



**ST GEORGE COMMUNITY HOUSING
CO-OPERATIVE LIMITED**

ANNUAL REPORT

1997/98

‘A Period of Change’

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Directors

Deborah Georgiou (Chairperson)
Lindsay Kelly (Secretary)
Paul Dorron (Treasurer)
Evelyn Cordatos
Roger Jameson
John McIntyre
Colleen Whittle

Executive Officer
Patrick Yeung

Housing Manager
Debra McFarland

Housing Workers
Julie Brown
Megan Volz

Administrative Support
Wendy Bernard
Paul de Ruyter

Finance Consultant
Brian Waterhouse

Banker
Commonwealth Bank

Auditor
Haywards Chartered Accountants

Funding Agencies

Office of Community Housing
Department of Community Services

Partnerships

The following organisations worked with St George CHC in delivering housing and support services in 1997/8:

Amelie House
Al Zahra Muslim Association
Claffy House
Cronulla Community Health
CRC Justice Support
Department of Housing – Housing Production Division
Department of Housing – Southern Sydney Region
Department of Urban Affairs and Planning – Metropolitan and Housing Division
Delvena Womens Refuge
E.A.S.Y. (Eastern Area Service for Youth)
G.R.O.W.
Jacaranda Cottage
Marian Villa Women's Refuge
Mathew Talbott Hostel and Outreach Services
Ozanam Village
Rockdale Community Mental Health Centre
South East Sydney Area Health Service
Southern Sydney Youth Refuge
St George Accommodation Service for Youth
St George Hospital
St George Migrant Resource Centre
St George Womens Housing Company
St Marys House
St Vincent de Paul Society
Sutherland Area Health Service
Sutherland Shire Housing Network
The Bridge

Employees/Consultants 1997/8

Executive Officer

Patrick Yeung (From April 1998)

Housing Manager

Pam Hood, Housing Manager (Finance) (to November 1997)

Debra McFarland, Housing Manager (Development) (to April 1998)

Debra McFarland, Housing Manager (from April 1998)

Housing Worker

Natalie Paris, Housing Worker (to October 1997)

Tina Thomson, Housing Worker (to February 1998)

Julie Brown, Casual Housing Worker (from January 1998)

Megan Volz, Casual Part-time Housing Worker (from December 1997)

Administrative Assistant

Penny Alexander, Casual Administrative Assistant (from September 97 to March 1998)

Wendy Bernard, Casual Administrative Assistant (from March 1998)

Paul de Ruyter, Administrative Assistant (from June 1998)

Consultant

Jane Bradfield (from June to August 1997)

Tacey Bowen (from October 1997 to April 1998)

Brian Waterhouse (from November 1997)

Kerry McConnel (from April to June 1998)

CHAIR'S REPORT

1997-8 was a year of great change for St. George Community Housing, one which will ensure that the organisation is well placed to face future challenges.

In the first six months of the year, the previous Board of Directors took the step of employing external consultants to resolve the problems that the organisation was facing as a result of rapid growth, and to develop a new staffing and management structure.

In addition an Internal Audit review was carried out by auditors engaged by the Office of Community Housing to assess the effectiveness of the financial and risk management controls in place within the organisation.

This resulted in two major changes, the election of a "skills-based" Board of Directors at the Annual General Meeting held in February 1998, and a staffing restructure including the appointment of a new Executive Officer.

A Skills Based Board

The new Directors brought skills in community welfare, law, financial management, housing management, and information technology into the organisation. They also brought a strong commitment to the values and role of community housing, and the capacity to put those into action through sound management and decision-making.

In the last year work progressed to revise or develop new policies and practices for the organisation in such as planned maintenance, tenant participation, vacants and rent management. In addition, the Finance Sub-Committee developed a new reporting format to ensure that the financial position of the organisation could be clearly understood and monitored.

A New Staffing Structure

During the first nine months of the year St George CHC underwent many staff changes. Two long serving members of staff left the organisation and several casual workers came and went. One long serving member of staff remained with St George during the transition providing important continuity to the organisation.

The new staffing structure was implemented in April 1997 in order to respond to an ever growing number of properties – in the last year, St. George's property portfolio grew from 173 to 226.

A new position of Executive Officer was established to manage the team of two Housing Managers and an Administrator. This was seen as necessary to ensure that the Housing Managers could concentrate on managing the tenancies and properties, and the Executive Officer would assume responsibility for organisational and financial management and service development.

All members of the staff team except for one of the permanent Housing Managers were in place by the end of June 1998.

The Growth of St. George

St. George has continued to expand its services to the local community. It has one of the largest number of supported accommodation units managed by a housing association, and works in partnership with support agencies to provide for people with physical and intellectual disabilities or those with a mental illness.

In 1997/8, through the pilot brokerage service set up with Supported Accommodation Agencies in the area, St. George also provided 19 units of accommodation, and 26 tenancies, to young people, or women with children who need long term housing after a period of time in a refuge or medium term accommodation service.

Housing Management

The Board's focus for housing management in the period to June 1998 was to make sure that properties weren't vacant for any longer than necessary, and to act quickly to reduce rent arrears so that individual tenants, and the organisation as a whole, did not get into financial difficulty. As a result of an outstanding effort by staff, vacant turnaround times reduced significantly, and rent arrear figures showed gradual improvement.

Working Environment

The Board's other main concern was to provide a working environment that would mean that St. George could provide an efficient and effective service to tenants and applicants.

By June 1998, a new tenancy and property management database was developed, an initial review of information technology needs undertaken, and a budget established to fund a move to new office premises.

Co-operative Membership

The number of new members of the co-operative grew by 17 in the period March to June 1998. For the full financial year, the growth in membership numbers was 33.

Financial Position

The financial position for the organisation for the financial year July to June 1997/8 as outlined in the Auditors Report is sound.

Rent arrears for the period was high and should continue to be of concern to management. However, this cost was offset by significant surplus in the Social Housing Subsidy Program operation.

The Directors would particularly like to thank the Office of Community Housing for their provision of additional funding to cover the cost of the restructure, including the appointment of the external consultants.

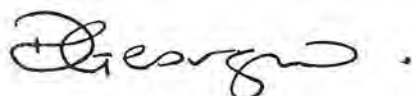
Support for St George CHC

I would very much like to thank the following people and organisations for their support during 1997/8:

- ❖ My fellow Directors for being so thoughtful and responsive during a difficult period for St. George, and for providing such sound advice on all of the issues that a small non-profit organisation has to face.
- ❖ The staff team for their extremely hard work in getting St. George into shape, including those previous employees who have since moved on, and Patrick Yeung and Debra McFarland who have provided us with continuity and stability.
- ❖ The previous Board members who took the brave step of employing external consultants to provide guidance and support to the organisation and to Tayce Bowen who carried out crucial ground work for the organisation during her period in that role.
- ❖ The Office of Community Housing for their support and advice to St George over the year, both financial and moral!
- ❖ The range of local community and government agencies, including the Department of Housing who supported St. George during the year.

The Tenants of St George

Finally I want to thank St George tenants, who are also the organisation's members, for showing great patience with the changes taking place within the organisation during 1997/8, and for supporting the Board and the staff in all of our work. I know I speak for all Board members when I say that we are looking forward to having much more to do with each other over the coming year.

A handwritten signature in black ink, appearing to read 'Deborah', followed by a period.

Deborah Georgiou
Chair

TREASURER'S REPORT

On behalf of St. George Community Housing Co-operative I would like to take this opportunity to formally acknowledge and express our gratitude for the continued support from both the Office of Community Housing and from Mr. Craig Knowles, Minister for Urban Affairs and Planning and Minister for Housing.

For the year ending June 1998, we received a total of \$401,609 in grants. Together with rental income and other income sources, we had a total income for the year of \$1,237,587.

The total expenditure for the year is \$ 1,235,00, of which 79.8% is attributed to property expenses, 14.5% for management expenses, and 5.7% for administration expenses. Overall St. George CHC is financially sound, showing a small surplus for the year of \$2,587 and retained profits of \$37,247.

The organisation's financial performance for the year was audited by Haywards Chartered Accountants.

In closing I wish to comment that although responsibility for financial management of St. George CHC rests primarily with the Board, the roles played by both Patrick Yeung and Brian Waterhouse in ensuring that the organisation's finances are effectively managed has been significant .

Indeed, on behalf of the Board I wish to acknowledge their efforts and thank them for their assistance.



Paul Dorron
Treasurer

EXECUTIVE OFFICER'S REPORT

I am pleased to be able to present the Executive Officer's report for 1997/8.

The majority of the recommendations made following the Organisation Review, and the Internal Audit Report were fully implemented. The organisation is now in a strong position to meet new challenges in the years to come.

Highlights for the year included:

Stock Portfolio Development

Funding approval for a total of 52 additional leasehold properties was given in mid May, representing an increase of 96% on total leasehold stock numbers at June 1997.

The Housing Stock Transfer Program, whilst moving slowly due to high demand in the Southern Sydney area, meant that an additional 8 properties were transferred from the Department of Housing to St George CHC in the financial year.

With partnerships developed between the Department of Housing and the Mental Health Team, one property was transferred to St George CHC for management under the Mental Health Supported Housing Initiative Program.

In addition to the success of the Pilot Tenant Management Project, funding approval to spot purchase 4 properties under the CAP/SAAP Innovative Initiative Program was granted.

Further funding for an additional 10 spot purchase properties was also approved.

Program	Stock at 30.6.98
Leasehold	99
Capital (including HTS)	89
SHSP	31
CHP	5
MHSHIP	1
PRS	1
Total	226

Note:

HTS is Housing Stock Transfer

SHSP is Social Housing Subsidy Program

CHP is Community Housing Program

MHSHIP is Mental Health Supported Housing Initiative Program

PRS is Program for Redevelopment Stock leased from the DOH

Organisation Management

A major organisational development in the year was the establishment of a centralised management information system.

A database, the St George Master MIS, was developed in-house as a computerised management information system and all staff trained in its implementation.

The system manages the Co-operative Membership Register, the Assets and Inventory Register, the Common Seal Usage Register, the Mailing Directory and Task/Decision recording system for staff and Directors.

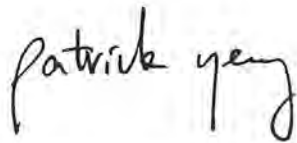
Housing Management

The MIS also provide support to improving housing management through the incorporation of an Applicant database to assist with need-based assessment, and the development of a comprehensive Tenancy and Property Information database.

Following positive feedback from staff and clients, we are now in the process of further developing the MIS to fully computerise Repairs and Maintenance management.

Last but not the least, I would like to thank Directors and staff who were actively involved in the difficult but rewarding restructuring process for St George CHC. For the Directors and staff who remained with the organisation, through the period of change, their valuable contribution is greatly appreciated.

With the new Board, the new staff team and the new systems, St George CHC is well equipped to strive for excellence in housing service provision to our clients, and to continue to develop partnerships with other service providers and government agencies in meeting new challenges and breaking new ground.

A handwritten signature in black ink, reading "Patrick Yeung". The signature is written in a cursive, flowing style.

Patrick Yeung
Executive Officer

DIRECTORS' PROFILE 1997/8

Deborah Georgiou

Deborah Georgiou has worked in the social housing sector for over 12 years. In the UK she acted as a consultant to public housing authorities that were localising their housing management services and wanted to develop new models of tenant participation.

In Australia she has worked as Senior Resource Worker for the Association to Resource Co-operative Housing, and as Housing Services Manager for the NSW Federation of Housing Associations. Deborah currently works for the Department of Housing as the State-wide Co-ordinator of the Neighbourhood Improvement Program.

Deborah is also a former Director of NSW Shelter, and of City West Housing, an affordable housing provider in Ultimo/Pymont.

Lindsay Kelly, B.Bus., FCPA, FCIS

Lindsay joined the Board in February 1998. He is presently Finance Director and Company Secretary to a public company, Pirelli Cables Australian Limited. He has extensive experience in finance and operational roles within multi-national manufacturing and distribution business. Involvement with St George Community Housing extends a long-term family involvement with community based organisations.

John McIntyre

John has been a St. George resident all his life. He was brought up in Bexley and now lives in Cronulla. He has run his own legal practice in the area for 25 years. He is married with a 22 year old son. He has been the Honorary solicitor for the Nurses on Wheels for 20 years and is keen as his work commitments are reducing to do more in terms of community service, and to put his professional skills to wider use. He believes that housing is a basic need and that it is important that communities play an active role in providing housing for those in need.

Paul Dorron

Paul Dorron is currently employed in the financial services industry as a Senior Accountant Executive for a trustee company. As trustee of various investment products, Paul's role is to assist in ensuring that investors assets are invested only in ways authorised by the trust deed and prospectus, ensure the safe custody of assets, review the validity of managers expense claims., ensure that the related party dealings by Fund Managers are on a proper commercial basis.

Paul is the holder of a Bachelor of Economics and is presently studying to complete an MBA. He is particularly interested in the opportunity to give something back to the community at large. Qualities that Paul brings to the board are not only based upon his financial skills. Paul has a wide appreciation of cross cultural issues, a sense of moral justice and fair play and a youthful energetic approach to problem solving.

Colleen Whittle

Colleen Whittle has a long connection with St. George and surrounding area having been born and raised in the area. Colleen has worked in the area for over twenty years. As a housing worker in the St. George area, Colleen has a commitment in assisting increase and improving safe, secure and affordable housing provision in the local area. Through Colleen's work experience and committee involvement, she has gained an understanding of the issues and tensions that may arise in working towards achieving a balance between business and social objectives.

Colleen has an understanding of social housing, community housing, public housing, and homelessness, needs based housing provision, client services, social policy and planning, government processes and structures, social services needs assessment and service delivery, community development, user rights, housing advisory services, housing support and crisis housing.

Colleen has experience in organisational planning, review and evaluation, performance monitoring, policy development, staff recruitment and management, developing employment contracts and job descriptions, conducting staff appraisal, support and supervision; training and professional development; organising, minuting and chairing meetings.

Colleen has an applied knowledge of accountability requirements of community organisations, office bearer responsibilities, decision making processes, reporting requirements to directors and members, social justice and equal opportunity principles, employer and employee organisations.

Evelyn Cordatos

Evelyn Cordatos has been working in a medium-term supported housing service in the St. George area for more than five years, and therefore has a strong connection with and professional interest in the work of St. George Community Housing.

As senior worker of St. George Women's Housing Evelyn is continuing to develop skills in community organisation, human resource and financial management. Evelyn is committed to increasing opportunities for affordable housing to relieve housing stress, and developing strategies for increasing support options that may be required by the community – especially for women with or without children who are isolated and trying to resolve crises in their lives. This has been demonstrated in Evelyn's keenness to cement linkages with the St. George CHC

Evelyn is well aware of the need to balance business with social issues, and this perceives as a challenge to the way she has worked in the past. Evelyn is always committed to social justice – particularly to marginalised individuals and communities as her previous community work experience indicates.

Roger Jameson

Roger Jameson has 14 years experience in housing management at various levels of responsibility for two large UK housing authorities, with skills in the following areas:

allocation of social housing, homelessness, needs based housing provision, tenancy management, tenant participation, responsive repairs, cyclical maintenance, property management, property inspections, training, estate improvements, community regeneration, staff management, decision making, reporting to directors and committees, staff appraisal, support and supervision, organising, minuting and chairing meetings, performance monitoring, project planning and development (housing and information systems).

Roger has a professional qualification in housing management. He holds a fellowship of Chartered Institute of Housing (UK) and is committed to continuing professional development. Roger has 10 years experience on the positions of Chair, Vice-Chair and Training Officer of the North Midlands Branch Committee of the Chartered Institute of Housing incorporating.

Roger has a long standing commitment to affordable social housing.

***ST. GEORGE COMMUNITY HOUSING
CO-OPERATIVE LIMITED***

***FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 1998***



HAYWARDS

***CHARTERED ACCOUNTANTS
LEVEL 8, 19-31 PITT STREET
SYDNEY NSW 2000
AUSTRALIA***

☎ 61 2 9251 7577

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED

DIRECTORS' REPORT

Your directors submit the financial accounts of the co-operative for the year ended 30th June, 1998.

The names of the directors in office at the date of this report are:

Evelyn Cordatos
Paul Dorron
Deborah Georgiou
Roger Jameson
Lindsay Malcolm Kelly
John McIntyre
Colleen Whittle

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

Provision subsidised housing

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

The net profit after providing for income tax amounted to \$2,587.

No dividends were paid during the year and no recommendation is made as to dividends.

No significant change in the state of affairs of the co-operative occurred during the financial year.

No matter or circumstances have 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 financial years subsequent to the financial year ended 30th June 1998.

No director has received or become entitled to receive, during or since the end of 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 a director is a member or a company in which a director has a substantial financial interest.

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED

The co-operative has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the co-operative or of a related body corporate:

indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or

paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

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

Director:  (CHAIR)

Director: 

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 1998.

	NOTE	1998 \$	1997 \$
Operating Profit (Loss)	2	2,587	(29,656)
Extra-Ordinary Items	3	-	15,619
Operating Profit (Loss) after income tax		2,587	(14,037)
Retained Profits (Accumulated Losses) at the beginning of the Financial year		34,660	48,697
TOTAL AVAILABLE FOR APPROPRIATION		37,247	34,660
RETAINED PROFITS (ACCUMULATED LOSSES) AT END OF FINANCIAL YEAR		37,247	34,660

The accompanying notes form part of these financial statements.

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED

BALANCE SHEET AS AT 30TH JUNE, 1998.

	NOTE	1998 \$	1997 \$
CURRENT ASSETS			
Cash	4	72,245	155,774
Receivables	5	168,254	60,442
		<u>240,499</u>	<u>216,216</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	14,516	13,804
TOTAL NON-CURRENT ASSETS		<u>14,516</u>	<u>13,804</u>
TOTAL ASSETS		<u>255,015</u>	<u>230,020</u>
CURRENT LIABILITIES			
Creditors and borrowings	7	55,159	60,901
Provisions	8	162,385	134,262
TOTAL CURRENT LIABILITIES		<u>217,544</u>	<u>195,163</u>
TOTAL LIABILITIES		<u>217,544</u>	<u>195,163</u>
NET ASSETS		<u>37,471</u>	<u>34,857</u>
SHAREHOLDERS' EQUITY			
Share capital	9	224	197
Retained Profits		<u>37,247</u>	<u>34,660</u>
SHARE CAPITAL AND RESERVES		<u>37,471</u>	<u>34,857</u>

The accompanying notes form part of these financial statements.

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 1998.

1. STATEMENT OF ACCOUNTING POLICIES

These financial statements are a special purpose financial report prepared for use by directors and members of the co-operative and to satisfy requirements of the Funding Agreement. The directors have determined that the co-operative is not a reporting entity and therefore there is no requirement to apply Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) in the preparation and presentation of these statements.

The Statements have been prepared in accordance with the requirements of the following Accounting Standards and other mandatory professional reporting requirements.

AASB 1018:	Profit and Loss Accounts
AASB 1025:	Application of the Reporting Entity Concept and Other Amendments
AASB 1031:	Materiality

No other Accounting Standards or other Mandatory professional reporting requirements have been applied.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific policies, which are consistent with the previous period unless otherwise stated, have been applied in the preparation of these statements:

- (a) **Income Tax**
The scheme is exempt from income tax.
- (b) **Employee Benefits**
Provision is made in respect of the company's liability for annual leave and long service leave at balance date.
- (c) **Property, Plant and Equipment**
Property, Plant and Equipment is capitalised and depreciated over useful life. This policy was changed in the prior year when property, plant and equipment was expensed.
- (d) **Bad Debts**
Rents received is net of bad debts.

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 1998

	NOTE	1998 \$	1997 \$
2 OPERATING PROFIT (LOSS)			
Operating profit/(loss) before income tax has been determined after:			
Crediting as Income:			
Interest Received			
Other Persons		7,795	7,993
Charging as Expenses			
Provision-Holiday Pay/LSL/Sick Leave		(13,877)	9,147
Provision – Equipment Replacement		-	(5,000)
Provision – Leasehold Maintenance		-	(2,000)
Provision - Training/Meetings		-	(2,000)
Provision - Capital Maintenance			
Social Housing Programme		42,000	14,951
Provision - Unpaid Rates		-	8,600
Provision - Capital Maintenance		-	53,000
Provision – Doubtful Debts		11,881	-
(b) Operating Revenue			
Included in operating profit are the following items of operating revenue:			
Other Operating Revenue:			
Non-trading revenue		401,609	297,760
Rent Received		731,118	573,569
Interest Received		7,795	7,993
Sundry Income		-	123
		<u>1,140,522</u>	<u>879,445</u>
3 EXTRA-ORDINARY ITEMS			
Write back provisions		-	9,000
Recognise Fixed Assets		-	6,619
		<u>-</u>	<u>15,619</u>

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED

NOTES TO AND FORMING PART OF THE ACCOUNTS AS AT 30TH JUNE, 1998.

	NOTE	1998 \$	1997 \$
4 CURRENT ASSETS - CASH			
Cash on Hand		100	6
Deposits		72,145	155,768
		<u>72,245</u>	<u>155,774</u>
5 CURRENT ASSETS - RECEIVABLES			
Prepayments		68,151	12,152
Trade Debtors		38,026	21,650
Less: Provisions for Doubtful Debts		(13,381)	(1,500)
Bonds Landlord		75,458	28,140
		<u>168,254</u>	<u>60,442</u>
6 NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT			
Plant and Equipment		24,921	19,878
Less: Accumulated Depreciation		(10,405)	(6,074)
		<u>14,516</u>	<u>13,804</u>
7 CURRENT LIABILITIES - CREDITORS & BORROWINGS			
Bank Overdraft		25,526	13,812
Accrued Expenses		6,840	9,921
Rent in Advance		14,256	8,383
Funds in Advance – SAAP		8,537	28,785
		<u>55,159</u>	<u>60,901</u>

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED

NOTES TO AND FORMING PART OF THE ACCOUNTS AS AT 30TH JUNE, 1998.

	NOTE	1998 \$	1997 \$
8 CURRENT LIABILITIES - PROVISIONS			
Provision - Capital Maintenance		115,000	73,000
Provision - Capital Maintenance Social Housing Programme		31,000	31,000
Provision - Unpaid Rates		8,600	8,600
Provision for Holiday Pay		4,469	10,311
Provision for Long Service Leave		2,245	5,978
Provision for Sick Leave		1,071	5,373
		<u>162,385</u>	<u>134,262</u>

9 SHARE CAPITAL

Issued and paid up		
224 Ordinary Shares of \$1	224	197

10 GOING CONCERN

The accounts have been prepared on a going concern basis. This is on the assumption that ongoing funding and support will be provided by the government.

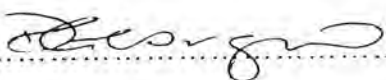
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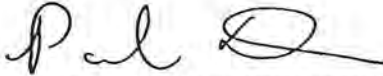
STATEMENT BY DIRECTORS

In the opinion of the directors of the co-operative:

1. (a) The accompanying Profit & Loss Account is drawn up so as to give a true and fair view of the profit or loss of the co-operative for the financial year ended 30th June, 1998;
 - (b) The accompanying Balance Sheet is drawn up so as to give a true and fair view of the state of affairs of the co-operative as at the end of the financial year; and
 - (c) The funds provided by the Department have been invested in accordance with the terms and conditions of the Funding Agreement.
2. At the date of this statement, there are reasonable grounds to believe that the co-operative will be able to pay its debts as and when they fall due.

This statement is made in accordance with the resolution of the Board of Directors and is signed for and on behalf of the directors by:

Director:  (CHAIR)

Director: 

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED

INDEPENDENT AUDIT REPORT

To the St George CHC and Department of Housing

Scope

We have audited the attached financial statements being a special purpose financial report, of St. George Community Housing Co-operative Limited for the year ended 30th June, 1998 incorporating the Profit and Loss Statement, Balance Sheet and Directors Statement. The Co-operative's directors are responsible for the preparation and presentation of the financial statements and the information contained therein, and have determined that the accounting policies used and described in Note 1 to the financial statements are appropriate to meet the requirements of the Corporations Law, are appropriate to meet the requirements of the Co-operatives Act and are appropriate to meet the needs of the Scheme. We have conducted an independent audit of the financial statements in order to express an opinion to the St George CHC and the Office of Community Housing on their preparation and presentation.

The financial statements have been prepared for the purpose of fulfilling the directors' financial reporting requirements under the Corporations Law, Co-operatives Act and Funding Agreement. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the St George CHC, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our 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 as to whether, in all material respects, the financial statements are presented fairly in accordance with the accounting policies described in Note 1 to the financial statements. These policies do not require the application of all Accounting Standards and Urgent Issues Group Consensus Views.

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

Audit Opinion

In our opinion the financial statements of St. George Community Housing Co-operative Limited for the year ended 30th June, 1998 are properly drawn up:

- (a) so as to give a true and fair view, in accordance with the accounting policies described in Note 1 to the financial statements of the loss of the Co-operative and, of the matters required by Divisions 4, 4A and 4B of Part 3.6 of the Corporations Law to be dealt with in the financial statements.

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED

INDEPENDENT AUDIT REPORT continued

- (b) in accordance with the provisions of the Corporations Law; and
- (c) in accordance with the provisions of the Co-operatives Act; and
- (d) in accordance with applicable Accounting Standards to the extent described in Note 1 to the financial statements
- (e) the funds provided by the Department have been invested in accordance with the terms and conditions of the Funding Agreement.

John G. Newton, ACA, Registered Company Auditor:



Dated at Sydney on the day of 1998.

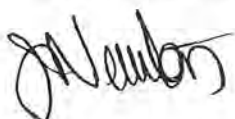
ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED

DISCLAIMER

The additional financial information presented on the subsequent 2 pages is in accordance with the books and records of St. George Community Housing Co-operative Limited which have been subjected to the auditing procedures applied in our audit of St. George Community Housing Co-operative Limited for the year ended 30th June, 1998. It will be appreciated that our audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with our Firm policy, we advise that neither the Firm nor any member or employee of the Firm undertakes responsibility arising in any way whatsoever to any person in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

John G. Newton, ACA, Registered Company Auditor



Dated at Sydney on the day of 1998.

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED

DETAILED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30TH JUNE, 1998.

	1998 \$	1997 \$
INCOME		
Grants – SAAP	12,570	2,000
Grants – Community Tenancy Scheme (CTS)	377,359	295,760
Grants – CTS, Capital Upgrading	11,680	-
Tenancy Administration Income – Contra	31,222	-
Tenancy Management Income – Contra	83,362	-
Tenancy Arrears Adjustments	(22,514)	-
Tenancy Reimbursements	4,995	-
Rents Received	731,118	573,569
Interest Received	7,795	7,993
Sundry Income	-	123
TOTAL INCOME	<u>1,237,587</u>	<u>879,445</u>
PROPERTY EXPENSES		
Rent Paid	464,177	444,829
Rates & Utilities	96,731	58,630
Repairs & Maintenance	167,248	100,477
Provision Capital Maintenance	42,000	67,951
Finance Contributions	51,120	52,516
Doubtful Debts	11,881	-
Tenant/Landlord Bond Adjustment	-	3,281
Insurance	15,836	-
Security Services	1,322	-
Strata Levies	2,755	-
Tenancy Administration – Contra	31,222	-
Tenancy Management – Contra	83,362	-
Tenant Debts	13,536	-
Tenant Transfer Costs	3,223	-
TOTAL PROPERTY EXPENSES	<u>984,413</u>	<u>727,684</u>
MANAGEMENT EXPENSES		
Consultants	15,168	-
Fringe benefits	5,087	-
Movement Employee Provisions	(13,877)	9,147
SAAP Contribution	-	(7,901)
Salaries and Wages	146,683	122,480
Superannuation Contributions	9,017	7,360
Temporary Staff	16,269	-
Workers Compensation Insurance	842	295
TOTAL MANAGEMENT EXPENSES	<u>179,189</u>	<u>131,381</u>

The above Detailed Profit and Loss Statement should be read
in conjunction with the attached disclaimer.

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED

DETAILED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30TH JUNE, 1998.

	1998 \$	1997 \$
ADMINISTRATION EXPENSES		
Accountancy Fees	5,604	-
Audit	3,380	3,785
Advertising	4,595	-
Bank Charges	382	358
Cleaning	1,460	825
Conference & Meetings	3,503	365
Consultants	5,960	-
Depreciation	4,331	4,299
Donations	70	50
Electricity	488	942
General Office Expenses	2,918	1,641
Insurance	2,232	1,931
Legal Costs	340	415
Postage & Telephone	3,772	7,539
Printing & Stationery	7,930	6,121
Rent	11,700	14,850
Repairs & Maintenance	2,977	1,422
Staff Training & Welfare	494	2,470
Subscriptions	951	510
Telephone	5,010	(69)
Travelling Expenses	3,301	2,582
TOTAL ADMINISTRATION EXPENSES	71,398	50,036
OPERATING PROFIT (LOSS)	-	(29,656)
Extra-ordinary Items		15,619
NET OPERATING PROFIT (LOSS)	2,587	(14,037)
RETAINED PROFITS AT BEGINNING OF YEAR	34,660	48,697
RETAINED PROFITS AT END OF YEAR	37,247	34,660

The above Detailed Profit and Loss Statement should be read
in conjunction with the attached disclaimer.