METRO COMMUNITY HOUSING CO-OPERATIVE LTD

A. B. N. 85 775 722 514

FINANCIAL REPORT

FOR THE YEAR ENDED
30TH JUNE 2024

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 2024 Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. The names of the directors in office at any time during the year and to the end of the report are:

Rick Daly
Eanna O'Ceallachain
Malcolm Pollard
Shaun Driscoll
Susan Donnelly
Susan Taylor
David Abello
Maria Kenny
Rosemarie Myrlea

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 *$2.8 Million*

REVIEW OF OPERATIONS
As at 30 June 2024 Metro managed 449 properties, consisting of 110 capital properties – ie properties owned by the NSW Land and Housing Corporation; 12 properties owned by Metro; a leasehold portfolio of 327 properties funded through the *Community Housing Leasehold Program (260), STEP to Home and Together Home Programs (57), Crisis Leasehold program (5) and Fee for Service arrangements (5).*

Historically Metro has been able to headlease up to 5% more properties than our funded quota within the CHLP annual budget, but the impact of very low rental vacancy rates (averaging 1%) has resulted in significant rent increases and greater competition. This has made acquiring properties extremely difficult for community housing providers and Metro has struggled to maintain our quota over the last two quarters of 2023/2024.

In our capital and head-leased properties we housed a total of 772 people during 2023/2024. Of these 516 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 than in previous years reflects the higher proportion of single person households -primarily single men housed through the Together Home and STEP (Housing First) programs and a slight reduction in families housed through transitional programs.

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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 our 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 Register are able to remain in a transitional tenancy until they receive a permanent offer of social housing. However, given our relative size in comparison to the broader community housing sector, and the lack of turnover in our long term tenancies, permanent offers will generally be made by a larger Community Housing provider or by DCJ Housing.

We have observed over many years the benefits of stable housing in supporting the children of our permanent tenants to firstly complete secondary education up to Year 12, and then for many to go on to complete tertiary education, thus reducing inter-generational poverty and providing enhanced opportunities in life for the entire family.

In order to offer similar opportunities to our transitional tenants and/or their dependent children Metro offers extended 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, 11 and 12 of secondary school.

Across the three tranches of the *Together Home program* which commenced in 2020, Metro has housed 51 people exiting street sleeping or insecure housing. 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 been able to offer all our Together Home nominated tenants permanent, long term housing. This was aided by our success in tendering for funding through the Community Housing Innovation fund which has allowed us to use properties owned by Metro for social housing rather than affordable housing.

Metro also housed a further 13 tenants through the second tranche of the STEP program which also provided permanent housing and contracted support to exit long term homelessness.

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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 2024 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 2024. 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 2023/2024 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 2024.

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.

As part of this process we will be reviewing the Rules of the Association to ensure they comply with the Co-operatives Model Rules, and to recognise in our Rules the changes in the way we operate – such as remote attendance at meetings, and introducing maximum terms for directors to serve on the Metro Board. We expect to put the revised rules to a vote of members in early 2025.

We will continue to support initiatives to assist tenants to participate 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 to the parents of young people engaged in senior secondary/post secondary education 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 gradually 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 high quality services by promoting their engagement in professional development and peer networking activities
- Staff have a clear understanding of their roles; receive clear communication from their supervisors about our expectations and are acknowledged for their contribution.
- Directors have the appropriate skills and qualifications to perform their role effectively and take responsibility to keep themselves informed about issues affecting the sector.

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DIRECTOR'S REPORT

DIRECTORS

(a) Director's Positions as at 30 June 2024		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
Shaun Driscoll	Director	13 March 2019
Rosemary Myrlea	Director	14 June 2023
Susan Donnelly	Director	10 April 2024

(b) Directors Meetings

During the financial year 8 meetings of Directors were held*

Attendances were:	Number eligible to attend	Number attended
David Abello	8	8
Rick Daly	8	8
Eanna O'Ceallachain	8	8
Susan Taylor	8	7
Malcolm Pollard	8	8
Shaun Driscoll	8	5
Maria Kenny	8	4 #
Rosemary Myrlea	8	7
Susan Donnelly	2	1

*Directors receive $100.00 meeting attendance fee for each meeting attended.

Maria Kenny was granted leave of the Board to attend only 4 meetings per annum due to other care/work commitments

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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 ....

Director ....

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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 2024 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: 20th November 2024

METRO COMMUNITY HOUSING CO-OPERATIVE LTD
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE 2024

	Note	2024 $	2023 $
REVENUE			
Rent Received or Receivable		5,542,022	5,125,418
Government Grants	2	8,789,146	9,023,864
Others	3	561,849	449,168
Total Revenue		14,893,017	14,598,450
EXPENSES			
Tenancy and Property Expenses	4	11,290,645	11,359,032
Administration Expenses	5	804,037	798,545
Total Expenses		12,094,682	12,157,577
Current year operating surplus / (loss)		2,798,335	2,440,873
Tax expense		-	-
Net Current year operating surplus / (loss)		2,798,335	2,440,873
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		2,798,335	1,700,565
Transfer to Reserve		-184,600	-167,824
Net current year operating surplus attributable to members of the entity		2,613,735	1,532,741
Total comprehensive income attributable to members of the entity		2,613,735	1,532,741

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 2024

	Note	2024 $	2023 $
CURRENT ASSETS			
Cash assets	6	8,789,584	11,461,340
Receivables	7	439,329	283,822
Other assets	8	113,552	210,255
TOTAL CURRENT ASSETS		9,342,465	11,955,417
NON-CURRENT ASSETS			
Property, plant and equipment	9	13,955,659	10,068,125
Right of Use Assets - Leases	10	2,058,221	1,772,502
Other Assets	11	797,380	804,534
Other Financial Assets	11	2,015,972	15,972
TOTAL NON-CURRENT ASSETS		18,827,232	12,661,133
TOTAL ASSETS		28,169,697	24,616,550
CURRENT LIABILITIES			
Payables	12	5,270,995	5,342,097
Provisions	13	95,912	97,433
Lease Payable	15	1,019,010	929,768
Other	14	62,942	55,099
TOTAL CURRENT LIABILITIES		6,448,859	6,424,397
NON-CURRENT LIABILITIES			
Provisions	13	108,844	125,114
Lease Payable	15	1,124,999	826,353
Other	14	294,369	255,104
TOTAL NON-CURRENT LIABILITIES		1,528,212	1,206,571
TOTAL LIABILITIES		7,977,072	7,630,967
NET ASSETS		20,192,625	16,985,583
EQUITY			
Reserves	17	2,817,599	2,224,292
Retained surplus	16	17,375,026	14,761,291
TOTAL EQUITY		20,192,625	16,985,583

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 2024

	Retained Surplus $	Total Reserve $	Total $
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	- 740,309	-	- 740,309
Movement in Operating Surplus	-	-	-
Movement in Reserves	- 167,824	167,824	-
Balance at 30 June 2023	14,761,291	2,224,292	16,985,583
Balance at 1 July 2023	14,761,291	2,224,292	16,985,583
Operating Surplus / (Loss)	2,798,335	-	2,798,335
Other Comprehensive Income / (Loss)	-	-	-
Movement in Asset Revaluation Reserve	-	408,707	408,707
Movement in Reserves	-184,600	184,600	-
Balance at 30 June 2024	17,375,027	2,817,599	20,192,625

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 2024

	2024 $	2023 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Rent and Charges Received from Tenants	5,746,389	5,243,337
Government Grants	9,150,410	8,578,094
Interest Paid	-45,801	-134,481
Other income	30,236	12,488
Payment to Suppliers and Employees	-10,904,720	-10,266,850
Net cash provided by (used in) operating activities	3,976,514	3,432,588
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Rental Bonds	-	30,736
Proceeds from Rental Bonds	50,860	-
Payments for Financial Assets	-2,000,000	-
Proceeds from sale of Property & Equipment	-	-
Payments for Property & Equipment	-4,089,624	-751,701
Net cash provided by (used in) investing activities	-6,038,764	-720,965
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for Leases	-609,506	-2,164,005
Net cash provided by (used in) financing activities	-609,506	-2,164,005
Net increase (decrease) in cash held	-2,671,756	547,618
Cash at Beginning of Financial Year	11,461,340	10,913,721
Cash at end of year	8,789,584	11,461,340

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 2024

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:

	2024 $	2023 $
Cash on Hand	500	500
Cash at Bank	7,249,164	9,943,328
Term Deposits	1,539,919	1,517,512
	8,789,584	11,461,340

Reconciliation of Net Cash provided by Operating Activities to profit from ordinary activities after Income Tax

	2024 $	2023 $
Operating surplus (loss) after income tax	2,798,335	1,700,565
Proceeds from Sale of Equipment	-	-
Transfer to Asset Purchase	-	-
Non-cash flows in operating surplus (loss)		
Provision for Annual Leave	-2,367	-19,748
Provision for Doubtful Debts	33,511	8,521
Provision for Long Service Leave	-16,270	17,935
Provision for Time in Lieu	847	547
Property Bond Recovered	-1,320	-3,840
Loss on Asset Disposal	-	740,309
Property Bond Expense	-	-
Depreciation & Amortisation	1,322,473	1,870,214
Changes in assets and liabilities		
(Increase) Decrease in Sundry Debtors	-155,507	-123,458
(Increase) Decrease in Interest Receivable	-78,930	-7,268
(Increase) Decrease in Prepayments	175,633	-41,770
(Increase) Decrease in Input Tax Credits	111,232	-39,774
(Decrease) Increase in Sundry Creditors	-597,798	-236,512
(Decrease) Increase in Rent in Advance/Arrears	12,386	-7,507
(Decrease) Increase in Accrued Expenses	6,770	6,373
(Decrease) Increase in PAYG Withholding	18,722	1,446
(Decrease) Increase in GST Payable	-13,541	11,569
(Decrease) Increase in Grants in Advance	361,264	-445,770
(Decrease) Increase in Payable	1,074	758
Cash flows from operations	3,976,514	3,432,588

The accompanying notes form part of these financial statements.

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 27th of November 2024 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 if Nationa Law) Act 2012, the Australian Charities and Not-for-profits Cimmision 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.

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 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.

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 2024

	2024 $	2023 $
2 Government Grant Revenue		
CTS Housing Grants	8,789,146	9,023,864
Other Grants Received	-	-
	8,789,146	9,023,864
3 Other Revenue		
Sundry Revenue	7,998	6,628
Management Fees	26,678	9,700
Interest Income	192,666	80,426
Tenants charges	334,507	352,414
	561,849	449,168
4 Tenancy and Property Expenses		
Rent Paid	6,668,076	6,440,655
Lease Amortisation	1,131,629	1,668,601
Lease Interest Expense	152,203	195,950
Repairs & Maintenance	1,496,497	1,042,821
Electricity	9,530	7,361
Insurance	159,113	126,088
Rates & Taxes	251,466	238,234
Water Usage	28,880	29,345
Case Management Support	370,259	663,137
Bad Debts - Tenants Charges	75,207	79,221
Bad Debts - Rent	14,187	12,667
Depreciation	118,970	130,244
Sundry Costs	71,180	103,787
Salaries and Superannuation	743,448	620,922
	11,290,645	11,359,032
5 Administration Expenses		
Office Expenses	265,138	273,529
Lease Amortisation - Office	55,227	55,227
Lease Interest Expense - Office	7,334	11,688
Salaries and Superannuation	459,038	441,301
	786,737	781,745
5A Auditor's Remuneration		
Auditing of Financial Statements	17,300	16,800
Total Administration Expenses	804,037	798,545

	2024 $	2023 $
6 Cash Assets		
Cash on Hand	500	500
Cash at Bank	7,249,164	9,943,328
Term Deposits	1,539,919	1,517,512
	8,789,584	11,461,340

	2024 $	2023 $
7 Receivables		
CURRENT		
Sundry Debtors	388,642	306,104
Less: Provision for Doubtful Debts	-74,349	-40,837
	314,294	265,267
Other debtors	125,035	18,555
	439,329	283,822

Provision for Doubtful Debts

Current trade receivables are generally 30-day terms. Theses 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.

	2024 $	2023 $
Opening balance	40,837	32,316
Charge for year	33,511	8,521
Written off	0	0
Closing Balance	74,349	40,837

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 enteres into by the co-operative.

	2024 $	2023 $

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) < 30 $	< 31 - 60 $	< 61 - 90 $	> 90 $	Within initial terms $
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
2024							
Sundry Debtors	388,642	74,349	28,837	33,003	50,940	76,429	125,085
Other debtors	125,035	-	-	-	-	-	125,035
Total	513,678	74,349	28,837	33,003	50,940	76,429	250,121

8 Other Assets

	2024 $	2023 $
CURRENT		
Interest Receivable	89,384	10,454
Prepayments	22,914	198,547
Finance Office Bond	1,254	1,254
	113,552	210,255

	2024 $	2023 $
9 Property, Plant and Equipment		
Land & Building - at cost	8,417,273	8,008,566
Less: Accumulated Depreciation	-161,902	-94,471
	8,255,371	7,914,096
Building Improvements	515,386	515,386
Less: Accumulated Depreciation	-128,846	-77,308
	386,539	438,078
Construction Work-in-progress	5,269,766	1,672,840
Office Machines & Equipment	127,000	113,680
Less: Accumulated Depreciation	-96,299	-83,493
	30,701	30,187
Office Furniture & Equipment	48,776	44,579
Less: Accumulated Depreciation	-35,494	-31,839
	13,282	12,740
Property Equipment	1,909	1,909
Less: Accumulated Depreciation	-1,909	-1,909
	- 0	- 0
Software	67,234	67,234
Less: Accumulated Depreciation	-67,234	-67,049
	-	185
Total Property, Pant and Equipment	13,955,659	10,068,125

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 2022	8,733,110	680,177	36,492	12,107	925	9,462,810
Additions	-	1,482,279	6,204	3,526	-	1,492,009
Disposals - written-down value	-740,309	-	-	-	-	-740,309
Revaluations increment	-	-	-	-	-	-
Depreciation - Capital Reserve	-78,706	-51,539	-12,515	-2,893	-740	-146,39[illegible]
Carrying amount at 30 June 2023	7,914,096	2,110,917	30,187	12,740	185	10,068,125

	2024	2023
	$	$

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 2023	7,914,096	2,110,917	30,187	12,740	185	10,068,125
Additions	-	3,596,927	13,320	4,197	-	3,614,444
Disposals - written-down value	-	-	-	-	-	-
Revaluations increment	408,707	-	-	-	-	408,707
Depreciation - Capital Reserve	-67,432	-51,539	-12,808	-3,654	-185	-135,618
Carrying amount at 30 June 2024	8,255,371	5,656,305	30,701	13,282	-	13,955,659

10 Right of Use Assets

	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

10 Right of Use Assets (continued)

	Residential Leases $	Office Lease $	Total $
Balance at 1 July 2023	1,671,252	101,249	1,772,502
Additions	1,472,575	-	1,472,575
Disposals - written-down value	-	-	-
Other adjustment	-	-	-
Amortisation	-1,131,629	-55,227	-1,186,856
Carrying amount at 30 June 2024	2,012,197	46,022	2,058,221

11 Other Assets and Other Financial Assets

	2024 $	2023 $
Other Assets		
Rental Bonds with Bond Board	797,380	804,534
	797,380	804,534
Other Financial Asset		
Term Deposits	2,015,972	15,972

12 Payables

	2024 $	2023 $
CURRENT		
Sundry Creditors	261,469	822,636
Tenants Rent	212,055	199,669
Deferred Grant Income	4,627,163	4,265,899
Input Tax Credits	-63,689	-174,922
GST Payable	201,834	215,375
Amount Withheld	32,163	13,441
	5,270,995	5,342,097

13 Provisions

	2024 $	2023 $
CURRENT		
Provision for Annual Leave	88,289	90,656
Provision for Time in Lieu	7,623	6,776
	95,912	97,433
NON-CURRENT		
Provision for Long Service Leave	108,844	125,114
	108,844	125,114

	2024 $	2023 $
14 Other Liabilities		
CURRENT		
Accrued Expenses	58,073	51,303
Superannuation Payable	4,870	3,795
	62,942	55,099
NON-CURRENT		
Rental Bond from Tenants	294,369	255,104
15 Lease Payable		
CURRENT - Not later than 12 months		
Residential Lease	965,848	873,479
Office Lease	53,162	56,289
	1,019,010	929,768
NON-CURRENT - Between 12 months to 7 years		
Residential Lease	1,124,999	773,191
Office Lease	-	53,162
	1,124,999	826,353
16 Retained Surplus		
Retained surplus / (accumulated losses) at the beginning of the financial year	14,761,291	13,228,550
Transfer from Capital Grants Reserve	-	-
Transfer from General Reserve	-	-
Transfer from General Reserve - Resamen	-	-
Transfer to Capital Maintenance Reserve	- 91,150	- 82,867
Transfer to Operating Expenses Reserve	- 93,450	- 84,957
Net profit attributable to members of the entity	2,798,335	1,700,565
Retained surplus / (accumulated losses) at the end of the financial year	17,375,026	14,761,291

	2024 \$	2023 \$

17 Reserves

	2024 \$	2023 \$
Capital maintenance reserve	1,002,689	911,539
Operating expenses reserve	1,027,974	934,524
Asset Revaluation Reserve	786,936	378,229
	2,817,599	2,224,292

Capital maintenance reserve

	2024 \$	2023 \$
Movements during the year:		
Opening Balance for the year	911,539	828,672
Transfer from surplus	91,150	82,867
Closing balance	1,002,689	911,539

Operating expenses reserve

	2024 \$	2023 \$
Movements during the year:		
Opening Balance for the year	934,524	849,567
Transfer from surplus	93,450	84,957
Closing balance	1,027,974	934,524

Asset Revaluation Reserve

	2024 \$	2023 \$
Movements during the year:		
Opening Balance for the year	378,229	378,229
Property Revaluation	408,707	-
Closing balance	786,936	378,229

18 Remuneration and Retirement Benefits

The names of directors who have held office and were paid remuneration during the financial year were:

	2024 \$	2023 \$
Eanna O'Ceallachain	800	900
Susan Taylor	700	600
David Abello	800	900
Malcom Pollard	800	800
Melinda Tunbridge	-	200
Maria Kenny	400	600
Shaun Driscoll	500	500
Susan Donnelly	100	-
Rick Daly	800	1,000
Rosemary Mylrea	700	100
	5,600	5,600

No retirement benefits provided to Directors.

	2024	2023
	$	$

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	8,789,146	9,023,864

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			
	2024	2023	2024	2023
Financial Assets	%	%	$	$
Cash at Bank	1.06%	0.42%	7,249,164	9,943,328
Term deposits	4.00%	2.86%	3,555,892	1,533,484
			10,805,056	11,476,812

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 thair 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.

	2024	2023
	$	$

21 Segment Reporting

This co-operative only operates in New South Wales.

22 Contigent 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 afftected 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 againts 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

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 2024 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 Éamonn Ó Ceallacháin

Dated this 11 day of November 2024

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 2024, 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 2024 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

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Name of Auditor: Hamish Dawson

Address: PO Box 6655
Rouse Hill NSW 2155

Dated: 20th November, 2024