

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

FINANCIAL REPORT

FOR THE YEAR ENDED
30TH JUNE 2022

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
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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 2022.

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

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 profit of the Co-operative for the financial year amounted to **\$2,267,500.00.**

REVIEW OF OPERATIONS

In the financial year ended 30 June 2022 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.

Over the last several years Metro has consistently leased approximately 5% more properties than our funded quota. The average number of additional CHLP funded properties was a little lower this year, averaging 270 properties leased in 2021/22. This was primarily the result of needing to acquire approximately 25 non-CHLP funded leasehold properties to house people referred through the Together Home program.

In these 110 capital properties and 270 head-leased properties we housed a total of 880 people during 2021/2022. Of this number, 575 were the “head” tenant (ie the person who signs the lease) with other household members being (in 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

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Approximately 30% of our tenancies are allocated to people nominated for transitional housing for terms of between 6 and 24 months for individuals or families supported 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.

Being able to access transitional housing whilst awaiting a permanent offer of social housing provides those tenants with the opportunity to maintain or improve their physical and mental health, enables them to remain engaged with specialist medical, mental health of support workers, and allows residents to develop positive tenancy histories and the living skills to sustain long term housing.

Metro's policy allows transitional tenants who are *Priority approved* on the NSW Housing Registrar 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.

The lack of growth in the supply of social housing, particularly in high demand areas, means very extensive waiting times even for those with very complex needs who are priority approved and this will mean that a significant number of our transitional tenants will exceed the general maximum term of 2 years.

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 in which 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 51 people through the 3 tranches of this program. Whilst the program is funded for only two years, Metro has committed to providing all our Together Home nominated tenants with permanent, long term housing.

The slightly lower number of "household" members housed this year compared to the average in previous years (generally 900-905) reflects the higher number of single persons housed through the Together Home program where nominations are overwhelmingly for single males.

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Metro has also been re-contracted for the 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.

Funding for this second round was committed by the NSW Government following the 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.

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 2022. As a relatively small provider which consistently generates operating surpluses and then uses these surpluses to fund acquisitions without the need to borrow funds we have a relatively low risk profile which is reflected in the assessment of Metro as a Tier 2 provider.

Metro undertook its annual Tenant Satisfaction survey in August 2021. 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 2021/2022 financial other than the ongoing operational changes imposed on us by COVID restrictions which have impacted on our capacity to undertake home visits, view vacant properties, organise maintenance and meet benchmarks regarding the time required to re-tenant vacant properties.

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) The purchase of an 8 x 1 bedroom unit block in Canterbury in November 2021. We were also successful in securing government funding through the *Community Housing Innovation Fund* to assist us to undertake a complete upgrade to support its' future use as permanent social housing for women exiting Domestic and Family violence.
- 2) The purchase of a 4 X 2 bedroom unit block in Campsie in April 2022. This property is primarily being used for "affordable" housing but one unit is allocated for transitional housing for young parents.
- 3) Approval of our Development application and appointment of the building company who will redevelop our Sloane Street site to provide 12 purpose build self contained "new generation" boarding house units. We expect construction to commence in the last quarter of 2022.

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LIKELY DEVELOPMENTS

Our current Strategic Plan (2018-2023) is coming to an end and there will be a major review and prior to finalisation/adoption of the next 5 year Strategic Plan at our annual planning meeting in February 2023.

In preparation for this, the Metro board has contracted an independent consultant to assist them 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.

In early 2023 we will undertake the 2 yearly review of our support partnerships to ensure they are meeting our organisational objectives and effectively supporting our transitional and permanent tenants.

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

(b) Directors Meetings

During the financial year 10 meetings of Directors were held*

Attendances were:	Number eligible to attend	Number attended
David Abello	10	10
Rick Daly	10	10
Eanna O'Ceallachain	10	8
Susan Taylor	10	10
Malcolm Pollard	10	10
Melinda Tunbridge	10	7
Shaun Driscoll	10	7
Maria Kenny **	6	5

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

**Ms Kenny was on maternity leave for the first 2 quarters of 21/22. During this time she attended only the combined Board/Finance, Audit and Risk committee meetings.

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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 14th day of November 2022.

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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 2022 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 2022

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**STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2022**

	Note	2022 \$	2021 \$
REVENUE			
Rent Received or Receivable		4,836,275	4,568,804
Government Grants	2	8,882,082	7,744,454
Others	3	<u>260,085</u>	<u>225,764</u>
Total Revenue		13,978,442	12,539,022
EXPENSES			
Tenancy and Property Expenses	4	10,998,204	10,215,048
Administration Expenses	5	<u>712,738</u>	<u>661,046</u>
Total Expenses		<u>11,710,942</u>	<u>10,876,094</u>
Current year operating surplus / (loss)		2,267,500	1,662,928
Tax expense		<u>-</u>	<u>-</u>
Net Current year operating surplus / (loss)		<u>2,267,500</u>	<u>1,662,928</u>
Other comprehensive income:			
Net gain/ (loss) on revaluation of non current assets		-	-
Net gain/ (loss) on revaluation of financial assets		<u>-</u>	<u>-</u>
Total other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		2,267,500	1,662,928
Transfer to Reserve		<u>-152,567</u>	<u>-</u>
Net current year operating surplus attributable to members of the entity		<u>2,114,933</u>	<u>1,662,928</u>
Total comprehensive income attributable to members of the entity		<u>2,114,933</u>	<u>1,662,928</u>

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 2022

	Note	2022 \$	2021 \$
CURRENT ASSETS			
Cash assets	6	10,913,721	11,339,874
Receivables	7	160,363	221,232
Other assets	8	159,963	32,677
TOTAL CURRENT ASSETS		<u>11,234,047</u>	<u>11,593,783</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	9,462,810	3,515,838
Right of Use Assets - Leases	10	3,116,114	4,274,366
Other Assets	11	827,290	855,765
Other Financial Assets	11	15,972	15,972
TOTAL NON-CURRENT ASSETS		<u>13,422,186</u>	<u>8,661,941</u>
TOTAL ASSETS		<u><u>24,656,233</u></u>	<u><u>20,255,724</u></u>
CURRENT LIABILITIES			
Payables	12	6,050,126	2,888,450
Provisions	13	116,634	93,801
Lease Payable	15	1,322,321	1,850,342
Other	14	47,968	44,464
TOTAL CURRENT LIABILITIES		<u>7,537,049</u>	<u>4,877,057</u>
NON-CURRENT LIABILITIES			
Provisions	13	107,179	92,304
Lease Payable	15	1,477,279	1,998,929
Other	14	249,709	269,914
TOTAL NON-CURRENT LIABILITIES		<u>1,834,167</u>	<u>2,361,147</u>
TOTAL LIABILITIES		<u><u>9,371,215</u></u>	<u><u>7,238,205</u></u>
NET ASSETS		<u><u>15,285,018</u></u>	<u><u>13,017,517</u></u>
EQUITY			
Reserves	17	2,056,468	1,903,901
Retained surplus	16	13,228,550	11,113,616
TOTAL EQUITY		<u><u>15,285,018</u></u>	<u><u>13,017,517</u></u>

The accompanying notes form part of these financial statements.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2022

	Retained Surplus \$	Total Reserve \$	Total \$
Balance at 1 July 2020	9,450,688	1,903,901	11,354,589
Operating Surplus / (Loss)	1,662,928	-	1,662,928
Other Comprehensive Income	-	-	-
Movement in Operating Surplus	-	-	-
Movement in Reserves	-	-	-
Balance at 30 June 2021	<u>11,113,616</u>	<u>1,903,901</u>	<u>13,017,517</u>
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><u>13,228,550</u></u>	<u><u>2,056,468</u></u>	<u><u>15,285,018</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 2022

	2022	2021
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Rent and Charges Received from Tenants	5,115,177	4,830,334
Government Grants	11,317,946	9,429,089
Interest Paid	-301,156	-398,439
Other income	11,731	17,547
Payment to Suppliers and Employees	<u>-8,502,864</u>	<u>-8,450,548</u>
Net cash provided by (used in) operating activities	<u>7,640,834</u>	<u>5,427,983</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Rental Bonds	0	-66,902
Proceeds from Rental Bonds	9,541	36,822
Proceeds from Financial Assets	-	-
Proceeds from sale of Property & Equipment	0	0
Payments for Property & Equipment	<u>-6,035,523</u>	<u>-8,784</u>
Net cash provided by (used in) investing activities	<u>-6,025,982</u>	<u>-38,864</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for Leases	<u>-2,041,006</u>	<u>-2,020,005</u>
Net cash provided by (used in) financing activities	<u>-2,041,006</u>	<u>-2,020,005</u>
Net increase (decrease) in cash held	-426,154	3,369,114
Cash at Beginning of Financial Year	<u>11,339,874</u>	<u>7,970,760</u>
Cash at end of year	<u><u>10,913,721</u></u>	<u><u>11,339,874</u></u>

The accompanying notes form part of these financial statements.

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CASH FLOWS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2022

	2022	2021
	\$	\$
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	136
Cash at Bank	9,435,073	9,871,136
Term Deposits	1,478,148	1,468,602
	<u>10,913,721</u>	<u>11,339,874</u>
Reconciliation of Net Cash provided by Operating Activities to profit from ordinary activities after Income Tax		
Operating surplus (loss) after income tax	2,267,500	1,662,928
Proceeds from Sale of Equipment	-	-
Transfer to Asset Purchase	-	-
Non-cash flows in operating surplus (loss)		
Provision for Annual Leave	24,045	19,526
Provision for Doubtful Debts	602	-13,714
Provision for Long Service Leave	14,874	13,304
Provision for Time in Lieu	-1,212	1,532
Property Bond Recovered	-1,271	-1,710
Profit on Asset Disposal	-	-
Property Bond Expense	6,460	-
Depreciation & Amortisation	2,238,135	1,887,826
Changes in assets and liabilities		
(Increase) Decrease in Sundry Debtors	60,868	29,662
(Increase) Decrease in Interest Receivable	3,452	891
(Increase) Decrease in Prepayments	-130,738	-4,570
(Increase) Decrease in Input Tax Credits	-73,981	-23,816
(Decrease) Increase in Sundry Creditors	792,700	64,546
(Decrease) Increase in Rent in Advance/Arrears	19,516	50,545
(Decrease) Increase in Accrued Expenses	3,144	7,220
(Decrease) Increase in PAYG Withholding	508	1,025
(Decrease) Increase in GST Payable	-19,992	55,263
(Decrease) Increase in Grants in Advance	2,435,865	1,684,635
(Decrease) Increase in Payable	358	-7,110
	<u>7,640,834</u>	<u>5,427,983</u>
Cash flows from operations	7,640,834	5,427,983

The accompanying notes form part of these financial statements.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2022

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 16th of November 2022 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 2022**

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 2022

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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**NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2022**

	2022 \$	2021 \$
2 Government Grant Revenue		
CTS Housing Grants	8,882,082	7,744,454
Other Grants Received	-	-
	<u>8,882,082</u>	<u>7,744,454</u>
3 Other Revenue		
Sundry Revenue	2,402	5,143
Management Fees	10,600	14,114
Interest Received	7,593	15,049
Tenants charges	239,490	191,459
	<u>260,085</u>	<u>225,764</u>
4 Tenancy and Property Expenses		
Rent Paid	5,979,639	5,901,646
Lease Amortisation	2,091,371	1,790,355
Lease Interest Expense	308,242	408,016
Repairs & Maintenance	672,478	817,592
Electricity	8,409	8,640
Insurance	93,891	90,605
Rates & Taxes	218,827	208,586
Water Usage	27,574	31,000
Case Management Support	865,113	345,174
Bad Debts - Tenants Charges	51,314	30,806
Bad Debts - Rent	2,797	-
Depreciation	75,356	22,547
Sundry Costs	41,742	63,505
Salaries and Superannuation	561,452	496,575
	<u>10,998,204</u>	<u>10,215,048</u>
5 Administration Expenses		
Office Expenses	248,293	206,376
Lease Amortisation - Office	58,215	49,010
Lease Interest Expense - Office	3,960	6,364
Salaries and Superannuation	386,770	384,297
	<u>697,238</u>	<u>646,046</u>
5A Auditor's Remuneration		
Auditing of Financial Statements	15,500	15,000
	<u>15,500</u>	<u>15,000</u>
Total Administration Expenses	<u>712,738</u>	<u>661,046</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 2022

	2022	2021
	\$	\$
6 Cash Assets		
Cash on Hand	500	136
Cash at Bank	9,435,073	9,871,136
Term Deposits	1,478,148	1,468,602
	<u>10,913,721</u>	<u>11,339,874</u>
7 Receivables		
CURRENT		
Sundry Debtors	170,917	221,435
Less: Provision for Doubtful Debts	-32,316	-31,714
	<u>138,601</u>	<u>189,721</u>
Other debtors	21,763	31,511
	<u>160,363</u>	<u>221,232</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	31,714	45,533
Charge for year	602	-13,819
Written off	0	0
	<u>32,316</u>	<u>31,714</u>
Closing Balance	<u>32,316</u>	<u>31,714</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 2022**

2022 **2021**
\$ \$

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 \$	
2021							
Sundry Debtors	221,435	31,714	17,135	10,577	1,687	3,936	156,386
Other debtors	31,511	-	-	-	-	-	31,511
Total	252,945	31,714	17,135	10,577	1,687	3,936	187,897
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

8 Other Assets

CURRENT		
Interest Receivable	3,186	6,638
Prepayments	156,777	26,039
Property Deposit	-	-
	<u>159,963</u>	<u>32,677</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 2022**

	2022	2021
	\$	\$
9 Property, Plant and Equipment		
Land & Building - at cost	8,910,463	3,603,190
Less: Accumulated Depreciation	-177,354	-127,767
	8,733,110	3,475,423
Building Improvements	515,386	-
Less: Accumulated Depreciation	-25,769	-
	489,617	-
Construction Work-in-progress	190,560	-
Office Machines & Equipment	107,476	85,173
Less: Accumulated Depreciation	-70,984	-61,159
	36,492	24,014
Office Furniture & Equipment	42,174	42,174
Less: Accumulated Depreciation	-30,067	-27,438
	12,107	14,736
Property Equipment	1,909	1,909
Less: Accumulated Depreciation	-1,909	-1,909
	-	0
Software	67,234	67,234
Less: Accumulated Depreciation	-66,309	-65,569
	925	1,665
Total Property, Plant and Equipment	9,462,810	3,515,838

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 2020	3,497,970	-	24,937	18,194	700	3,541,801
Additions	-	-	6,934	-	1,850	8,784
Disposals - written-down value	-	-	-	-	-	-
Revaluations increment	-	-	-	-	-	-
Depreciation - Capital Reserve	-22,547	-	-7,857	-3,457	-885	-34,746
Carrying amount at 30 June 2021	3,475,423	-	24,014	14,736	1,665	3,515,838

METRO COMMUNITY HOUSING CO-OPERATIVE LTD

A.B.N. 85 775 722 514

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2022**

2022
\$ **2021**
\$

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 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

10 Right of Use Assets

	Residential Leases \$	Office Lease \$	Total \$
Balance at 1 July 2020	4,888,361	98,020	4,986,381
Additions	1,127,350	-	1,127,350
Disposals - written-down value	-	-	-
Other adjustment	-	-	-
Amortisation	-1,790,355	-49,010	-1,839,365
Carrying amount at 30 June 2021	4,225,356	49,010	4,274,366

METRO COMMUNITY HOUSING CO-OPERATIVE LTD

A.B.N. 85 775 722 514

NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2022

		2022	2021
		\$	\$
10 Right of Use Assets (continued)			
	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	-2,149,585
Carrying amount at 30 June 2022	2,959,638	156,476	3,116,114
11 Other Assets and Other Financial Assets			
Other Assets			
Rental Bonds with Bond Board		827,290	855,765
		<u>827,290</u>	<u>855,765</u>
Other Financial Asset			
Term Deposits		15,972	15,972
		<u>15,972</u>	<u>15,972</u>
12 Payables			
CURRENT			
Sundry Creditors		1,050,627	250,867
Tenants Rent		207,176	187,661
Deferred Grant Income		4,711,669	2,275,805
Input Tax Credits		-135,148	-61,167
GST Payable		203,806	223,798
Amount Withheld		11,995	11,487
		<u>6,050,126</u>	<u>2,888,450</u>
13 Provisions			
CURRENT			
Provision for Annual Leave		110,404	86,359
Provision for Time in Lieu		6,230	7,442
		<u>116,634</u>	<u>93,801</u>
NON-CURRENT			
Provision for Long Service Leave		107,179	92,304
		<u>107,179</u>	<u>92,304</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 2022**

	2022	2021
	\$	\$
14 Other Liabilities		
CURRENT		
Accrued Expenses	44,930	41,786
Superannuation Payable	3,037	2,679
	<u>47,968</u>	<u>44,464</u>
NON-CURRENT		
Rental Bond from Tenants	<u>249,709</u>	<u>269,914</u>
15 Lease Payable		
CURRENT - Not later than 12 months		
Residential Lease	1,273,703	1,808,806
Office Lease	48,617	41,536
	<u>1,322,321</u>	<u>1,850,342</u>
NON-CURRENT - Between 12 months to 7 years		
Residential Lease	1,367,827	1,998,929
Office Lease	109,451	-
	<u>1,477,279</u>	<u>1,998,929</u>
16 Retained Surplus		
Retained surplus / (accumulated losses) at the beginning of the financial year	11,113,616	9,450,688
Transfer from Capital Grants Reserve	-	-
Transfer from General Reserve	-	-
Transfer from General Reserve - Resamen	-	-
Transfer to Capital Maintenance Reserve	- 75,334	-
Transfer to Operating Expenses Reserve	- 77,233	-
Net profit attributable to members of the entity	2,267,501	1,662,928
Retained surplus / (accumulated losses) at the end of the financial year	<u>13,228,550</u>	<u>11,113,616</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 2022**

	2022	2021
	\$	\$
17 Reserves		
Capital maintenance reserve	828,672	753,338
Operating expenses reserve	849,567	772,334
Asset Revaluation Reserve	378,229	378,229
	<u>2,056,468</u>	<u>1,903,901</u>
 Capital maintenance reserve		
Movements during the year:		
Opening Balance for the year	753,338	753,338
Transfer from surplus and other reserve	75,334	0
Closing balance	<u>828,672</u>	<u>753,338</u>
 Operating expenses reserve		
Movements during the year:		
Opening Balance for the year	772,334	772,334
Transfer from surplus and other reserve	77,233	0
Closing balance	<u>849,567</u>	<u>772,334</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	800	800
Susan Taylor	1,000	800
David Abello	1,000	700
Malcom Pollard	1,100	800
Melinda Tunbridge	700	300
Maria Kenny	500	400
Shaun Driscoll	700	900
Rick Daly	1,000	900
	<u>6,800</u>	<u>5,600</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 2022**

2022 2021
\$ \$

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	8,882,082	7,744,454
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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		2022 2021	
	2022 %	2021 %	\$	\$
Financial Assets				
Cash at Bank	0.01%	0.01%	9,435,073	9,871,136
Term deposits	0.67%	1.01%	1,494,120	1,484,574
			10,929,193	11,355,710

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

A.B.N. 85 775 722 514

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2022**

2022	2021
\$	\$

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
A.B.N. 85 775 722 514


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 2022 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 14th day of November 2022

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 2022, 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 2022 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, 2022