very much appreciated.

Co-operation Housing's staff represent the 'core strength' of the organisation. Our Finance Manager Yvonne has again helped our members to maintain their financial integrity and developed financial models to test various scenarios. She has assisted with their bookkeeping and financial queries, including through fee-for-service delivery. She has also been responsible for securing BAS registration for Co-operation Housing.

Our Communications Officer Leila helps us to communicate effectively and in a polished manner, releasing professional presentations that are a pleasure to peruse.

As our CEO, Rebecca is a strong advocate for the sector, liaises with the Housing Authority on behalf of our members and engages in negotiations with the City of Fremantle with respect to our management of the seniors' complex. Throughout the year she has also represented Co-operation Housing in various relevant forums, and is currently progressing the expression of interest to be submitted to the City of Fremantle. At the same time she is coordinating First Fremantle Housing Collective's kitchen renovations as an additional fee-for-service undertaking. We are very fortunate to have a CEO with Rebecca's depth of knowledge and skills in management and leadership and the ability to comprehend the wide range of issues related to the role.

The time and effort that have been spent fine-tuning our operating model and policies and in cementing a solid financial and legal framework are now enabling us to approach opportunities with confidence. I think the year ahead is shaping up to be one of great opportunity – and more hard work.

Peter Shooter

Chairperson

Chief Executive Officer's report

The big question of how to grow the sector was the subject of many a board meeting, research project, networking activity, consultancy and financial modelling project this year. Previously identified growth avenues, including stock transfers from the Housing Authority and leveraging of finance from the titles of existing co-op properties, proved unviable. At times, the small size of our sector, our lack of capital and our lack of assets made growth seem impossible. But in the true spirit of co-operatives, our strength lay in our ability to be patient, and to believe in the co-operative model and its ability to make a difference.



We turned our attention to identifying alternative growth opportunities. As we explored our options, we became increasingly aware that the success of our growth agenda would be dependent upon our ability to clearly articulate and promote the unique social, economic, environmental and cultural benefits of the housing co-operative model. Harnessing our combined expertise, we formulated a strong case for the co-operative model and began to promote it.

Success came in the form of an agreement with the City of Fremantle for Co-operation Housing to deliver property and tenancy management services to an 11-unit retirement village.

“Retrofitting” the retirement village as a co-operative by embedding co-operative principles and values in all aspects of its management has proven inspirational and highly successful.

Our staff, board members and member co-operatives have all gained momentum and confidence from this experience. Our belief in the housing co-operative model and our adeptness at promoting it have also grown over the year, and have realised further gains for our growth agenda. Attracting the associate membership of Pinakarri Community has confirmed the unity within the sector, and our ongoing work towards a Fremantle *baugruppen*-style co-operative development in conjunction with like-minded colleagues is an exciting opportunity to showcase how the co-operative model can help to address the significant challenge of lack of housing affordability and sustainability.

We owe our success to our members, with their strong understanding of and commitment to the co-operative model. The hard work and dedication of our engaged volunteer members, board members both elected and technical, housing co-operative members and advisory committee members ensures that housing co-operatives continue to play an important role in addressing the lack of access to affordable, inclusive and socially connected housing in our community.

Rebecca Hicks

Chief Executive Officer

Growth highlights

One of Co-operation Housing's key objectives is to grow Western Australia's co-operative housing sector. In the years since establishment much groundwork has been done towards the realisation of this goal, and this year we've seen some real progress on two fronts.



Image courtesy of the Community Newspaper Group

Co-operative management of an affordable seniors' complex, with a view to purchase

This reporting period marks the end of one full year of Co-operation Housing successfully providing fee-for-service property and tenancy management services for an 11-unit affordable housing complex for seniors, owned by the City of Fremantle.

With the long-term goal of transitioning the complex to the co-operative model and purchasing it from the City of Fremantle at an affordable price, we have already begun to embed the international principles of co-operation into its operation.

One of our first tasks was to refurbish and re-tenant the two units that were vacant when we took on the role. We sought applicants who were familiar with the principles of co-operative living and willing to live according to them. Shortly afterwards we welcomed two new tenants, both with experience of housing co-operatives, whose presence has already seen the beginnings of a shift in the culture of the complex.

We also began inviting all residents to participate more actively in the decisions that affect them and their complex. Regular Residents' Meetings have seen increasing involvement from residents, and an early resident-directed initiative has been the establishment of a communal vegetable and herb garden for all to maintain and enjoy.

Other activities so far have included working together with the residents to review and update the Residence Rules, and to establish the eligibility and rent-setting criteria for incoming tenants (in adherence to the *Retirement Villages Act 1992*).

Resident Satisfaction Surveys conducted at the end of our first year of management received very positive responses. On a five-point scale, almost all items received a four- or five-point response, and no item received less than a three-point response.

This has been and continues to be a very exciting growth opportunity for Co-operation Housing, our members and the sector as a whole. The skills and experience our staff are developing through directly delivering property and tenancy management services while gradually transitioning the complex to the co-operative model will provide us with significant and compelling leverage to take advantage of future growth opportunities as they arise. The experience will also enhance our capacity to support both our existing member housing co-operatives and future emerging housing co-operatives, in turn strengthening the sector's skills base as a whole. Further, the income stream that this service delivery is generating, along with our ultimate goal of purchasing the property, will strengthen our financial capacity to further grow the sector in future years.

This has also been also an excellent opportunity to demonstrate to the City of Fremantle and to the broader community the many benefits of the co-operative model over other models of affordable housing provision.

One of the two newest residents has even been featured in a good-news story in the *Fremantle Gazette*, helping us to spread the word to the wider community.

Read the story

www.pressreader.com/australia/fremantle-gazette/20160223/281603829535010

Development of an affordable housing project based on the co-operative model

The other major growth activity of the past year has been the development of a demonstration affordable housing project, based on the housing co-operative model, for presentation to the City of Fremantle.

Earlier in the year our CEO joined forces with sustainable community builder Eugenie Stockmann, housing co-operative specialist Elizabeth Cheong and housing co-operative advocate Andrew Shack to form a pro bono working group with a view to collaborating on a new affordable housing co operative development.

The group researched councils most likely to embrace such an initiative, and identified the City of Fremantle as being among them.

In the meantime the City of Fremantle announced that it would soon be calling for expressions of interest in presenting a demonstration

affordable housing project to be sited at 7 Quarry Street in the Fremantle CBD. It specified that projects must be based on the popular European *baugruppe* model.

German for 'building group', this model emerged in Europe in the early 1990s as an alternative to standard housing development. It involves a group of future owners forming a co-operative for the purpose of working directly with an architect and/or builder on the design and construction of an affordable multi-household development



to house themselves. Members can include individuals, families and other household types as well as organisations (such as community housing providers).

The key benefits of the model are the savings gained by the elimination of a developer's margin, the ability of future owners to design their own homes to meet their needs and budgets, and the sense of community earned by working co-operatively on the project.

Our working group saw an opportunity to bring the benefits of the co-operative model to the *baugruppe* model, and has developed a demonstration project that combines the best aspects of both. Our project also includes some commercial space to allow for the possibility of inviting social or for-purpose enterprises to be part of the group.

This project showcases the co-operative model to offer an innovative, affordable, financially and socially sustainable solution to the local shortage of affordable housing, and we envisage that it could be scaled and replicated throughout the state and beyond.

We have already held two very successful community engagement events to generate local support for the project, and have been excited by the level of interest. As expected, the project appeals most to people currently unable to afford to buy their own home and seeking a sense of belonging, community and connectedness.

This is another excellent opportunity for us to promote the great potential of the housing co-operative model to address very topical and widespread concerns about the current shortage of housing affordability and sustainability.

It seems that the time has come – and the groundwork has been done – for the housing co-operative model to enjoy a welcome resurgence.

More information

<http://greenfabric.com.au/index.php/get-involved>

Our Board of Directors (as at 30 June 2016)

For the complete list of all directors who served during the 2015 financial year, see page 15.



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 recently completed a degree in mechatronic engineering. Other interests include cycling and building recumbent bicycles. Peter is committed to the co-operative 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.’



Pauline Farrell

Elected Director

Pauline has been a member of the First Fremantle Housing Collective for many years, and has also volunteered more broadly within the community housing sector, including for FOHCOL, the Co-op Maintenance Trust, CHCWA and CHFA. She was also a member of the steering group that undertook the groundwork that resulted in Co-operation Housing’s formation.

Pauline has also been employed in a variety of roles within the community housing sector, including with the Fremantle Housing Association, Foundation Housing, Uniting Church Homes, St Bartholomew’s, CHCWA and FOHCOL. In addition she has broader governance experience with a number of not-for-profit organisations, and has undertaken training in governance for boards in these roles. Currently she holds a part-time position managing projects in government.

‘I look forward to a renaissance in housing cooperatives here in WA – not least because they embody environmentally, socially and economically sustainable ways of living in a time of climate change and unsustainable economic growth.’



Natasha French

BProperty, Green Star Accredited Professional

Technical Director (Property)

Natasha has more than 12 years' experience in the property industry in Australia and internationally, and currently serves as an Associate Director of Deloitte Real Estate Advisory. She brings to her role as Technical Director (Property) extensive knowledge and experience of the planning and management of residential developments, including apartment and retirement village developments, and of project, budget and stakeholder management within the property-development context. She is passionate about helping to facilitate sustainable affordable housing models.

'I believe Co-operation Housing provides a much-needed service that bridges the gap between the public and private sectors, as well as providing a sense of pride and ownership for tenants, enabling them to better focus on developing their own capacity and contributing to the broader community.'

Jamila Grace

BA (Visual Arts) (H1)

Elected Director

Jamila is a member and resident of Inanna's House. She is also 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 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.'



Ariel Hayes

BA (Fine Art) (Hons I)

Elected Director

Ariel is a member and resident of the Subiaco-Leederville Housing Collective. He is an award-winning filmmaker and media artist whose work has toured both nationally and internationally.

He has exhibited at the Sydney Biennale, represented Western Australia at an international art symposium in Singapore, been a keynote speaker at an international design conference in Taiwan and had his work featured at an international art festival in Scotland. He is a current working associate of CIA Studios at the Centre for Interdisciplinary Arts in Perth.

‘There is no doubt in my mind that my experience of co-operative living has given me the resources and opportunities to transition from the ineffectual position of a perpetual renter to a fully responsive and responsible citizen engaged with the welfare of the collective.’



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.’



Olwyn Maddock

BAppSc (Psych), BPsych, PCGE

Technical Director (Education and Affordable Housing)

Olwyn has been a director since Co-operation Housing’s foundation. She 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).



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 diverse 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.'



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.'

Our staff

Rebecca Hicks

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

Chief Executive Officer

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

Yvonne Hadad

B Commerce, Registered BAS Agent

Finance Manager

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

Leila Jabbour

BA Linguistics, B Journalism, Dip Editing & Publishing

Communications Officer

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

Directors' report

The Board of Directors presents its report on Co-operation Housing for the financial year ended 30 June 2016.

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.

The net profit of the company for the financial year amounted to a total of \$18,387.

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.

Dividends are prohibited by the company's constitution.

Company Secretary

The role of Company Secretary is appointed annually. The name of the Company Secretary during the reporting period is as follows.

Current Secretary
Rebecca Hicks (CEO)

Directors

In accordance with the Co-operation Housing Constitution, elected and technical directors each serve a two-year term (with the option of reappointment). Casual directors serve until the next annual general meeting.

The names of all directors in office at any time during the reporting period are as follows.

Current Directors
Peter Shooter (Elected Director) (Chairperson)
Pauline Farrell (Elected Director)
Natasha French (Technical Director)
Jamila Grace (Elected Director)
Ariel Hayes (Elected Director)
Brian Leveson (Technical Director)
Olwyn Maddock (Technical Director)
Lorica Storey (Technical Director)
Resigned Directors
Tarnalea Bulman (Elected Director) (Chairperson)

For more detailed information on our directors and officers, including relevant qualifications and experience, see pages 9–12.

Directors' attendance at board meetings

During the financial year, seven meetings of directors were held. Attendance was as follows.

	Meetings eligible	Meetings attended
Current Directors and Officers		
Peter Shooter (Elected Director) (Chairperson)	7	7
Pauline Farrell (Elected Director)	7	7
Natasha French (Technical Director)	7	2
Jamila Grace (Elected Director)	7	6
Ariel Hayes (Elected Director)	7	6
Rebecca Hicks (CEO and Secretary)	7	7
Brian Leveson (Technical Director)	7	6
Olwyn Maddock (Technical Director)	7	5
Lorica Storey (Technical Director)	7	6
Resigned Directors		
Tarnalea Bulman (Elected Director) (Chairperson)	6	5

Member housing co-operatives

Co-operation Housing's member housing co-operatives are as follows.

Member housing co-operatives
Alternative Resource Community Housing Incorporated
First Fremantle Housing Collective Incorporated
Inanna's House Incorporated
Subiaco-Leederville Housing Collective Incorporated
Associate Member housing co-operative
Pinakarri Community Incorporated

Finance Manager's 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 \$13,183.

Balance sheet

Based on the net profit of \$13,183 and \$5,204 from extraordinary items, net assets increased from \$45,115 to \$63,502.

- > 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 2016 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. As at 30 June 2016, one employee has less than five years' continuous service, and two employees have \$6,310 worth of long- service leave entitlements accrued.
- > Annual leave is provisioned on a monthly basis and other employee entitlements, such as personal leave, can be met.

Yvonne Hadad

Finance Manager



CO-OPERATION HOUSING

AUDITOR'S REPORT

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

PREPARED BY:

CAFFARELLI & ASSOCIATES
CHARTERED ACCOUNTANTS
WESTERN AUSTRALIA

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

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2016**

**Liability limited by a scheme approved under
Professional Standards Legislation**

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

CONTENTS

Auditor's Report	1
Balance Sheet	3
Income Statement	4
Detailed Profit and Loss Statement	5
Notes to the Financial Statements	6
Directors' Declaration	10
Statement of Financial Ratios	11



PRINCIPAL
Pino Caffarelli FCA

caffarelli
CHARTERED ACCOUNTANTS

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

Scope

I have audited the attached financial report, being a special purpose financial report of Co-Operation Housing for the year ended 30 June 2016. The company's directors are responsible for the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are consistent with the financial reporting requirements of the company's constitution and are appropriate to meet the needs of the members of the entity. I have conducted an independent audit of the financial report in order to express an opinion on them to the members of the company. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members of the entity.

The financial report has been prepared for distribution to members for the purpose of fulfilling the director's financial reporting requirements under the company's constitution. I disclaim any assumption of responsibility for any reliance on this audit report or on the financial report to which it relates to any person other than the members of the entity, or for any purpose other than that for which it was prepared.

My audit has been conducted in accordance with Australian Auditing Standards. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of significant accounting estimates.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with my understanding of the company's financial position, and performance as represented by the results of its operations and cash flows. These policies do not require the application of all Australian Accounting Standards and other mandatory professional reporting requirements in Australia.

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

Independent

In conducting my audit, I followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In my opinion, the financial report of Co-Operation Housing is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date in accordance with accounting policies described in Note 1; and

CAFFARELLI & ASSOCIATES
1st Floor 38 Richardson Street West Perth Western Australia 6005 GPO Box M925 Perth WA 6843.
Telephone: (08) 9421 1911 Facsimile: (08) 9421 1919 Email: info@caffarelli.com.au ABN: 13 263 285 269
Liability limited by a scheme approved under Professional Standards Legislation.

- (ii) complying with Australian Accounting Standards, comprising AASB 1025 'Application of the Reporting Entity Concept and Other Amendments' and other Australian Accounting Standards to the extent described in Note 1 and Corporations Act 2001; and

- (b) other mandatory professional reporting requirements to the extent described in Note 1.

In my opinion, the financial report presents fairly in accordance with the accounting policies described in Note 1 of the financial statements, the financial position of Co-Operation Housing as at 30 June 2016 and the results of its operations and its cash flows for the year then ended.

Name of Firm: Caffarelli & Associates
Chartered Accountants

Name of Principal: 
Pina Caffarelli FCA

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

Dated this 30th day of September 2016

CO-OPERATION HOUSING
ABN 86 142 277 003

BALANCE SHEET
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	83,149	66,499
Trade and other receivables	4	1,601	1,076
Tapper St Mews Capital Deposit	5	9,000	-
TOTAL CURRENT ASSETS		<u>93,750</u>	<u>67,575</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	645	1,199
TOTAL NON-CURRENT ASSETS		<u>645</u>	<u>1,199</u>
TOTAL ASSETS		<u>94,395</u>	<u>68,774</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	7	24,583	23,659
TOTAL CURRENT LIABILITIES		<u>24,583</u>	<u>23,659</u>
NON-CURRENT LIABILITIES			
Provisions	8	6,310	-
TOTAL NON-CURRENT LIABILITIES		<u>6,310</u>	<u>-</u>
TOTAL LIABILITIES		<u>30,893</u>	<u>23,659</u>
NET ASSETS		<u>63,502</u>	<u>45,115</u>
EQUITY			
Retained earnings	9	63,502	45,115
TOTAL EQUITY		<u>63,502</u>	<u>45,115</u>

The accompanying notes form part of these financial statements.

Page 3

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

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
Income			
Revenue		160,844	134,385
Expenditure			
Accountancy expenses		(1,657)	(990)
Advertising expenses		-	53
Depreciation and amortisation expenses		(554)	(839)
Employee benefits expenses		(123,742)	(95,853)
Other expenses		<u>(21,708)</u>	<u>(26,318)</u>
		<u>13,183</u>	<u>10,438</u>
Profit for the year		13,183	10,438
Retained earnings at the beginning of the financial year		45,115	34,677
Extraordinary Items		<u>5,204</u>	-
Profit		<u>63,502</u>	<u>45,115</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 2016

	2016	2015
	\$	\$
INCOME		
Fee for Service	4,215	3,530
Membership Fees	123,793	118,123
Non-operating Other Income	31,906	11,700
	159,914	133,353
OTHER INCOME		
Interest Received	930	709
Recoveries	-	323
	930	1,032
	160,844	134,385
EXPENSES		
Accountancy Fees	1,657	990
Advertising	-	(53)
Bank Charges	98	103
Staff amenities	89	131
Consultancy Fees	600	10,580
Computer Expenses	884	467
Depreciation	554	839
Insurance	8,881	5,260
Meeting Expenses	1,899	2,338
Motor Vehicle Expenses	871	889
Postage	10	-
Printing & Stationery	2,007	1,236
Professional Fees	-	15
Property Management Expenses	1,348	-
Repairs & Maintenance	-	100
Software Expense	280	250
Staff Training & Welfare	177	374
Subscriptions	2,617	2,176
Superannuation Contributions	9,768	8,385
Telephone	973	1,083
Travelling Expenses	1,151	1,690
Wages	113,797	87,094
	147,661	123,947
Profit before income tax	13,183	10,438

The accompanying notes form part of these financial statements.

CO-OPERATION HOUSING
ABN 86 142 277 003

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

The financial statements cover the business of Co-Operation Housing and have been prepared to meet the needs of stakeholders and to assist in the preparation of the tax return.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The Company is non-reporting since there are unlikely to be any users who would rely on the general purpose financial statements.

The special purpose financial statements have been prepared in accordance with the significant accounting policies described below and do not comply with any Australian Accounting Standards unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

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.

Revenue and Other Income

Revenue is recognised when the business is entitled to it.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Rendering of services

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

Other income

Other income is recognised on an accruals basis when the company is entitled to it.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the balance sheet if the company does not have an unconditional right to defer settlement of the liability for at least one year after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

Provisions

Provisions are recognised when the company 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.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of 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 2016

	2016	2015
	\$	\$
3 Cash and Cash Equivalents		
Cash on Hand	10	-
Bendigo Bank A/c 142422971	32,195	66,306
Bendigo Bank Debit Card A/c	420	193
P & N Investment Account	50,524	-
	<u>83,149</u>	<u>66,499</u>
4 Trade and Other Receivables		
Current		
Trade Debtors	1,601	1,076
	<u>1,601</u>	<u>1,076</u>
5 Other Non-Financial Assets		
Current		
Tapper St Mews Capital Deposit	9,000	-
	<u>9,000</u>	<u>-</u>
6 Property, Plant and Equipment		
Plant & Equipment	5,029	5,029
Less: Accumulated Depreciation	(4,384)	(3,830)
	<u>645</u>	<u>1,199</u>
Total Plant and Equipment	<u>645</u>	<u>1,199</u>
Total Property, Plant and Equipment	<u>645</u>	<u>1,199</u>
7 Trade and Other Payables		
Current		
Superannuation Payable	2,267	2,262
Leave Liability	7,199	9,638
GST Payable	13,449	10,867
Amounts Withheld	1,668	892
	<u>24,583</u>	<u>23,659</u>
8 Provisions		
Non-Current		
Provision for Long Service Leave	6,310	-
	<u>6,310</u>	<u>-</u>

CO-OPERATION HOUSING
ABN 86 142 277 003

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
8 Retained Earnings		
Retained earnings at the beginning of the financial year	45,115	34,677
Net profit attributable to members of the company	<u>18,387</u>	<u>10,438</u>
Retained earnings at the end of the financial year	<u>63,502</u>	<u>45,115</u>

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

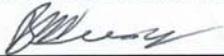
DIRECTORS' DECLARATION

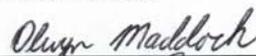
The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

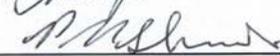
1. The financial statements and notes, as set out on pages 4 to 8, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards as stated in Note 1; and
 - (b) give a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
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.

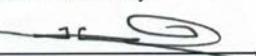
Director: 
Mr Brian Leveson

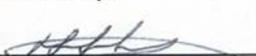
Director: 
Ms Olwyn Ruth Maddock

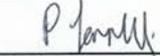
Director: 
Ms Jamila Grace

Director: 
Mr Peter Shooter

Director: 
Ms Lorica Storey

Director: 
Mr Ariel Hayes

Director: 
Ms Natasha French

Director: 
Pauline Farrell

Dated this 11th day of October 2016

CO-OPERATION HOUSING
ABN 86 142 277 003

STATEMENT OF FINANCIAL RATIOS
FOR THE YEAR ENDED 30 JUNE 2016

	This Year \$	Last Year \$
Debtors turnover		
Trade debtors	1,601	1,076
Working capital ratio		
Current assets	93,750	67,575
Current liabilities	24,583	23,659
Working capital ratio	4	3
Profitability ratio		
Operating profit before income tax	13,183	10,438
Total income	160,844	134,385
Profitability	8.20%	7.77%
Debt/Equity ratio		
Total liabilities	30,893	23,659

The accompanying notes form part of these financial statements.

Page 11

Notes



Mail PO Box 165
Hamilton Hill
Western Australia 6963

Location 15/124 Swanbourne Street
Fremantle
Western Australia

Phone (08) 9336 5045

Email admin@co-operationhousing.org.au

Web www.co-operationhousing.org.au

ACN 142 277 003

ABN 86 142 277 003

