

MONT CLAIR HOME UNITS PTY LIMITED
347 Liverpool Street Darlinghurst NSW 2010

Board Of Directors

ANNUAL REPORT 2005/06

Financial Results

The financial reports have been prepared in accordance with accrual based accounting standards and circulated to shareholders with the AGM papers. The financial result for the year ended 30 June 2006 was a **small surplus of \$1,879**.

The cash based financial results were as follows:

Admin Fund

Balance brought forward (01/07/05)	\$4,070
Income	\$104,303
Expenditure	\$98,554
Cash balance as at 30/06/06	\$9,819 (credit)

Sinking Fund

Balance brought forward (01/07/05)	\$7,990
Income	\$15,296
Expenditure	\$21,297
Cash balance as at 30/06/06	\$1,989

Total cash balance as at 30/6/06 **\$11,808 (credit)**

Whilst there are currently no shareholders significantly in arrears, shareholders are reminded that it is essential that levies are fully paid by the due date.

Budget

Testing and fire safety maintenance is costing approx \$10,000 each year. The current budget and levy schedules are achieving a 'break even' result and not providing adequate sinking fund reserves. A relatively small increase in the sinking fund levy is proposed to commence from 01.07.07.

Fire Safety Upgrade

Minor work was completed to finalise certification of the fire safety upgrade as follows:

Consultants	\$1,950
Shield Fire Doors	\$7,990
Floor penetrations	\$2,016
Signs	\$722
Locks	\$218
Milk Boxes	\$500
Curtains	\$722
Total	\$14,192

It is pleasing to report that the Sydney City Council issued a final fire safety statement of full compliance with the fire safety order in terms of the Environment Planning and Assessment Act 1979. In addition, the Council said that the upgrade is one of the best it had seen and is a very

successful example of heritage considerations being handled sensitively. The Council was also very complimentary about the cleanliness of the garbage room.

Shareholders

Three share transfers (Units 61, 62 and 43) were approved during the year. Mont Clair extends a warm welcome to the new shareholders.

A drinks evening was held in Mont Clair's foyer in November 2006 and was a great success as many residents and neighbours attended. Another drinks evening will be held in May 2007 and shareholders are encouraged to take up the opportunity to meet with the Board and the residents in a relaxed and informal setting.

Tenancy Agreements

11 tenancy agreements were approved during the 2005/06 financial year.

House Regulations

A Board Sub Committee has finalised revised house regulations to incorporate fire safety regulations and to ensure that Mont Clair continues to be a premium standard building. A draft copy has been distributed with the AGM papers for consultation. Any comments would be appreciated by Friday 23.03.07.

Web Site

A Board sub committee is finalising a proposal to establish a Mont Clair web site to raise Mont Clair's heritage profile and to make important information more accessible for tenant interviews.

General Building Maintenance

Plumbing and Drainage

Plumbing and drainage maintenance was a major expense during the year (\$7,105). Complaints have also been received from a few residents about high water wastage as the hot water supply is variable. The plumbers who installed the hot water tanks have reviewed the problem and advised that the system is working properly. The Board has surveyed residents to obtain accurate information prior to engaging a water engineer to advise on improvements to the water system to minimize water wastage.

Lift

The lift has not been consistently maintaining floor levels and several break downs have occurred causing inconvenience to residents on the upper floors. The Electra Lift Company was asked to provide recommendations on upgrading the lift to minimize risks and hazards. James Phillips the building architect has been engaged to advise the Board and liaise with the Electra Lift Company to complete an upgrading proposal, timeframes for completing the work and budgets.

Thank you

The Board thanks Wayne Priddle for successfully carrying out the role of Chairman; and Fay McDonald, Company Secretary/Managing Agent, for carefully managing the company's day to day activities.

Board of Directors

26.02.2007