

**HUME COMMUNITY HOUSING ASSOCIATION COMPANY
LIMITED**

A.C.N. 003 223 434

Financial Statements - 30 June 2022

Hume Community Housing Association Company Limited
30 June 2022

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Hume Community Housing Association Company Limited

Directors' report

30 June 2022

The directors present their report, together with the financial statements, on Hume Community Housing Association Company Limited (referred to hereafter as 'registered entity' or 'Hume') for the year ended 30 June 2022.

Directors

The following persons were directors of the registered entity during the whole of the financial year and up to the date of this report, unless otherwise stated:

Susan Holliday
Robert Vine
True Swain
Lorraine Eddy (resigned 20 October 2021)
Phillip Hepburn
Jayson Bricknell
Nathan Rees
Robyn Parker
Shirley Liew (appointed 3 February 2022)
Jeffery Cummings (appointed 3 February 2022)

Objectives and strategy for achieving the objectives

The registered entity has a strategic plan (2020-2025). The objectives of the strategic plan are to consolidate and deepen our footprint, maximise social impact and develop a thriving organisation.

The registered entity's activities resulted in the continuation of the registered entity's Tier 1 registration by the NRSCH and produced a surplus that will be used to further the registered entity's long-term objectives.

Ongoing assessments have been undertaken to determine the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company. This consideration extends to delivery of services, impact on customers, staffing and geographic regions in which the entity operates. Based on current assessments there does not currently appear to be either any significant impact on the financial statements or any significant uncertainties with respect to events or conditions which may impact the entity unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

Principal activities

During the financial year the principal continuing activities of the registered entity was the provision of tenancy and property management services, as well as providing a wide range of housing options and support services to improve housing security and reduce homelessness.

Performance measures

The registered entity measures its performance by meeting the objectives established in the annual business plan and departmental service delivery plans to deliver the strategic objectives. Key performance indicators are also established and monitored both internally and as a comparison to external benchmarks. Hume's performance for 2022 is reported in the 2022 Annual Report.

Information on Directors

Susan Holliday

Chairperson (from 20/10/21 to 30/06/22), Deputy Chair (from 01/07/21 to 20/10/21), Chair of Customer Experience Committee (from 1/07/21 to 7/12/21), Member of the Growth, Development & Sustainability Committee (from 01/07/21 to 7/12/21), Member of People & Culture Committee;

Life Fellow, Planning Institute of Australia, FPIA, CPP, GAICD, BA (Economics), MPhil (Town and Country Planning)

Sue Holliday is a City Planner and Economist. She was Professor of Planning Practice at UNSW until February 2020. She ran her business, Strategies for Change, an urban strategy consultancy until 30th June 2019.

Information on Directors (continued)

Sue had a long career in the public service and has demonstrated an outstanding commitment to affordable housing. She was Director General of Planning in NSW from 1997 to 2003. She was instrumental in establishing the City West Housing Company to achieve ongoing affordability options in Pyrmont and Ultimo. She introduced affordable housing as a planning objective into the EPA Act 1979 and introduced inclusionary zoning into planning instruments to enable development to contribute to affordable housing outcomes.

She was a member of the National Housing Supply Council from its inception to its closure in 2013. Sue has held various board roles including a Director of the Transport Infrastructure Development Corporation from 2004-10 and President of the NSW Building Professionals board until June 2013. Sue was elected to the Hume Board in April 2014.

Robert Vine

Chairperson (from 01/07/21 to 20/10/21), Chair of People and Culture Committee, Member of Governance, Audit and Risk Committee (from 01/07/21 to 7/12/21), Growth, Development & Sustainability Committee (from 01/07/21 to 7/12/21), and Member of Customer Experience Committee.

Dip.Mngmt. Grad Dip. HR, MAICD

Robert Vine has served 20 years on the Hume Board including a two year spell as Chairman before being appointed again to the Director position in 2012 after a three year break.

Robert has been involved in "Not for Profits" management since 1972 culminating in retirement as CEO of one of the State's largest groups of Co-operative Housing Societies.

With tertiary qualifications in Management, Human Resource Planning, Accounting and Financial management Bob brings to Hume an all-round raft of experience. Still serving on the NSW Government Co-operatives Advisory Board he is actively involved in the provision of affordable housing.

True Swain

Director, Chair of Growth, Development & Sustainability Committee and Member of Customer Experience Committee (from 01/07/21 to 07/12/21), Member of Governance, Audit & Risk Committee (from 07/12/21 to 30/06/22)

JD, MBA, M. Pro Dev, B. CPM, GAICD

True is an experienced senior executive manager and director, who has a wealth of professional property development, project management, risk management, corporate governance and business expertise, in both public and private sectors.

In his current executive position, as a Director at Taronga Zoo Conservation Society Australia, True is accountable for a \$300+ million transformational property development program that is being progressively delivered across both metropolitan and regional sites.

The above professional experience is underpinned by multiple tertiary qualifications, including Juris Doctor, Master of Business Administration, Masters of Property Development, Graduate Certificate in Commercial Arbitration, Bachelor of Construction Project Management and Graduate of Australia Institute of Company Directors course.

True is passionate about providing quality homes and services that enables Hume's Customers to prosper. True was elected to the Hume Board in March 2014.

Lorraine Eddy

Director, Member of People and Culture Committee and Customer Experience Committee (from 30/06/21 to 20/10/21)
JP

Lorraine Eddy holds a Certificate in Welfare as well as an Advanced Certificate in Working with Older People. Lorraine has over 23 years' experience working with older people and for the last 18 years has been advocating housing issues for the aged community through the "Assistance with Care and Housing for the Aged" Program in NSW.

Lorraine has held a position on the Hume Board since 2005 (Lorraine previously held a position on the Hume Board from 1998-2003) and is an active member of People and Culture Subcommittee and Customer Experience subcommittee from 30/06/2021 until her retirement from the Hume Board on 20/10/2021.

Information on Directors (continued)

Phillip Hepburn

Deputy Chair (from 20/10/21), Chair of Governance, Audit & Risk Committee (from 7/12/21 to 30/06/22) and Member of Growth, Development & Sustainability Committee
B EC, LLB, LLM, Grad Dip Company Secretarial Practice

Phillip has extensive experience in setting up legal, governance and compliance functions, advising Boards on all aspects of legal and compliance issues. Phillip was previously General Counsel and Group Secretary at Stockland where his role also included providing commercial and legal advice on business and property acquisitions and sales, and on all aspects of property development and capital management activities undertaken by the organisation. Phillip has extensive experience in management across the property, banking, retail and agricultural sectors and has also acted as a mentor to senior executives. Phillip has a strong interest in the areas of Board governance, risk and compliance. Phillip was elected to the Hume Board in February 2016.

Jayson Bricknell

Director, Chair of Governance, Audit & Risk Committee (from 01/07/21 to 07/12/21), Chair of Customer Experience Committee (from 07/12/21 to 30/06/22), Member of Growth, Development & Sustainability Committee (from 07/12/21 to 30/06/22) and Member of People and Culture Committee (01/07/21 to 07/12/21)
B Ec, GAICD

Jayson is an experienced Financial Services executive with broad business experience across a number of disciplines. He has specific expertise and a proven track record in customer experience, program and project management for system deliveries, stakeholder engagement, transformation programs, operational performance improvement, growth and strategy definition and execution (including mergers and acquisitions).

His experience includes ten years with Westpac/BT Financial Group, two years with Third Horizon Consulting, 15 years with Macquarie Bank and over 5 years with Arthur Andersen & Co and PricewaterhouseCoopers. After a long history in the financial services sector, Jayson is now working full time in the social sector supporting organisations with his experience on projects and transformation programs.

Jayson was elected to the Hume Board in March 2017.

The Hon. Nathan Rees

Director, Member of Growth, Development & Sustainability Committee and the Governance, Audit and Risk Committee

Nathan Rees has lived his life in Western Sydney and has 28 years experience in public administration. After completing a horticulture apprenticeship, he undertook an Honours degree in English Literature at Sydney University.

Nathan served in the NSW parliament 2007-2015, including as Premier of NSW, Minister for Water, Minister for the Arts, Minister for the Central Coast and Minister for Emergency Services. He was the member for the Western Sydney seat of Toongabbie. He has a passion for Western Sydney and social justice.

Nathan was elected to the Hume Board in February 2017.

Information on Directors (continued)

The Hon. Robyn Parker

Director, Member of Growth, Development & Sustainability Committee (from 01/07/21 to 07/12/21), Member of People and Culture Committee and Member of Customer Experience Committee
GAICD, JP

Throughout her life, Robyn Parker has worked to support, develop and strengthen individuals, families and communities. Robyn has over 32 years of public sector experience which included roles in Child and Family Services, as a TAFE teacher, and as CEO of Ageing and Disability Services.

Robyn served in the NSW Parliament for twelve years serving first as a Member of the Legislative Council, followed by four years as the Member for Maitland. Robyn chaired many Parliamentary Inquiries and was the NSW Minister for the Environment and Minister for Heritage (2011-2014).

Since leaving politics, Robyn has been appointed as a non-executive Director to a number of environment, education and for-purpose organisations.

Commercially focused and community driven, Robyn brings to Hume in-demand capabilities of leading transformation and applying the right level of strategic thinking required as the organisation embarks on a bold future

In particular, as a long-term resident Robyn has a unique, strong and well-established network of contacts and relationships coupled with a deep understanding of the Maitland and Port Stephens LGAs and their people which was invaluable in Hume's transition to manage over 2,000 homes under the NSW FACS Social Housing Management Transfers program.

Robyn was elected to the Hume Board in February 2019.

Shirley Liew

Director, Member of Governance, Audit and Risk Subcommittee, Member of Customer Experience Subcommittee
BBus (Fin), MBA, FAICD, FTIA, FCPA, IIA, CRISC (ISACA), FINSIA(Aff)

Shirley is a professional non-executive director and has a range of business interests. She has a strong focus and knowledge of governance, risk and compliance, business strategy, mergers and acquisition backed by practice-led partner audit, corporate and project finance, fund raising and advisory roles in banking, financial services, health, hospitality, FMCG, retail and wholesale sector.

Shirley is an active board member with more than 15 years' experience as Chairman, Chair of Audit & Risk Committees, Chair of M&A, Safety and Clinical Governance committee and Nomination, Remuneration committee experience, across Publicly listed, private and Not-for-profit, For purpose entities. She is also experienced in Stakeholder Engagement and achieving change/outcomes in difficult circumstances.

Shirley has more than 20 years' experience as a senior executive, CEO/CFO across broad industries and over 12 year's senior roles including international firm, Ernst & Young, and as head of risk and audit partner in Chartered Accounting firm Grant Thornton and Moore Stephens.

Her recent director roles include non-executive director and chair of the Audit Risk Committee at Hunter United Credit Union, Lantern Hotel Group (ASX:LTN), Bellamys Australia Limited (ASX:BAL), Bridge Housing Limited, Chair and director of Outset Group (Amber Tiles) Australia Pty Limited.

Shirley was elected to the Hume Board in February 2022.

Jeffery Cummings

Director, Member of Growth, Development and Sustainability Committee, Member of People and Culture Committee
B Bus, GAICD

Jeff has been engaged in the property industry for over 30 years as a senior executive and director. For the past 20 years he has been self-employed as a consultant and strategic advisor to both government agencies (Landcom and NSW Dept. of Health) and corporate entities, both public and private. His principal activities have been in residential land development and housing.

Hume Community Housing Association Company Limited
Directors' report
30 June 2022

Information on Directors (continued)

He has been a Non-Executive Director of Devine Limited, Sekisui House Australia Holdings Pty Ltd, Nordcon Pty Ltd and is the principal of The Urban Partnership.

Jeff has also had extensive involvement in voluntary humanitarian work throughout Papua New Guinea and New Zealand and is currently the Deputy Chairman of SEIROS Limited, a not-for-profit research organisation.

Jeff was elected to the Hume Board in February 2022.

Meetings of directors

The number of meetings of the registered entity's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	<i>Board Meeting (inc. Special Board Meetings)</i>		<i>Governance, Audit & Risk Sub Committee</i>		<i>People & Culture Sub Committee</i>		<i>Development Sub Committee</i>		<i>Customer Experience Sub Committee</i>	
	<i>Held</i>	<i>Attended</i>	<i>Held</i>	<i>Attended</i>	<i>Held</i>	<i>Attended</i>	<i>Held</i>	<i>Attended</i>	<i>Held</i>	<i>Attended</i>
Lorraine Eddy	3	3	-	-	1	1	-	-	1	1
Robert Vine	9	9	3	3	3	3	-	-	4	3
Susan Holliday	9	9	-	-	2	2	4	4	3	3
True Swain	9	9	3	3	-	-	5	5	1	1
Nathan Rees	9	9	6	6	-	-	5	4	-	-
Phillip Hepburn	9	9	6	6	-	-	5	5	-	-
Jayson Bricknell	9	9	3	3	1	1	4	4	3	3
Robyn Parker	9	9	-	-	3	3	2	2	4	4
Shirley Liew	4	3	4	3	-	-	-	-	2	2
Jeffery Cummings	4	4	-	-	2	2	3	3	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Hume Community Housing Association Limited
Directors' report
30 June 2022

Contributions on winding up

In the event of the registered entity being wound up, ordinary members are required to contribute a maximum of \$20 each. Honorary members are not required to contribute.

The total amount that members of the registered entity are liable to contribute if the registered entity is wound up is \$360, based on 18 current ordinary members.

This report is made in accordance with a resolution of directors.

On behalf of the directors

Susan Holliday
Director

20 September 2022
Sydney

Phillip Hepburn
Director

20 September 2022
Sydney

Hume Community Housing Association Company Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	2	72,396,283	73,516,615
Other income	2	806,661	960,108
Expenses			
Tenancy and property management expenses	3	(33,609,989)	(38,154,366)
Employee benefit expenses	3	(18,082,730)	(15,969,384)
Depreciation	3	(1,378,218)	(725,105)
Finance costs	3	(2,830,603)	(2,776,553)
Administration expenses	3	<u>(6,015,622)</u>	<u>(6,084,749)</u>
Surplus before income tax expense and fair value movements on investment properties and right of use assets		11,285,782	10,766,566
Fair value movement on investment properties	9	<u>(2,715,905)</u>	<u>(10,785,709)</u>
Surplus/(Loss) before income tax expense after fair value movement on investment property and right of use assets		8,569,877	(19,143)
Income tax expense	1	<u>-</u>	<u>-</u>
Surplus/(Loss) after income tax expense for the year attributable to the members of Hume Community Housing Association Co Limited		8,569,877	(19,143)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Gain on the revaluation of land and buildings, net of tax	8	<u>-</u>	<u>1,469,610</u>
Total comprehensive income for the year attributable to the members of Hume Community Housing Association Co Limited		<u><u>8,569,877</u></u>	<u><u>1,450,467</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Hume Community Housing Association Company Limited
Statement of financial position
As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	4	6,445,746	1,974,168
Other financial assets	5	32,305,430	27,240,344
Trade and other receivables	6	5,682,059	9,550,330
Other assets	7	1,542,003	1,362,544
Total current assets		<u>45,975,238</u>	<u>40,127,386</u>
Non-current assets			
Other assets	7	3,141,874	2,756,335
Property, plant and equipment	8	3,336,955	3,541,239
Investment properties	9	146,928,800	137,858,167
Right-of-use assets	10	1,796,265	1,855,305
Total non-current assets		<u>155,203,894</u>	<u>146,011,046</u>
Total assets		<u>201,179,132</u>	<u>186,138,432</u>
Liabilities			
Current liabilities			
Trade and other payables	11	19,485,536	14,920,250
Employee benefits	12	1,780,533	1,573,529
Lease liabilities	13	11,073,368	10,340,390
Other provisions	15	295,367	-
Total current liabilities		<u>32,634,804</u>	<u>26,834,169</u>
Non-current liabilities			
Employee benefits	12	288,783	254,962
Lease liabilities	13	28,846,937	28,460,570
Borrowings	14	35,000,000	35,000,000
Other provisions	15	250,000	-
Total non-current liabilities		<u>64,385,720</u>	<u>63,715,532</u>
Total liabilities		<u>97,020,524</u>	<u>90,549,701</u>
Net assets		<u>104,158,608</u>	<u>95,588,731</u>
Equity			
Retained surplus		102,688,998	94,119,121
Revaluation reserve		1,469,610	1,469,610
Total equity		<u>104,158,608</u>	<u>95,588,731</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

Hume Community Housing Association Company Limited
Statement of changes in equity
For the year ended 30 June 2022

	Retained surplus \$	Revaluation reserve \$	Total equity \$
Balance at 1 July 2020	<u>94,138,264</u>	<u>-</u>	<u>94,138,264</u>
Loss after income tax expense for the year	(19,143)	-	(19,143)
Other comprehensive income for the year, net of tax	<u>-</u>	<u>1,469,610</u>	<u>1,469,610</u>
Total comprehensive income for the year	<u>(19,143)</u>	<u>1,469,610</u>	<u>1,450,467</u>
Balance at 30 June 2021	<u><u>94,119,121</u></u>	<u><u>1,469,610</u></u>	<u><u>95,588,731</u></u>
	Retained surplus \$	Revaluation reserve \$	Total equity \$
Balance at 1 July 2021	<u>94,119,121</u>	<u>1,469,610</u>	<u>95,588,731</u>
Surplus after income tax expense for the year	8,569,877	-	8,569,877
Other comprehensive income for the year, net of tax	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>8,569,877</u>	<u>-</u>	<u>8,569,877</u>
Balance at 30 June 2022	<u><u>102,688,998</u></u>	<u><u>1,469,610</u></u>	<u><u>104,158,608</u></u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Hume Community Housing Association Company Limited
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		67,467,141	62,812,349
Payments to suppliers (inclusive of GST)		(63,075,340)	(64,701,910)
Grants received (inclusive of GST)		19,034,874	13,425,362
Interest received		162,610	293,434
Interest on leases		(1,788,751)	(1,734,701)
Other borrowing costs paid		<u>(1,025,500)</u>	<u>(1,025,500)</u>
Net cash from operating activities		<u>20,775,034</u>	<u>9,069,034</u>
Cash flows from investing activities			
Payments for investment properties		-	(344)
Payments for plant and equipment		(299,899)	(219,556)
Investments in financial assets		<u>(5,065,086)</u>	<u>(2,066,503)</u>
Net cash used in investing activities		<u>(5,364,985)</u>	<u>(2,286,403)</u>
Cash flows from financing activities			
Repayment of lease liabilities		<u>(10,938,471)</u>	<u>(10,100,130)</u>
Net cash used in financing activities		<u>(10,938,471)</u>	<u>(10,100,130)</u>
Net increase / (decrease) in cash and cash equivalents		4,471,578	(3,317,499)
Cash and cash equivalents at the beginning of the financial year		<u>1,974,168</u>	<u>5,291,667</u>
Cash and cash equivalents at the end of the financial year	4	<u><u>6,445,746</u></u>	<u><u>1,974,168</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

Hume Community Housing Association Company Limited
Notes to the financial statements
For the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the *Australian Charities and Not-for-profits Commission Act 2012*, as appropriate for not-for-profit oriented entities.

The financial statements, except for the 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.

New, revised or amending Accounting Standards and Interpretations adopted

The entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the entity:

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities
The entity has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, and financial instruments.

Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimation of useful lives of assets

The registered entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 1. Summary of Significant Accounting Policies (continued)

Critical accounting judgements, estimates and assumptions (continued)

Fair value of owned properties

Critical estimates are made by the Directors in respect of the fair value of investment properties and land and buildings. The fair value of these investments are reviewed regularly by Directors with references to independent property valuations and market conditions existing at reporting date, using generally accepted market practices.

Fair value of leased property

The fair value of leased property that is classified as investment property has been determined with reference to the present market rental earning capability under the leasehold interest, including for the non-cancellable period plus any further option to renew which is likely to be exercised. Management has determined that this amount reasonably approximates the carrying amount of the lease liabilities at the reporting date.

Application of portfolio approach to private-market leases and sublease classification

The Company has applied a portfolio approach to account for its leases of private-market residential property that are used by the Company as investment property. The Company earns rental income from these leased properties by entering into sublease arrangements with social housing tenants. Management has determined that the leased property comprises a population of leases with similar characteristics and reasonably expect that the effects on the financial statements of applying a portfolio approach will not differ materially from applying the standard to the individual leases in the portfolio. The lease term in the portfolio has been determined based on a historical analysis of property usage from the portfolio, and the Company's social housing supply commitments. The lease term is calibrated based on the Company's right to enforce the continued use of the properties to provide social housing. The subleases are classified for accounting purposes based on an assessment of the risks and rewards associated with the right of use asset arising from the leasehold interest, and not on the underlying property itself. Management has determined that the subleases should be classified as operating leases because the Company does not transfer substantially all the risks and rewards associated with the right of use asset to its social housing tenants. Consequently, the right of use asset is not derecognised in the financial statements.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; length of funding associated with the lease; and the costs and disruption to replace the asset. The Company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Note 1. Summary of Significant Accounting Policies (continued)

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Income tax

As the registered entity is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Comparative figures

Where required by accounting standards, the comparative figures have been reclassified to conform to change in presentation for the current financial year.

Hume Community Housing Association Limited
Notes to the financial statements
30 June 2021

Note 2. Revenue and Other Income

	2022 \$	2021 \$
<i>Revenue</i>		
Rental revenue	51,887,084	49,139,508
Grant revenue	9,358,050	12,945,632
NRAS incentives	3,092,395	3,266,137
Fee for service revenue	3,355,224	3,438,010
Specialist Disability Accommodation funding	2,882,308	2,938,983
Other recharges	1,821,222	1,788,345
	<u>72,396,283</u>	<u>73,516,615</u>
<i>Other income</i>		
Interest income	161,929	235,111
Social housing subsidy program interest income	-	181,106
Other income	644,732	543,891
	<u>806,661</u>	<u>960,108</u>

Recognition and Measurement

Rental revenue is recognised on a straight-line basis over the term of the lease, except when an alternative basis is more representative of the pattern of services rendered through the provision of the leased premises.

Revenue for services delivered in accordance with contracts with customers is recognised over time when the services are delivered or transferred to the customer or beneficiaries. When the service contract is executory in nature, the Company recognises revenue upon invoice if the right to invoice corresponds directly with the value transferred to the customer or beneficiaries through the Company's performance to date.

For other contracts with customers, revenue is recognised when the Company transfers control of the sufficiently specific performance obligations identified from the contract. When the Company's programmes and arrangements are not accounted for as contracts with customers, the Company accounts for the arrangement as a grant or contribution. For grants and contributions that are funding arrangements, the Company recognises the funds at the earlier of receipt of the funds or when the Company's entitlement to invoice the grantor is established. For grants and contributions of property, the Company recognises the asset when title transfers or vests, or when a lease of the property commences. The asset provided by the grantor is recognised at fair value and the Company recognised any related amount at the same time as follows:

- A contractual obligation to repay any of the contributed funds that the Company cannot avoid is recognised initially and subsequently accounted for as a financial liability.
- An obligation to make lease payments is recognised and subsequently accounted for as a lease liability.
- A transfer of funds to enable the Company to procure new housing supply that will be recognised as property by the Company is recognised as a liability and subsequently recognised as other income when the property is acquired or constructed.
- Any residual is immediately recognised as other income.

Interest income is recognised as it accrues using the effective interest method.

Social housing subsidy program interest income relates to Hume's financial interest in this completed program and is recognised in the periods when they are earned. Amounts receivable under this program were settled by transferring rights to property title.

General Community Housing Assistance Agreements with the NSW Government in respect of social housing and the Social Housing Management Transfer (SHMT) program are considered to be service concession arrangements.

Service concession arrangements are accounted for as contracts with customers and revenue is recognised when the services are delivered or transferred to the customer or beneficiaries. Revenue is presented net of any payments that are made by the Company to the customer, including payments that are structured as lease payments under a Community Housing Leasing Program.

Hume Community Housing Association Company Limited
Notes to the financial statements
For the year ended 30 June 2022

Note 2. Revenue and Other Income (continued)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Services transferred at a point in time	Services transferred over time	Total
2022	\$	\$	\$
Revenue			
Rental revenue	-	51,887,084	51,887,084
Grant revenue	-	9,358,050	9,358,050
NRAS incentives	-	3,092,395	3,092,395
Fee for service revenue	-	3,355,224	3,355,224
Specialist Disability Accommodation funding	-	2,882,308	2,882,308
Other recharges	1,821,222	-	1,821,222
	<u>1,821,222</u>	<u>70,575,061</u>	<u>72,396,283</u>

	Services transferred at a point in time	Services transferred over time	Total
2021	\$	\$	\$
Revenue			
Rental revenue	-	49,139,508	49,139,508
Grant revenue	-	12,945,632	12,945,632
NRAS incentives	-	3,266,137	3,266,137
Fee for service revenue	-	3,438,010	3,438,010
Specialist Disability Accommodation funding	-	2,938,983	2,938,983
Other recharges	1,788,345	-	1,788,345
	<u>1,788,345</u>	<u>71,728,270</u>	<u>73,516,615</u>

For the year ended 30 June 2022, the entity has identified one operating segment based on one geographical location it operates in (Australia).

Note 3. Expenses

	2022	2021
	\$	\$
Surplus/(loss) before income tax includes the following specific expenses:		
<i>Tenancy and property management expenses</i>		
Rent expenses	8,985,486	8,953,445
Repairs and maintenance expenses	15,767,634	20,763,765
Council and water rates	8,006,991	7,825,314
Other property expenses	849,878	611,842
	<u>33,609,989</u>	<u>38,154,366</u>
<i>Employee benefits expenses</i>		
Superannuation expenses	1,500,564	1,287,035
Salaries and wages expenses	16,341,340	14,409,460
Other employee benefits expenses	240,826	272,889
	<u>18,082,730</u>	<u>15,969,384</u>

Hume Community Housing Association Company Limited
Notes to the financial statements
For the year ended 30 June 2022

Depreciation

Property plant & equipment	504,183	494,415
Right-of-use assets	874,035	230,690
	<u>1,378,218</u>	<u>725,105</u>

Finance costs

Other finance costs	1,041,852	1,041,852
Interest on lease liabilities	1,788,751	1,734,701
	<u>2,830,603</u>	<u>2,776,553</u>

Administrative expenses

Insurance expenses	2,464,996	2,310,033
Office expenses	778,512	626,086
Office rent	122,815	104,150
Audit and accounting fees	55,985	50,985
Partnership expenses	198,824	223,604
Other administrative expenses	2,394,490	2,769,891
	<u>6,015,622</u>	<u>6,084,749</u>

Note 4. Cash and cash equivalents

	2022	2021
	\$	\$
Cash on hand	-	634
Cash at bank	6,445,746	1,973,534
	<u>6,445,746</u>	<u>1,974,168</u>

Cash amounts restricted and held as cash on deposit was \$7,273,628 as at 30 June 2022 (2021: \$7,208,542) and are classified as other financial assets, see note 5.

Recognition and Measurement

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 5. Other financial assets

	2022	2021
	\$	\$
Term deposits	32,305,430	27,240,344
	<u>32,305,430</u>	<u>27,240,344</u>

Recognition and Measurement

Other financial assets include term deposits held with financial institutions with original maturities of greater than three months.

Hume Community Housing Association Company Limited
Notes to the financial statements
For the year ended 30 June 2022

Note 6. Current assets - trade and other receivables

	2022 \$	2021 \$
NRAS receivable	3,623,113	3,816,821
LAHC receivable	-	3,703,717
Trade receivables	353,193	189,447
Tenant receivables	343,326	267,734
Other receivables	1,490,731	1,657,801
	<u>5,810,363</u>	<u>9,635,520</u>
Allowance for expected credit losses	(128,304)	(85,190)
	<u><u>5,682,059</u></u>	<u><u>9,550,330</u></u>

Recognition and Measurement

Other receivables are recognised at amortised cost, less any provision for impairment. The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent revenue experience and historical collection rates. The company has increased its monitoring of debt recovery as there is an increased probability of customers delaying payment or being unable to pay in the current environment relating to COVID-19. The impacts of COVID-19 and current external economic conditions, including increasing inflation rates and increasing interest rates has been considered when determining the Company's expected credit loss provision for the year.

Note 7. Other assets

	2022 \$	2021 \$
<i>Current</i>		
Prepayments	1,532,003	1,352,544
Deposits for development projects	10,000	10,000
	<u>1,542,003</u>	<u>1,362,544</u>
<i>Non-current</i>		
Rental deposits	3,141,874	2,756,335
	<u>3,141,874</u>	<u>2,756,335</u>

Recognition and Measurement

Payments made for deposits and costs for the development of investment properties are recognised as other assets when the payments have been made.

Hume Community Housing Association Company Limited
Notes to the financial statements
For the year ended 30 June 2022

Note 8. Property, plant and equipment

	2022 \$	2021 \$
Land and buildings - at directors valuation	2,575,000	2,575,000
Less: Accumulated depreciation	(30,011)	-
	<u>2,544,989</u>	<u>2,575,000</u>
Plant and equipment - at cost	1,981,817	1,624,007
Less: Accumulated depreciation	(1,480,264)	(1,174,541)
	<u>501,553</u>	<u>449,466</u>
Furniture and fittings - at cost	1,621,453	1,619,416
Less: Accumulated depreciation	(1,331,040)	(1,102,643)
	<u>290,413</u>	<u>516,773</u>
	<u><u>3,336,955</u></u>	<u><u>3,541,239</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land and buildings \$	Plant and equipment \$	Furniture and fittings \$	Total \$
Balance at 1 July 2021	2,575,000	449,466	516,773	3,541,239
Additions	-	299,899	-	299,899
Depreciation expense	(30,011)	(247,812)	(226,360)	(504,183)
Balance at 30 June 2022	<u>2,544,989</u>	<u>501,553</u>	<u>290,413</u>	<u>3,336,955</u>

Recognition and Measurement

Land and buildings are stated at fair value, less subsequent depreciation and impairment for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are reflected in other comprehensive income through to the revaluation reserve in equity. Hamilton Road commercial premises was independently valued by Jones Lang LaSalle in 2021. The valuation was based on the fair value. The valuation resulted in a revaluation increment of owned properties of \$1,469,610 being recognised as gain on revaluation in other comprehensive income.

Plant and equipment and furniture and fittings are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

For assets in the course of construction, no depreciation is applied until the asset is complete and is put into use by the registered entity.

Hume Community Housing Association Company Limited
Notes to the financial statements
For the year ended 30 June 2022

Note 8. Property, plant and equipment (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives using the following rates per annum:

Buildings	2.5%
Plant and equipment	20% - 40%
Furniture and fittings	20%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the registered entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Estimation of useful lives of assets

The registered entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 9. Investment properties

	2022 \$	2021 \$
Investment properties - owned - at directors valuation	108,806,973	100,916,600
Investment properties - leased - at directors valuation	38,121,827	36,941,567
	<u>146,928,800</u>	<u>137,858,167</u>

Reconciliation

Reconciliation of the fair values at the beginning and the end of the year are set out below:

Carrying amount at the beginning of the year	137,858,167	139,864,995
Changes in leased property holdings	11,786,538	8,778,537
Other additions and development costs	-	344
Revaluation decrement	<u>(2,715,905)</u>	<u>(10,785,709)</u>
Carrying amount at the end of the year	<u>146,928,800</u>	<u>137,858,167</u>

Recognition and Measurement

Investment properties principally comprise freehold land and buildings (comprising owned property and leased property) held for long-term rental and capital appreciation that are not occupied by the registered entity. The Company leases property from landlords to provide affordable housing to customers and building space for its offices. Investment properties are initially recognised at cost, including transaction costs and costs of finance, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss.

Hume Community Housing Association Company Limited
Notes to the financial statements
For the year ended 30 June 2022

Note 9. Investment properties (continued)

The basis of the valuation of investment properties is fair value, being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment.

During the year a proportion of the owned investment properties were independently valued by CBRE Valuation & Advisory Services. The valuation was based on the fair value. The valuations were conducted during the Covid-19 period and reflects impact of the pandemic on the Directors' valuations adopted. The valuation resulted in a revaluation increment of owned investment properties of \$7,892,023 being recognised for the year ended 30 June 2022 (2021: revaluation decrement of \$2,117,944).

Leased investment properties have been recognised at fair value. The revaluation resulted in a revaluation decrement of leased investment properties of \$10,607,928 being recognised for the year ended 30 June 2022 (2021: revaluation decrement of \$8,667,765).

Fair value of investment properties

Fair value hierarchy

The following tables detail the registered entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
30 June 2022				
<i>Assets</i>				
Investment properties	-	-	146,928,800	146,928,800
Land and buildings	-	-	2,544,989	2,544,989
Total assets	-	-	149,473,789	149,473,789
30 June 2021				
<i>Assets</i>				
Investment properties	-	-	137,858,167	137,858,167
Land and buildings	-	-	2,575,000	2,575,000
Total assets	-	-	140,433,167	140,433,167

There were no transfers between levels during the financial year.

Hume Community Housing Association Company Limited
Notes to the financial statements
For the year ended 30 June 2022

Note 9. Investment properties (continued)

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 10. Right-of-use assets

	2022 \$	2021 \$
Office - right-of-use	3,243,638	2,428,643
Less: Accumulated depreciation	<u>(1,469,914)</u>	<u>(625,907)</u>
	<u>1,773,724</u>	<u>1,802,736</u>
Plant and equipment - right-of-use	112,625	112,625
Less: Accumulated depreciation	<u>(90,084)</u>	<u>(60,056)</u>
	<u>22,541</u>	<u>52,569</u>
	<u><u>1,796,265</u></u>	<u><u>1,855,305</u></u>

Reconciliations

Reconciliations of the right of use assets at the beginning and end of the current financial year are set out below:

	Office - right of use \$	Plant & Equipment - right of use \$	Total \$
Balance at 1 July 2021	1,802,736	52,569	1,855,305
Reassessments, modifications and net terminations	814,995	-	814,995
Depreciation expense	<u>(844,007)</u>	<u>(30,028)</u>	<u>(874,035)</u>
Balance at 30 June 2022	<u><u>1,773,724</u></u>	<u><u>22,541</u></u>	<u><u>1,796,265</u></u>

Hume Community Housing Association Company Limited
Notes to the financial statements
For the year ended 30 June 2022

Note 10. Right-of-use assets (continued)

Recognition and Measurement

For leases where the Company is a lessee, the Company recognises a right of use asset and a lease liability at the lease commencement date, except if the lease has a lease term that is equal to or less than 12 months at the lease commencement date, or is a lease of a low value asset.

The lease liability is initially measured as the present value of the net lease payments that are not settled at commencement date, discounted using the interest rate implicit in the lease or the Company's incremental borrowing rate.

Interest is recognised on the lease liability using the effective interest rate method and the lease liability is subsequently reduced when lease payments are made.

Leased properties that are held to earn rentals from community housing tenants are classified and measured as investment property.

Rental income is recognised as income on a straight-line basis.

Note 11. Trade and other payables

	2022 \$	2021 \$
Trade creditors	1,066,613	1,881,831
Other creditors and payables	3,674,755	3,268,419
Property related accruals	3,336,465	2,125,755
Employee salary accruals	430,032	221,891
Other accruals	5,077,114	3,622,284
Rents in advance	1,070,830	1,075,755
Grants in advance	4,063,971	2,092,290
Other deferred income	765,756	632,025
	<u>19,485,536</u>	<u>14,920,250</u>

Recognition and Measurement

Trade and other creditors and accruals amounts represent liabilities for goods and services provided to the registered entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Rents in advance represent rental revenue received where the performance obligations of the contract have not yet been satisfied.

Grant income represents grants received and deferred until the point at which the performance obligations of the contracts have been fulfilled.

Hume Community Housing Association Company Limited
Notes to the financial statements
For the year ended 30 June 2022

Note 12. Employee benefits

	2022 \$	2021 \$
<i>Current</i>		
Annual leave and long service leave	1,780,533	1,573,529
	<u>1,780,533</u>	<u>1,573,529</u>
<i>Non-current</i>		
Long service leave	288,783	254,962
	<u>288,783</u>	<u>254,962</u>

Note 13. Lease liabilities

	2022 \$	2021 \$
<i>Current</i>		
Lease liabilities	11,073,368	10,340,390
	<u>11,073,368</u>	<u>10,340,390</u>
<i>Non-current</i>		
Lease liabilities	28,846,937	28,460,570
	<u>28,846,937</u>	<u>28,460,570</u>

Reconciliations

Reconciliations of the liabilities for the right of use assets at the beginning and end of the current financial year are set out below:

	Liability - Property - right of use \$	Liability Office - right of use \$	Liability - Plant & Equipment - right of use \$	Total \$
Balance at 1 July 2021	36,941,568	1,802,736	56,656	38,800,960
Changes in leased property holdings	11,788,188	269,628	-	12,057,816
Interest expense	1,706,442	81,202	1,107	1,788,751
Lease payments	(12,314,371)	(379,843)	(33,008)	(12,727,222)
Balance at 30 June 2022	<u>38,121,827</u>	<u>1,773,723</u>	<u>24,755</u>	<u>39,920,305</u>

Hume Community Housing Association Company Limited
Notes to the financial statements
For the year ended 30 June 2022

Note 14. Borrowings

	2022 \$	2021 \$
<i>Non-current</i>		
Bank borrowings	35,000,000	35,000,000
	<u>35,000,000</u>	<u>35,000,000</u>

Recognition and Measurement

Borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

On 19 March 2019 the Company entered into \$35,000,000 loan facility agreement with National Housing Finance and Investment Corporation under Affordable Housing Bond Aggregator (ABHA). The facility has a 10 year term expiring on 19 March 2029 with interest only payable monthly. The interest rate is fixed at 2.93%.

The bank borrowings are secured by first mortgages over the registered entity's land and buildings. The loan balance must not exceed 45% of the secured property value.

Note 15. Other provisions

	2022 \$	2021 \$
<i>Current</i>		
Provision for make good	295,367	-
	<u>295,367</u>	<u>-</u>
<i>Non-current</i>		
Provision for make good	250,000	-
	<u>250,000</u>	<u>-</u>

Recognition and Measurement

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Hume Community Housing Association Company Limited
Notes to the financial statements
For the year ended 30 June 2022

Note 16. Contingent liabilities

There are three security deposit guarantees in respect of properties managed or tenanted by the entity: \$67,831 in respect of the Parramatta office (2021: \$66,800), \$112,340 in respect of the Pembroke Street Boarding House (2021: \$111,559), \$13,047 in respect of the Merrylands property (2021: \$13,033) and \$75,426 in respect of Maitland office (2021: \$75,167).

Note 17. Commitments

As at 30 June 2022 Hume Community Housing Company Limited had no commitments (2021: nil).

Note 18. Related party transactions

Key management personnel

Compensation

The aggregate compensation made to directors and executives as key management personnel of the registered entity is set out below:

	2022 \$	2021 \$
Aggregate compensation	<u>2,093,517</u>	<u>1,672,706</u>

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 19. Events after the reporting period

No matters or circumstances have arisen since 30 June 2022 that have significantly affected, or may significantly affect the registered entity's operations, the results of those operations, or the registered entity's state of affairs in future financial years.

Hume Community Housing Association Company Limited
Notes to the financial statements
For the year ended 30 June 2022

Note 20. Economic dependency and Member's guarantee

Economic dependency

The registered entity is economically dependent on the NSW State Government and the Federal Government for significant financial support in the form of subsidies and grants to assist in the delivery of affordable and social housing to the community.

Members' guarantee

The registered entity is incorporated under the Australian Charities and Not-for-profits Commission Act 2012 and is an entity limited by guarantee. If the registered entity is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding and obligations of the entity. At 30 June 2022 the number of members was 18 (2021: 13).

Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the company, its network firms and related firms:

	2022	2021
	\$	\$
Audit of the financial statements	<u>57,000</u>	<u>55,000</u>

Hume Community Housing Association Company Limited
Directors Declaration
30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply with the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Accounting Standards - Simplified Disclosure Requirements, the *Australian Charities and Not-for-profits Commission Regulation 2013* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the registered entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors

Susan Holliday
Director

20 September 2022
Sydney

Phillip Hepburn
Director

20 September 2022
Sydney

**Hume Community Housing Association Company Limited
Independent auditor's review report to the members of Hume Community Housing Association
Company Limited**

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Hume Community Housing Association Company Limited
Independent auditor's review report to the members of Hume Community Housing Association
Company Limited

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