

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

FINANCIAL REPORT

FOR THE YEAR ENDED
30TH JUNE 2023

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

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METRO COMMUNITY HOUSING CO-OPERATIVE LTD
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DIRECTOR'S REPORT

Your directors present their report on the Co-operative for the Financial Year ended 30 June 2023.

The names of the directors in office at any time during the year and to the end of the report are:

Rick Daly	Susan Taylor
Eanna O'Ceallachain	David Abello
Malcolm Pollard	Melinda Tunbridge
Maria Kenny	Shaun Driscoll
Rosemarie Mylrea	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activities of the Co-operative during the financial year were: **the provision of affordable Community Housing to people who meet Housing Pathways eligibility criteria.** No significant change in the nature of these activities occurred during the year.

RESULTS OF OPERATIONS

The surplus of the Co-operative for the financial year amounted to **\$1,700,565.00.**

REVIEW OF OPERATIONS

In the financial year ended 30 June 2023 Metro managed 110 capital properties – ie properties owned by the NSW Land and Housing Corporation, and received government funding from the NSW Department of Communities and Justice to head lease a quota of 261 properties from the private rental market.

We have generally been able to headlease between 10- 20 additional properties within the Community Housing Leasehold program but the combination of difficult market conditions and the need to acquire leasehold properties for other programs such as Together Home and STEP has reduced this to an average of only 8 additional properties in 2022/23.

In our capital and head-leased properties we housed a total of 852 people during 2022/2023. Of these 560 were the “head” tenant (ie the person who signs the lease), with other household members being (in descending order):

- The dependent children (under 18 years) of the head tenant
- The adult children (over 18 years) of the head tenant
- The domestic partners of the head tenant
- The formal or informal carer of the head tenant
- extended family members, or friends of the head tenant

The slightly lower number of residents for the year also reflects the higher proportion of single person households (primarily single men) housed through Housing First programs (for people exiting street sleeping) and a slight reduction in transitional tenancies.

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Approximately 25% of tenancies were allocated to people nominated for transitional housing by one of the 20 community based services with which we have a formal Service Level Agreement.

Whilst some transitional tenants will have the capacity to exit social housing once the immediate circumstances that led to their homelessness or insecure housing is addressed (ie leaving Family and Domestic Violence; completing the last stage of a residential rehabilitation program), the majority of transitional tenants will require long term social housing.

Transitional tenancies are offered for periods of 6-24 months for persons who are approved as *Housing General*. Tenants who are *Priority approved* on the NSW Housing Registrar are able to remain in a transitional tenancy until they receive a permanent offer of social housing.

Given our relative size and the lack of turnover in our long term tenancies, permanent offers will generally be made by a larger Community Housing provider or from the NSW Department of Communities and Justice.

Metro also offers extended transitional tenancy terms of up to 3 years for residents who are undertaking full time secondary, vocational or tertiary education courses, or those who have children in Years 10, Years 11 and 12, in order to provide a stable environment for transitional tenants or their dependent children to complete their studies.

In response to the public health emergency posed by COVID, the NSW government responded very quickly to assist large numbers of people who had been street sleeping to move into temporary accommodation, and from July 2020 they have provided funding to Community Housing providers across the state to head-lease properties and contract specialist support services to provide intensive support for these clients through the *Together Home program*.

Metro has housed a total of 51 people through the 3 tranches of the Together Home program. Whilst the program was initially funded for only two years, DCJ has been able to allocate supplementary funding to allow the extension of the leasehold subsidy and contracted support arrangements to those participants who require ongoing support beyond the 2 year term. Metro has also committed to providing all our Together Home nominated tenants with permanent, long term housing.

Metro was contracted again to participate in a second round of the STEP to Home program in consortia with Bridge Housing, the Women's Housing Company and NEAMI National. The first round provided permanent housing and support for a total of 90 tenants to exit long term homelessness. Metro housed a further 13 tenants in Tranche 2.

This followed an independent evaluation of the program which demonstrated the effectiveness of the model in helping tenants to establish and sustain positive tenancies, improve their personal well-being and develop or improve community connections.

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All Community Housing providers are required to be registered through the *National Regulatory Scheme for Community Housing Providers* as a Tier 1, Tier 2 or Tier 3 provider. Each organisation's registration tier is determined by the size and nature of their operations and their risk profile.

Metro completed our Annual Compliance Assessment in May 2023 and were assessed as fully compliant with the National Regulatory Scheme for Community Housing (NRSCH) as a Tier 2 provider by the independent Registrar of Community Services.

Metro undertook its annual Tenant Satisfaction survey in April 2023. We had a 35% response rate to the survey and again saw very high levels of satisfaction with all aspects of our service delivery. The survey also confirmed the significant benefits of stable, secure housing with over 92% of our respondents stating that their lives had improved significantly since being housed with Metro.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes to our activities in the 2023/2023 financial year.

AFTER BALANCE DATE EVENTS

The only matters of circumstances that has arisen since the end of the financial year that has affected or may affect the operations of the company are:

- 1) We were successful in securing government funding through the *Community Housing Innovation Fund* to allow us to upgrade our 8 unit block in Canterbury to support its' future use as permanent social housing for women exiting Domestic and Family violence and our 4 unit block in Campsie to provide permanent housing for tenants exiting the Together Home program.
- 2) The redevelop our Sloane Street site to provide 12 purpose build self contained "new generation" boarding house units. We expect construction to be completed in the first quarter of 2024.

LIKELY DEVELOPMENTS

Our current Strategic Plan (2023-2028) was developed following a major review of the previous Strategic Plan at our annual planning meeting in February 2023.

The Metro board contracted an independent consultant to undertake a comprehensive Board Review, and a wider scale organisational review to help us identify the internal/external challenges for the sector/our organisation and to develop the strategies to ensure Metro's structure and processes are "fit for purpose" for the future.

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We will continue to support initiatives to assist tenants who have the capacity to do so to exit social housing through their participation in education, training and supported work placements – we do this through:

- providing scholarships to our tenants to enable them to engage in education/other programs to improve their skills and capacities;
- offering extended transitional terms to young people and parents to enable them to complete their studies, and
- deferring rent increases for newly employed tenants to allow them to buy essential work-related materials if required and to allow them to transition to being higher rent payers .

The Metro Board and staff remain committed to providing our tenants with a high quality social housing experience by ensuring :

- Effective planned and responsive maintenance of our capital properties
- Acquisition of leasehold properties that are in good condition and are appropriate to the locational and physical needs of our tenants
- Tenancy management which acknowledges and responds to the changing circumstances of our residents
- Clear and open communication with tenants and stakeholders about our services, our capacities and our limitations
- Staff are supported to provide the best quality service possible
- Directors and staff have the appropriate skills and qualifications to perform their roles

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DIRECTOR'S REPORT

Directors

(a) Director's Positions as at 30 June 2022		Date Appointed
Rick Daly	Director, Chairperson	28 November 2018
Eanna O'Ceallachain	Director, Deputy Chairperson	13 August 2008
Susan Taylor	Director, Secretary	22 November 1996
Maria Kenny	Director, Treasurer	09 April 2019
David Abello	Director,	13 August 2008
Malcolm Pollard	Director	21 March 2007
Melinda Tunbridge	Director	16 October 2013
Shaun Driscoll	Director	13 March 2019
Rosemary Myrlea	Director	14 June 2023

(b) Directors Meetings

During the financial year 10 meetings of Directors were held*

Attendances were:	Number eligible to attend	Number attended
David Abello	10	9
Rick Daly	10	10
Eanna O'Ceallachain	10	9
Susan Taylor	10	6
Malcolm Pollard	10	8
Melinda Tunbridge**	6	2
Shaun Driscoll	10	5
Maria Kenny	10	6
Rosemary Myrlea	1	1

*Directors each received \$100.00 meeting attendance fee for each meeting attended.

** Melinda Tunbridge resigned from the BOD in January 2023.

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DIRECTOR'S REPORT

DISCLOSURE OF INTERESTS

No Director has received or become entitled to receive, during or since the end of the financial year, a benefit because of a contract made by the Co-operative or a related body corporate with the director, a firm of which the director is a member, or a co-operative in which the director has a substantial financial interest.

This statement excludes a benefit included in the aggregated amount of emoluments received, or due and receivable by directors shown in the co-operative's accounts, or the fixed salary of a full time employee of the co-operative or related body corporate.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Co-operative.

PROCEEDINGS ON BEHALF OF THE CO-OPERATIVE


No person has applied for leave of Court to bring proceedings on behalf of the Co-operative or intervene in any proceedings to which the Co-operative is a party for the purpose of taking responsibility on behalf of the Co-operative for all or any part of those proceedings. The Co-operative was not party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

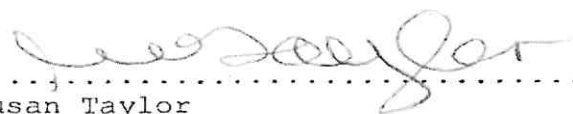
A copy of the Auditor's independence declaration as required under the Co-operatives (Adoption of National Law) Act 2021 and the Australian Charities and Not-for-profits Commission Act 2012 is attached following this Director's report.

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

Director


.....
Richard Daly

Director


.....
Susan Taylor

Dated this 15th day of November 2023.

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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF
METRO COMMUNITY HOUSING CO-OPERATIVE LTD

I declare that, to the best of my knowledge and belief, during the year ended 30th June 2023 there have been:

- (i) no contraventions of the auditor independence requirements of the Co-operatives (Adoption of National Law) Act 2012 and the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: Dawsons Accountants



Name of Auditor:
Hamish Dawson

Address: PO Box 6655
Rouse Hill NSW
2155

Dated: 16th November 2023

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**STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2023**

	Note	2023 \$	2022 \$
REVENUE			
Rent Received or Receivable		5,125,418	4,836,275
Government Grants	2	9,023,864	8,882,082
Others	3	449,168	260,085
Total Revenue		14,598,450	13,978,442
EXPENSES			
Tenancy and Property Expenses	4	11,359,032	10,998,204
Administration Expenses	5	798,545	712,738
Total Expenses		12,157,577	11,710,942
Current year operating surplus / (loss)		2,440,873	2,267,500
Tax expense		-	-
Net Current year operating surplus / (loss)		2,440,873	2,267,500
Other comprehensive income/ (loss):			
Net loss on disposal of a building	9	-740,309	-
Net gain/ (loss) on revaluation of financial assets		-	-
Total other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		1,700,565	2,267,500
Transfer to Reserve		-167,824	-152,567
Net current year operating surplus attributable to members of the entity		1,532,741	2,114,933
Total comprehensive income attributable to members of the entity		1,532,741	2,114,933

The accompanying notes form part of these financial statements.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
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STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2023

	Note	2023 \$	2022 \$
CURRENT ASSETS			
Cash assets	6	11,461,340	10,913,721
Receivables	7	283,822	160,363
Other assets	8	<u>210,255</u>	<u>159,963</u>
TOTAL CURRENT ASSETS		<u>11,955,417</u>	<u>11,234,047</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	10,068,125	9,462,810
Right of Use Assets - Leases	10	1,772,502	3,116,114
Other Assets	11	804,534	827,290
Other Financial Assets	11	<u>15,972</u>	<u>15,972</u>
TOTAL NON-CURRENT ASSETS		<u>12,661,133</u>	<u>13,422,186</u>
TOTAL ASSETS		<u>24,616,550</u>	<u>24,656,233</u>
CURRENT LIABILITIES			
Payables	12	5,342,097	6,050,126
Provisions	13	97,433	116,634
Lease Payable	15	929,768	1,322,321
Other	14	<u>55,099</u>	<u>47,968</u>
TOTAL CURRENT LIABILITIES		<u>6,424,397</u>	<u>7,537,049</u>
NON-CURRENT LIABILITIES			
Provisions	13	125,114	107,179
Lease Payable	15	826,353	1,477,279
Other	14	<u>255,104</u>	<u>249,709</u>
TOTAL NON-CURRENT LIABILITIES		<u>1,206,571</u>	<u>1,834,167</u>
TOTAL LIABILITIES		<u>7,630,967</u>	<u>9,371,215</u>
NET ASSETS		<u>16,985,583</u>	<u>15,285,018</u>
EQUITY			
Reserves	17	2,224,292	2,056,468
Retained surplus	16	<u>14,761,291</u>	<u>13,228,550</u>
TOTAL EQUITY		<u>16,985,583</u>	<u>15,285,018</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2023

	Retained Surplus \$	Total Reserve \$	Total \$
Balance at 1 July 2021	11,113,616	1,903,901	13,017,517
Operating Surplus / (Loss)	2,267,500	-	2,267,500
Other Comprehensive Income	-	-	-
Movement in Operating Surplus	-	-	-
Movement in Reserves	- 152,567	152,567	-
Balance at 30 June 2022	<u>13,228,550</u>	<u>2,056,468</u>	<u>15,285,018</u>
Balance at 1 July 2022	13,228,550	2,056,468	15,285,018
Operating Surplus / (Loss)	2,440,873	-	2,440,873
Other Comprehensive Income / (Loss)	-740,309	-	-740,309
Movement in Operating Surplus	-	-	-
Movement in Reserves	-167,824	167,824	-
Balance at 30 June 2023	<u><u>14,761,291</u></u>	<u><u>2,224,292</u></u>	<u><u>16,985,583</u></u>

The accompanying notes form part of these financial statements.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2023

	2023	2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Rent and Charges Received from Tenants	5,243,337	5,115,177
Government Grants	8,578,094	11,317,946
Interest Paid	-134,481	-301,156
Other income	12,488	11,731
Payment to Suppliers and Employees	<u>-10,266,850</u>	<u>-8,502,864</u>
Net cash provided by (used in) operating activities	<u>3,432,588</u>	<u>7,640,834</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Rental Bonds	30,736	-
Proceeds from Rental Bonds	-	9,541
Proceeds from Financial Assets	-	-
Proceeds from sale of Property & Equipment	-	0
Payments for Property & Equipment	<u>-751,701</u>	<u>-6,035,523</u>
Net cash provided by (used in) investing activities	<u>-720,965</u>	<u>-6,025,982</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for Leases	<u>-2,164,005</u>	<u>-2,041,006</u>
Net cash provided by (used in) financing activities	<u>-2,164,005</u>	<u>-2,041,006</u>
Net increase (decrease) in cash held	547,618	-426,154
Cash at Beginning of Financial Year	<u>10,913,721</u>	<u>11,339,874</u>
Cash at end of year	<u><u>11,461,340</u></u>	<u><u>10,913,721</u></u>

The accompanying notes form part of these financial statements.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
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CASH FLOWS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2023

	2023	2022
	\$	\$
Notes to the Cash Flows Statements		
Reconciliation of Cash		
Cash at the end of financial year as shown in the Cash Flows Statement is reconciled to the related items in the Statement of Financial Position as follows:		
Cash on Hand	500	500
Cash at Bank	9,943,328	9,435,073
Term Deposits	1,517,512	1,478,148
	11,461,340	10,913,721
Reconciliation of Net Cash provided by Operating Activities to profit from ordinary activities after Income Tax		
Operating surplus (loss) after income tax	1,700,565	2,267,500
Proceeds from Sale of Equipment	-	-
Transfer to Asset Purchase	-	-
Non-cash flows in operating surplus (loss)		
Provision for Annual Leave	-19,748	24,045
Provision for Doubtful Debts	8,521	602
Provision for Long Service Leave	17,935	14,874
Provision for Time in Lieu	547	-1,212
Property Bond Recovered	-3,840	-1,271
Loss on Asset Disposal	740,309	-
Property Bond Expense	-	6,460
Depreciation & Amortisation	1,870,214	2,238,135
Changes in assets and liabilities		
(Increase) Decrease in Sundry Debtors	-123,458	60,868
(Increase) Decrease in Interest Receivable	-7,268	3,452
(Increase) Decrease in Prepayments	-41,770	-130,738
(Increase) Decrease in Input Tax Credits	-39,774	-73,981
(Decrease) Increase in Sundry Creditors	-236,512	792,700
(Decrease) Increase in Rent in Advance/Arrears	-7,507	19,516
(Decrease) Increase in Accrued Expenses	6,373	3,144
(Decrease) Increase in PAYG Withholding	1,446	508
(Decrease) Increase in GST Payable	11,569	-19,992
(Decrease) Increase in Grants in Advance	-445,770	2,435,865
(Decrease) Increase in Payable	758	358
	3,432,588	7,640,834
Cash flows from operations		

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2023

1 Statement of Significant Accounting Policies

The financial statements are for Metro Community Housing Co-operative Ltd as an individual entity, incorporated and domiciles in Australia. The Metro Community Housing Co-operative Ltd is a co-operative.

The financial statements were authorised for issue on 29th of November 2023 by the directors of the co-operative.

Basis of Preparation

The financial statements is a general purpose financial statement in accordance with Co-operatives (Adoption of National Law) Act 2012, the Australian Charities and Not-for-profits Commission Act 2012, and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accrual 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

Going Concern

The accounts have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Accounting Policies

Income Tax

The Co-operative is exempt for income tax purposes. No provision for taxation has been made.

Investments

Investments are measured on the cost basis. The carrying amount of investment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of the investments. The recoverable amount is assessed from the quoted market value for shares in listed companies or the underlying net assets for other non-listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

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NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2023

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are measured on the cost basis.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to depreciation charge.

The useful life for each class of depreciable assets are:

Office Equipment	20%
Property Equipment	15%
Software	40%

Leases

Leases are recognised in accordance with IFRS 16 effective 01 July 2020 being the transition date for Metro Housing Financial Statements. Existing leases as at transition date with remaining term of more than 12 months and new leases with term of more than 12 months are capitalised/recorded as an asset and a liability is recognised equal to the present value of future lease payments.

Leased assets are amortised over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for leases that do not qualify under the new standard are charged as expenses in the periods in which they are incurred.

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NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2023

Employee Entitlements

Provision is made for the co-operative's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Long Service Leave is accrued in respect of all employees with more than 5 years service with the co-operative.

Revenue

Revenue from rental income is recognised on accrual basis.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the assets or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in at call deposits with banks or financial institutions, investments in money market instruments maturing within less than three months, net of bank overdrafts. Bank overdrafts are shown in current liabilities on the balance sheet.

Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

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A.B.N. 85 775 722 514

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
2 Government Grant Revenue		
CTS Housing Grants	9,023,864	8,882,082
Other Grants Received	-	-
	9,023,864	8,882,082
	9,023,864	8,882,082
3 Other Revenue		
Sundry Revenue	6,628	2,402
Management Fees	9,700	10,600
Interest Received	80,426	7,593
Tenants charges	352,414	239,490
	449,168	260,085
	449,168	260,085
4 Tenancy and Property Expenses		
Rent Paid	6,440,655	5,979,639
Lease Amortisation	1,668,601	2,091,371
Lease Interest Expense	195,950	308,242
Repairs & Maintenance	1,042,821	672,478
Electricity	7,361	8,409
Insurance	126,088	93,891
Rates & Taxes	238,234	218,827
Water Usage	29,345	27,574
Case Management Support	663,137	865,113
Bad Debts - Tenants Charges	79,221	51,314
Bad Debts - Rent	12,667	2,797
Depreciation	130,244	75,356
Sundry Costs	103,787	41,742
Salaries and Superannuation	620,922	561,452
	11,359,032	10,998,204
	11,359,032	10,998,204
5 Administration Expenses		
Office Expenses	273,529	248,293
Lease Amortisation - Office	55,227	58,215
Lease Interest Expense - Office	11,688	3,960
Salaries and Superannuation	441,301	386,770
	781,745	697,238
	781,745	697,238
5A Auditor's Remuneration		
Auditing of Financial Statements	16,800	15,500
	16,800	15,500
Total Administration Expenses	798,545	712,738

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NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2023

	2023 \$	2022 \$
6 Cash Assets		
Cash on Hand	500	500
Cash at Bank	9,943,328	9,435,073
Term Deposits	1,517,512	1,478,148
	<u>11,461,340</u>	<u>10,913,721</u>
7 Receivables		
CURRENT		
Sundry Debtors	306,104	170,917
Less: Provision for Doubtful Debts	-40,837	-32,316
	<u>265,267</u>	<u>138,601</u>
Other debtors	18,555	21,763
	<u>283,822</u>	<u>160,363</u>
Provision for Doubtful Debts		
Current trade receivables are generally 30-day terms. These receivables are assessed for recoverability and a provision for doubtful debts is recognised when there is objective evidence that an individual trade receivable may not be recoverable. These amounts have been included in other expense items.		
Opening balance	32,316	31,714
Charge for year	8,521	602
Written off	0	0
Closing Balance	<u>40,837</u>	<u>32,316</u>
Credit Risk - Trade and Other Receivables		

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the Statement of financial position and notes to and forming part of the financial statements.

The co-operative does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the co-operative.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2023**

2023 **2022**
\$ \$

7 Receivables (continued)

The following table details the co-operative's trade and other receivables exposed to credit risk with aging analysis. Amounts are considered as past due when the debt has not been settled within the terms and conditions agreed between the co-operative and the customer or counter party to the transaction. Receivables that are past due are assessed as doubtful by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the co-operative.

	Gross Amount \$	Past due and doubtful \$	Past due but not doubtful (days overdue)				Within initial terms \$
			< 30 \$	< 31 - 60 \$	< 61 - 90 \$	> 90 \$	
2022							
Sundry Debtors	170,917	32,316	17,983	6,938	13,873	9,149	90,658
Other debtors	21,763	-	-	-	-	-	21,763
Total	192,680	32,316	17,983	6,938	13,873	9,149	112,421
2023							
Sundry Debtors	306,104	40,837	25,696	10,712	16,594	24,889	187,375
Other debtors	18,555	-	-	-	-	-	18,555
Total	324,659	40,837	25,696	10,712	16,594	24,889	205,930

8 Other Assets

CURRENT		
Interest Receivable	10,454	3,186
Prepayments	198,547	156,777
Finance Office Bond	1,254	-
	<u>210,255</u>	<u>159,963</u>

METRO COMMUNITY HOUSING CO-OPERATIVE LTD

A.B.N. 85 775 722 514

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2023**

	2023 \$	2022 \$
9 Property, Plant and Equipment		
Land & Building - at cost	8,008,566	8,910,463
Less: Accumulated Depreciation	-94,471	-177,354
	7,914,096	8,733,110
Building Improvements	515,386	515,386
Less: Accumulated Depreciation	-77,308	-25,769
	438,078	489,617
Construction Work-in-progress	1,672,840	190,560
Office Machines & Equipment	113,680	107,476
Less: Accumulated Depreciation	-83,493	-70,984
	30,187	36,492
Office Furniture & Equipment	44,579	42,174
Less: Accumulated Depreciation	-31,839	-30,067
	12,740	12,107
Property Equipment	1,909	1,909
Less: Accumulated Depreciation	-1,909	-1,909
	-	0
Software	67,234	67,234
Less: Accumulated Depreciation	-67,049	-66,309
	185	925
Total Property, Plant and Equipment	10,068,125	9,462,810

Movements in Carrying Amounts

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

	Freehold Land and Building \$	Building Improvement and Construction Work-in- Progress \$	Office Machine and Equipment \$	Office Furniture and Equipment \$	Software \$	Total \$
Balance at 1 July 2021	3,475,423	-	24,014	14,736	1,665	3,515,838
Additions	5,307,274	705,946	22,303	-	-	6,035,523
Disposals - written-down value	-	-	-	-	-	-
Revaluations increment	-	-	-	-	-	-
Depreciation - Capital Reserve	-49,587	-25,769	-9,825	-2,629	-740	-88,550
Carrying amount at 30 June 2022	8,733,110	680,177	36,492	12,107	925	9,462,810

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

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2023**

	2023 \$	2022 \$	
9 Property, Plant and Equipment (continued)			
	Freehold Land and Building \$	Building Improvement Construction Work-in- \$	Office Machine and Equipment \$
	Office Furniture Equipment \$	Software \$	Total \$
Balance at 1 July 2022	8,733,110	680,177	36,492
Additions	-	1,482,279	6,204
Disposals - written-down value	-740,309	-	-
Revaluations increment	-	-	-
Depreciation - Capital Reserve	-78,706	-51,539	-12,515
Carrying amount at 30 June 2023	7,914,096	2,110,917	30,187
			12,740
			185
			10,068,125

10 Right of Use Assets

	Residential Leases \$	Office Lease \$	Total \$
Balance at 1 July 2021	4,225,356	49,010	4,274,366
Additions	825,652	165,681	991,333
Disposals - written-down value	-	-	-
Other adjustment	-	-	-
Amortisation	-2,091,371	-58,215	-2,149,586
Carrying amount at 30 June 2022	2,959,638	-	156,476
			3,116,114

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

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2023**

	2023	2022	
	\$	\$	
10 Right of Use Assets (continued)			
	Residential Leases \$	Office Lease \$	Total \$
Balance at 1 July 2022	2,959,638	156,476	3,116,114
Additions	380,216	-	380,216
Disposals - written-down value	-	-	-
Other adjustment	-	-	-
Amortisation	-1,668,601	-55,227	-1,723,828
Carrying amount at 30 June 2023	1,671,252	101,249	1,772,502
11 Other Assets and Other Financial Assets			
Other Assets			
Rental Bonds with Bond Board	804,534	827,290	
	<u>804,534</u>	<u>827,290</u>	
Other Financial Asset			
Term Deposits	15,972	15,972	
	<u>15,972</u>	<u>15,972</u>	
12 Payables			
CURRENT			
Sundry Creditors	822,636	1,050,627	
Tenants Rent	199,669	207,176	
Deferred Grant Income	4,265,899	4,711,669	
Input Tax Credits	-174,922	-135,148	
GST Payable	215,375	203,806	
Amount Withheld	13,441	11,995	
	<u>5,342,097</u>	<u>6,050,126</u>	
13 Provisions			
CURRENT			
Provision for Annual Leave	90,656	110,404	
Provision for Time in Lieu	6,776	6,230	
	<u>97,433</u>	<u>116,634</u>	
NON-CURRENT			
Provision for Long Service Leave	125,114	107,179	
	<u>125,114</u>	<u>107,179</u>	

METRO COMMUNITY HOUSING CO-OPERATIVE LTD

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NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
14 Other Liabilities		
CURRENT		
Accrued Expenses	51,303	44,930
Superannuation Payable	3,795	3,037
	<u>55,099</u>	<u>47,968</u>
NON-CURRENT		
Rental Bond from Tenants	<u>255,104</u>	<u>249,709</u>
15 Lease Payable		
CURRENT - Not later than 12 months		
Residential Lease	873,479	1,273,703
Office Lease	56,289	48,617
	<u>929,768</u>	<u>1,322,321</u>
NON-CURRENT - Between 12 months to 7 years		
Residential Lease	773,191	1,367,827
Office Lease	53,162	109,451
	<u>826,353</u>	<u>1,477,279</u>
16 Retained Surplus		
Retained surplus / (accumulated losses) at the beginning of the financial year	13,228,550	11,113,616
Transfer from Capital Grants Reserve	-	-
Transfer from General Reserve	-	-
Transfer from General Reserve - Resamen	-	-
Transfer to Capital Maintenance Reserve	- 82,867	- 75,334
Transfer to Operating Expenses Reserve	- 84,957	- 77,233
Net profit attributable to members of the entity	1,700,565	2,267,501
Retained surplus / (accumulated losses) at the end of the financial year	<u>14,761,291</u>	<u>13,228,550</u>

METRO COMMUNITY HOUSING CO-OPERATIVE LTD

A.B.N. 85 775 722 514

NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
17 Reserves		
Capital maintenance reserve	911,539	828,672
Operating expenses reserve	934,524	849,567
Asset Revaluation Reserve	378,229	378,229
	<u>2,224,292</u>	<u>2,056,468</u>
Capital maintenance reserve		
Movements during the year:		
Opening Balance for the year	828,672	753,338
Transfer from surplus and other reserve	82,867	75,334
Closing balance	<u>911,539</u>	<u>828,672</u>
Operating expenses reserve		
Movements during the year:		
Opening Balance for the year	849,567	772,334
Transfer from surplus and other reserve	84,957	77,233
Closing balance	<u>934,524</u>	<u>849,567</u>
Asset Revaluation Reserve		
Movements during the year:		
Opening Balance for the year	378,229	378,229
Property Revaluation	-	-
Closing balance	<u>378,229</u>	<u>378,229</u>
18 Remuneration and Retirement Benefits		
The names of directors who have held office and were paid remuneration during the financial year were:		
Eanna O'Ceallachain	900	800
Susan Taylor	600	1,000
David Abello	900	1,000
Malcom Pollard	800	1,100
Melinda Tunbridge	200	700
Maria Kenny	600	500
Shaun Driscoll	500	700
Rick Daly	1,000	1,000
Rosemary Mylrea	100	-
	<u>5,600</u>	<u>6,800</u>

No retirement benefits provided to Directors.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD

A.B.N. 85 775 722 514

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2023**

2023 2022
\$ \$

19 Economic Dependence

The co-operative relies on grant payments made available by the NSW State Government.

The government grants shown in accounts are:

Housing Grants	9,023,864	8,882,082
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20 Financial Instruments

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

Interest Rate Risk

Interest rate risk relates to the co-operative's exposure to fluctuations in repayments due to changes in market interest rates. The average interest rates of the entity's financial assets and liabilities are as follows:

	Average Effective Interest Rate			
	2023 %	2022 %	2023 \$	2022 \$
Financial Assets				
Cash at Bank	0.42%	0.01%	9,943,328	9,435,073
Term deposits	2.86%	0.67%	1,533,484	1,494,120
			11,476,812	10,929,193

Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the co-operative intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2023

2023	2022
\$	\$

21 Segment Reporting

This co-operative only operates in New South Wales.

22 Contingent Liabilities

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

23 Events after the reporting period

No other matters or circumstance has arisen since the end of the financial year which significantly affected or may significantly affect the operations of the co-operative, the results of those operations, or the state of affairs of the co-operative in subsequent financial years.

24 Contingent Right - Tenant Bond

The Co-operative has the potential right to claim againsts Rental Bond Board for bonds deposited by tenants in the events of default by the tenants.

25 Entity Details

The registered office and principal place of business of the entity is:
Metro Community Housing
Suite 208,
1 Erskineville Road
Newtown NSW 2042

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
DIRECTORS' DECLARATION

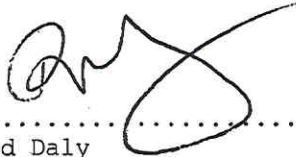
The directors of the Co-operative declare that, in the directors' opinion:

1. The financial statements and notes are in accordance with the Co-operatives (Adoption of National Law) Act 2012, and Australian Charities and Not-for-profits Commission Act 2012, and:
 - (a) comply with Australian Accounting Standards and the Co-operatives National Regulations; and
 - (b) give a true and fair view of the financial position as at 30th June 2023 and of the performance for the year ended on that date.
2. 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 signed in accordance with a resolution of the directors.

Director

.....
Richard Daly



Director

.....
Susan Taylor



Dated this

15th

day of November 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

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

Report on the financial report

I have audited the accompanying financial report of Metro Community Housing Co-operative Ltd, which comprises the statement of financial position as at 30th June 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory 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 that gives a true and fair view in accordance with Australian Accounting Standards, the Co-operatives (Adoption of National Law) Act 2012 and the Australian Charities and Not-for profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and 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. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 company's preparation of the financial report that gives a true and fair view 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 company'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 performed the procedures to assess whether in all material respects the financial report gives a true and fair view, in accordance with Australian Accounting Standards, Co-operatives (Adoption of National Law) Act 2012 and the Australian Charities and Not-for-Profits Commission Act 2012 and the Australian Charities and Not-for-Profits Commission Regulation 2013, and a true and fair view which is consistent with my understanding of the Co-operative's financial position and of its performance.

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

INDEPENDENT AUDITOR' S REPORT

TO THE MEMBERS OF

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

Independence

In conducting my audit, I have complied with the independence requirements of the Co-operatives (Adoption of National Law) Act 2012 and Australian Charities and Not-for-profits Commission Act 2012 and any applicable code of professional conduct in relation to the audit.

Auditor's Opinion

In my opinion, the financial report of Metro Community Housing Co-Operative Ltd has been prepared in accordance with the Co-operatives (Adoption of National Law) Act 2012 and Australian Charities and Not-for-profits Commission Act 2012, including:

- a. giving a true and fair view of the company's financial position as at 30th June 2023 and of its financial performance and cash flows for the year ended on that date; and
- b. complying with Australian Accounting Standards, the Co-operatives National Regulations and the Australian Charities and Not-for-profits Commission Regulation 2013.

Name of Firm: Dawsons Accountants



Name of Auditor:
Hamish Dawson

Address: PO Box 6655
Rouse Hill NSW 2155

Dated: 16th November, 2023