

# MISSION AUSTRALIA | Housing

Consolidated Financial Report 2023

ABN 13 003 683 261



*Better homes in vibrant communities*

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# Directors' Report

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

The Directors present their report together with the consolidated financial statements of the Group comprising Mission Australia Housing (the Company) and its controlled entities for the financial year ended 30 June 2023 and the auditor's report thereon.

## 1. Directors

The Directors of Mission Australia Housing at any time during or since the end of the financial year are:

Name qualifications and status	Experience, special responsibilities and other Directorships
<b>Nancy Fox AM</b> <b>BA, JD Law, FAICD</b> <b>Chairman</b> Independent Non-Executive Director	<p>Nancy was appointed as a Director and Chair of Mission Australia Housing as well as Mission Australia Housing Tasmania and Mission Australia Housing (Victoria) on 22 November 2022. She was appointed as a Director of Mission Australia on 24 February 2021 and is a member of the People, Culture &amp; Remuneration Committee. Nancy is based in Sydney.</p> <p>Nancy is a Non-Executive Director of Perpetual Ltd, Aspect Studios and is Chair of Perpetual Equity Investment Company and Deputy Chair of RFS Benevolent Fund. She is an experienced Non-Executive Director having also formerly held directorships with several ASX listed and not for profit companies. Nancy has over 25 years' experience in the finance sector including debt capital markets and infrastructure finance working predominantly in New York, Asia and Australia. In the 2021 Queen's Birthday Honours Nancy was made a member of the Order of Australia (AM) for significant service to the financial and banking sector, and to women in business. Nancy is a Fellow of the Australian Institute of Company Directors (AICD) and a member of Chief Executive Women.</p>
<b>Ian Hammond</b> <b>BA (Hons), FCPA, FCA, FAICD</b> Independent Non-Executive Director	<p>Ian has been a Director of Mission Australia Housing, as well as Mission Australia Housing (Victoria) and Mission Australia Housing Tasmania, since 1 February 2021 and acted as Chairman between 1 February 2022 and 21 November 2022. He is a Director and Chairman of Mission Australia, a member (and former Chair) of the Board Audit and Risk Committee and a member of the Service Impact Committee. Ian is based in Sydney.</p> <p>Ian is Chairman of Quiz Worx Inc. and a Non-Executive Director of Suncorp Group Limited and Perpetual Limited. His previous Non-Executive Director roles have included Venues NSW (NSW Govt authority which manages Stadiums), Chris O'Brien Lifehouse (integrated Cancer Hospital in Sydney) and Citi's Australian retail bank.</p> <p>Previously, Ian was a Partner of PricewaterhouseCoopers for 26 years and has held a range of senior management positions, including lead partner for several major financial institutions.</p>

# Directors' Report

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

## 1. Directors (Continued)

Name, qualifications and status	Experience, special responsibilities and other Directorships
<b>Debra Stirling</b> <b>BA, GAICD</b> Independent Non-Executive Director	<p>Debra was appointed as a Director of Mission Australia Housing, as well as Mission Australia Housing (Victoria) and Mission Australia Housing Tasmania, on 18 August 2022. She is a Director of Mission Australia and also Chair of the People Culture &amp; Remuneration Committee. Debra is based in Melbourne.</p> <p>Debra is a Non-Executive Director of MaxiPARTS Limited and a member of the Council of Scotch College, Melbourne. She is an experienced Non-Executive Director having formerly held several directorships across the corporate and government sectors. Debra has over 25 years' experience as a senior executive across industries including building &amp; construction, retail, property, mining, financial services, agriculture and manufacturing.</p>
<b>Ian Robins</b> <b>BA (Accounting), CA, GAICD</b> Independent Non-Executive Director	<p>Ian was appointed as a Director of Mission Australia Housing and Mission Australia Housing (Victoria) on 1 February 2021. He was appointed a Director of Mission Australia Housing Tasmania on 18 August 2022. Ian is based in Sydney.</p> <p>Ian is an active Principal of The Build to Rent Company Pty Ltd, a build to rent advisory and funds management platform, and Principal of Capstone Real Estate Advisors Pty Ltd, a real estate advisory business. He has 30 years dedicated real estate and capital markets experience, comprising senior management positions in REIT and Real Estate Funds, and operational management and investment banking roles in Asia, Australia and USA, including former CEO and ED of The LINK REIT in HK. Ian has a strong understanding of financial returns for real estate assets, business risk management, governance and multi-jurisdictional institutional equity capital.</p>
<b>Kate Heaney</b> <b>BConstMgt, MProjMgt</b> Independent Non-Executive Director	<p>Kate was appointed as a Director of Mission Australia Housing and Mission Australia Housing (Victoria) on 30 June 2021 and of Mission Australia Housing Tasmania on 18 August 2022. She is based in Sydney.</p> <p>Kate is a member of CBRE's Executive Committee (Australia and New Zealand), the Head of Client Care, leading CBRE's Corporate Business Development and client strategy as a Director of CBRE Pacific. For the past 19 years, Kate has been a board member of The Station Limited, a non-for-profit organisation and support centre serving the homeless of Sydney. Kate has extensive experience in construction management, project management, management consulting, change management and corporate real estate advisory for major organisations including Macquarie Bank and CBRE.</p>
<b>Kenneth Dean</b> <b>BCom (Hons), FCPA, FAICD</b> Independent Non-Executive Director	<p>Ken was appointed as a Director of the Mission Australia Housing on 1 February 2021 and served as President and Chairman of Mission Australia from 1 June 2015. He was a Director of Mission Australia Housing (Victoria) and Mission Australia Housing Tasmania. Ken was a member of the People Culture &amp; Remuneration Committee and as Chair of the Mission Australia Board attended the Board Audit &amp; Risk Committee and Service Impact Committee. Ken is based in Melbourne. Ken resigned as President, Chairman and Director of Mission Australia, and Director of Mission Australia Housing, Mission Australia Housing (Victoria) and Mission Australia Housing Tasmania on 21 November 2022.</p>



# Directors' Report

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

## 1. Directors (Continued)

Name, qualifications and status	Experience, special responsibilities and other Directorships
<b>Joanna White</b> <b>BCom MBA GAICD</b> Independent Non-Executive Director	<p>Joanna White was appointed Director of Mission Australia on 21 November 2022, as well as Director of Mission Australia Housing, Mission Australia Housing Tasmania and Mission Australia (Victoria) on 14 August 2023, and is a member of the Mission Australia Board Audit &amp; Risk Committee. She is based in Sydney.</p> <p>Joanna previously served as a Director and Chair of Opportunity International Australia. She was a Director of the Commonwealth Bank's employee superannuation fund and was Chair of the Investment Committee. She has also served as a Director and Vice-President of the YWCA NSW and as President of the Harvard Club of Australia.</p> <p>Joanna was most recently a Vice-President at Capgemini Invent and has held executive leadership roles at Westpac, Commonwealth Bank and NAB. She was a founder and CEO of The Australian Charities Fund (now Workplace Giving Australia).</p>

## 2. Company Secretary

Ms Sally Ascroft was appointed to the position of Company Secretary on 31 October 2014.

## 3. Directors' meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of Mission Australia Housing during the financial year were:

Director	Number of meetings attended	Number of meetings eligible to attend
Nancy Fox AM	3*	5
Ian Hammond	7	7
Debra Stirling	6*	7
Ian Robins	6*	7
Kate Heaney	7	7
Ken Dean	3	3

\*Approved Apology

## 4. Corporate governance

Mission Australia Housing and its parent Mission Australia are committed to proper and effective corporate governance arrangements. Mission Australia Housing has access to shared governance and management resources of Mission Australia and benefits from the Mission Australia Board Committees including the Mission Australia Board Audit & Risk Committee and People Culture & Remuneration Committee. As a registered charity regulated by Australian Charities and Not-for-profit Commission (ACNC), Mission Australia Housing applies the ACNC Governance Standards. As a registered community housing provider, Mission Australia Housing is regulated by the Registrar of Community Housing (NSW) under the National Regulatory System for Community Housing and is required to comply with the National Law, including the National Regulatory Code. Within the Mission Australia corporate governance framework, Mission Australia Housing as part of its commitment to good standards of corporate governance also seeks to meet or exceed the National Regulatory Code Governance and Probity Performance Requirements.

# Directors' Report

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

## 4. Corporate governance (Continued)

Mission Australia's full corporate Governance Statement is available on the Mission Australia website at [www.missionaustralia.com.au](http://www.missionaustralia.com.au).

## 5. Principal activities and objectives

The principal activity of Mission Australia Housing during the financial year was to supply housing solutions that enable Australians in need to participate in their communities.

The social housing program is available to individuals, couples and families on low incomes who are eligible for public housing. Under this program, rent is set at approximately 25% of a tenant's income plus 100% of their Commonwealth Rent Assistance (CRA) payment entitlement.

The affordable housing program is available for eligible individuals, couples and families on low to moderate incomes who are having difficulty securing housing in the private rental market. Rent is set at 75 - 80 % of the market rate.

## 6. Operating and financial review

### 6.1 Operating results

*In thousands of AUD*

	2023	2022
Operating revenue	52,512	44,010
Expenditure	(45,624)	(37,217)
<b>Underlying operating surplus</b>	<b>6,888</b>	<b>6,793</b>
Revenue from housing grants	-	866
Movement in fair value of investment property	20,562	78,975
Net finance costs	(611)	(1,307)
<b>Net surplus</b>	<b>26,839</b>	<b>85,327</b>

Mission Australia Housing reported an underlying operating surplus of \$6.9 million for the current financial year (2022: \$6.8 million). Mission Australia Housing revalued its portfolio of investment properties in accordance with policy resulting in an increase of \$20.6 million being recorded.

## 7. Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event likely, in the opinion of the directors of the Group, to significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in future financial years.

## Directors' Report

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

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### 8. Likely developments

In the opinion of the Directors, Group will continue to seek suitable sustainable opportunities to expand the services it provides, the number of clients it serves, and to expand its social and affordable housing portfolio should suitable opportunities arise.

### 9. Indemnification and insurance of officers and Directors

Mission Australia pays premiums to insure the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director other than conduct involving a wilful breach of duty.

To the extent permitted by law, Mission Australia Housing indemnifies every person who is or has been a Director or officer against any liability to any person incurred while acting in that capacity in good faith and against costs and expenses incurred by that person in that capacity in defending legal proceedings and ancillary matters and operates to the extent that the loss or liability is not covered by a valid and current insurance policy.

Mission Australia has, during the financial year, paid an insurance premium in respect of an insurance policy for the benefit of the Directors and Officers of Mission Australia Housing. The insurance is in the normal course of business and grants indemnity for liabilities permitted to be indemnified under Section 199 of the *Corporations Act 2001*. In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy including the nature of the liability insured against and the amount of the premium.

### 10. Performance measurements

The Group monitors its performance against budget and a rolling forecast. The budget is approved by the Board of Directors. Financial results are presented to the Board regularly by senior management of Mission Australia Housing. The Board also reviews the medium and long term plans to assess Mission Australia Housing ability to deliver on long term projects and commitments. The Board uses this information for future planning, tracking progress over time and determining whether agreed objectives or standards have been met.

### 11. Auditor's independence declaration

The Auditor's Independence Declaration is set out on page 8 and forms part of the Directors' Report for financial year ended 30 June 2023.

## Directors' Report

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

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### 12. Registered office

The registered office and principal place of business is Level 7, 580 George Street, Sydney, New South Wales.

### 13. Founder

Mission Australia Housing was founded by its parent, Mission Australia.

### 14. Founding Purpose

Mission Australia Housing exists for the public charitable purposes of providing relief of poverty, sickness, destitution, helplessness and distress to people with low incomes by the provision of housing solutions that enables Australians in need, to participate in their communities.

### 15. Rounding off

Mission Australia Housing is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that Instrument, amounts in the consolidated financial statements and Directors' Reports have been rounded off to the nearest thousand dollars otherwise stated.

### 16. Annual General Meeting

Mission Australia Housing is not required to hold an Annual General Meeting as it only has one member.

This report is made in accordance with a resolution of the Directors:



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**Nancy Fox AM**

Chairperson

Sydney, 26 October 2023



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**Ian Hammond**

Director

Sydney, 26 October 2023





# Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To the Directors of Mission Australia Housing

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in 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.

A handwritten version of the KPMG logo in black ink.

A handwritten signature in black ink, appearing to read 'S Isaac'.

KPMG

Stephen Isaac

*Partner*

Sydney

26 October 2023

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

## For the year ended 30 June 2023

*In thousands of AUD*

	Note	2023	2022
Revenue from rental of social and affordable housing	3	43,764	38,093
Government contributions and other fees for revenue	3	489	616
Revenue from housing grants	3	-	866
Other government grants	3	8,027	4,828
Other revenue	3	232	473
<b>Total revenue for the year</b>		<b>52,512</b>	<b>44,876</b>
<b>Change in fair value on investment property</b>	3	<b>20,562</b>	<b>78,975</b>
Personnel expenses	17	(9,717)	(8,282)
Utility expenses		(9,433)	(8,098)
Repair and maintenance expenses		(14,656)	(10,877)
Management fees - Mission Australia		(2,369)	(2,080)
Insurance expenses		(2,456)	(1,945)
Legal and other consultancy expenses		(327)	(417)
Depreciation and amortisation	5,6	(236)	(319)
Bad debts expenses		(542)	(706)
Communication expenses		(408)	(446)
Rent expenses		(1,429)	(1,163)
Transport and equipment hire expenses		(419)	(222)
Other expenses		(3,632)	(2,662)
<b>Total expenses for the year</b>		<b>(45,624)</b>	<b>(37,217)</b>
<b>Results from operating activities</b>		<b>27,450</b>	<b>86,634</b>
Finance income		754	34
Finance costs		(1,365)	(1,341)
<b>Net finance costs</b>	14	<b>(611)</b>	<b>(1,307)</b>
<b>Net Surplus / (deficit) for the year</b>		<b>26,839</b>	<b>85,327</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>26,839</b>	<b>85,327</b>

# Consolidated Statement of Financial Position

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

## As at 30 June 2023

*In thousands of AUD*

	Note	2023	2022
<b>Assets</b>			
Cash and cash equivalents	13	9,332	8,359
Restricted cash	13	22,500	38,329
Investments	10	11,402	11,055
Restricted term deposits	10	25,529	25,400
Trade and other receivables	9	3,994	904
Inventory	8	2,863	-
Prepayments		776	947
<b>Total current assets</b>		<b>76,396</b>	<b>84,994</b>
Trade and other receivables	9	2,187	2,187
Property, plant and equipment	5	781	100
Investment property - social and affordable housing	4	545,223	516,643
Other assets	11	23,507	8,028
<b>Total non-current assets</b>		<b>571,698</b>	<b>526,958</b>
<b>Total assets</b>		<b>648,094</b>	<b>611,952</b>
<b>Liabilities</b>			
Trade and other payables		9,800	9,221
Employee benefits		863	780
Lease liability		132	50
Contract liability		7,068	1,709
<b>Total current liabilities</b>		<b>17,863</b>	<b>11,760</b>
Other payables		1,627	1,507
Lease liability		262	26
Loans and borrowings	12	134,921	132,117
Employee benefits		147	107
<b>Total non-current liabilities</b>		<b>136,957</b>	<b>133,757</b>
<b>Total liabilities</b>		<b>154,820</b>	<b>145,517</b>
<b>Net assets</b>		<b>493,274</b>	<b>466,435</b>
<b>Equity</b>			
Accumulated surplus - restricted	15	450,765	427,445
Accumulated surplus		42,509	38,990
<b>Total equity</b>		<b>493,274</b>	<b>466,435</b>

# Consolidated Statement of Changes in Equity

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

## For the year ended 30 June 2023

<i>In thousands of AUD</i>	Note	Restricted Accumulated Surplus	Accumulated Surplus	Total Equity
Balance at 1 July 2021		357,189	23,919	381,108
<b>Total comprehensive income for the year</b>				
Surplus		866	84,461	85,327
<b>Other comprehensive income</b>				
Transfer to restricted surplus allocation		69,390	(69,390)	-
Total comprehensive income for the year		70,256	15,071	85,327
<b>Balance at 30 June 2022</b>		<b>427,445</b>	<b>38,990</b>	<b>466,435</b>
Balance at 1 July 2022		427,445	38,990	466,435
<b>Total comprehensive income for the year</b>				
Surplus		-	26,839	26,839
<b>Other comprehensive income</b>				
Transfer to restricted surplus allocation	15	23,320	(23,320)	-
Total comprehensive income for the year		23,320	3,519	26,839
<b>Balance at 30 June 2023</b>		<b>450,765</b>	<b>42,509</b>	<b>493,274</b>

# Consolidated Statement of Cash Flows

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

## For the year ended 30 June 2023

*In thousands of AUD*

	Note	2023	2022
<b>Cash flows from operating activities</b>			
Cash receipts from customers		40,890	40,257
Cash paid to suppliers and employees		(46,379)	(31,803)
<b>Cash from operations</b>		<b>(5,489)</b>	<b>8,454</b>
Interest received		754	220
Interest paid		(1,348)	(1,339)
<b>Net cash from operating activities</b>		<b>(6,083)</b>	<b>7,335</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of investment properties		-	229
Payments for fixed assets		(10,403)	(10,660)
Investment in term deposit		(347)	(25,400)
<b>Net cash (used in) investing activities</b>		<b>(10,750)</b>	<b>(35,831)</b>
<b>Cash flows from financing activities</b>			
Payment of lease liability		(614)	(251)
Proceeds from borrowings		2,591	-
Transfer from restricted cash balance		15,829	29,333
<b>Net cash from / (used in) financing activities</b>		<b>17,806</b>	<b>29,082</b>
Net increase in cash and cash equivalents		973	586
Cash and cash equivalents at 1 July		8,359	7,773
<b>Cash and cash equivalents at 30 June</b>	13	<b>9,332</b>	<b>8,359</b>

# Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

## About this report

### 1. Reporting entity

Mission Australia Housing (the 'Company') is a Company domiciled in Australia. The address of the Company's registered office is Level 7, 580 George Street, Sydney, NSW, 2000, Australia. Mission Australia Housing is a not-for-profit entity and exists for the public charitable purposes of providing relief of poverty, sickness, destitution, helplessness and distress to people with low incomes by the provision

### 2. Basis of preparation

As a not-for-profit Group these consolidated financial statements are general purpose consolidated financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

These consolidated financial statements were authorised for use by the Company's Board of Directors on 26 October 2023.

These consolidated financial statements are the general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures.

of high quality housing solutions that enables Australians in need to participate in their communities. The consolidated financial statements of the Company as at and for the year ended 30 June 2023 comprise the Company and its controlled entities (together referred to as "the Group" and individually as "Group entities").

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- financial instruments at fair value through profit or loss are measured at fair value; and
- investment properties are measured at fair value.

The financial report has been prepared on a going concern basis.



# Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

## Our key numbers

This section provides the information that is the most relevant to understanding the financial performance of Mission Australia Housing during the financial year.

### 3. Revenue

*In thousands of AUD*

#### Revenue recognised under AASB 16 Leases

Revenue from rental of social and affordable housing

#### Revenue recognised under AASB 1058 Income of NFP entities

Government contribution - rent

Revenue from housing grants

Other government grants

#### Revenue recognised under AASB15 Revenue from Contracts with Customers

Fee for service income

Management fees

#### Other revenue

Other miscellaneous revenue

#### Total revenue for the year

#### Change in fair value on investment property

2023	2022
43,764	38,093
489	522
-	866
8,027	4,828
22	31
48	63
162	473
<b>52,512</b>	<b>44,876</b>
<b>20,562</b>	<b>78,975</b>

### Accounting policy

#### Revenue recognition policy for revenue from rental services (AASB16).

##### Revenue from lease rental.

Future contractual rental payments from tenants are recognised as receivables over the lease term as the payments become receivable. Lease income from operating leases is recognised by the Group in income on a straight-line basis from the commencement date over the lease term.

#### Revenue recognition policy for revenue streams which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058).

Assets arising from grants in the scope of AASB 1058 are recognised at their fair value when the asset is received. These assets are generally cash but may be property which has been donated or sold to the Group at significantly below its fair value.

Once the assets and liabilities have been recognised then income is recognised for any difference between the recorded asset and liability.

### Revenue from capital and housing grants

Capital grants received under an enforceable agreement to enable the Group to acquire or construct an item of property, plant and equipment to identified specifications which will be controlled by the Group (once complete) are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Group.

# Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

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## 3. Revenue (Continued)

### Accounting Policy (Continued)

#### Revenue from rental grants

Grants include contribution received from Government to cover up the difference between lease rental compared to the rent received from the tenant upon the delivery of social and affordable housing services.

Revenue is recognised in accordance with the period tenanted.

#### Revenue recognition policy for revenue from contracts with customers (AASB 15)

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount, which reflects the expected consideration.

The customer for these contracts is the fund provider. Revenue is recognised by applying a five-step model as follows:

- Identify the contract with the customer
- Identify the performance obligations
- Determine the transaction price
- Allocate the transaction price
- Recognise revenue

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group has any significant financing terms, as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

### Other Income

#### Change in Fair Value of Investment Properties

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

# Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

## Our assets platform

This section provides information relating to the operating assets and liabilities of the Group. Mission Australia Housing is committed to long term financial sustainability and growth.

### 4. Investment property – social and affordable housing

<i>In thousands of AUD</i>	<i>Purchased from SHGF</i>	<i>Received under NBESP</i>	<i>Common Ground</i>	<i>Owned &amp; Leased Properties</i>	<i>Total</i>
<b>Fair value</b>					
Balance at 1 July 2021	41,962	288,879	35,265	60,479	426,585
Purchased	-	-	-	11,868	11,868
Received as property transfer	-	-	-	866	866
Disposal	-	-	-	(1,652)	(1,652)
Change in fair value	9,499	44,784	1,552	23,141	78,976
Balance at 30 June 2022	51,461	333,663	36,817	94,702	516,643
Balance at 1 July 2022	51,461	333,663	36,817	94,702	516,643
Purchased	-	-	-	8,018	8,018
Change in fair value	91	9,508	7,764	3,199	20,562
Balance at 30 June 2023	51,552	343,171	44,581	105,919	545,223

#### 4.1 Social Housing Growth Fund grant (SHGF)

The Group received grants in the past from the New South Wales Land and Housing Corporation to purchase properties that could be affordably rented by people in need. One of the grant conditions provided that the Group secured finance, by using the properties purchased from the SHGF grant as a security which was achieved with a facility in 2011.

#### 4.2 Nation Building Economic Stimulus Plan (NBESP)

In 2011, the Group took on the ownership and management of 68 property sites containing 1,055 dwelling units from Housing NSW. The project is being delivered under the NSW Nation Building Economic Stimulus Plan (NBESP), a Social Housing Initiative.

#### 4.3 Camperdown Common Ground

In December 2014, the Group received ownership from Housing NSW in relation to 104 units at 31 Pyrmont Bridge Road, Camperdown that were previously managed under a leasehold agreement as part of the Camperdown Common Ground Project.

#### 4.4 Other owned & leased Properties

The Group other owned and leased properties include investment properties owned by the Group.

# Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

## 4. Investment property (continued)

### 4.4.1 Social Housing Management Transfer program (SHMT) (continued)

In July 2019 the Group commenced operation of the Coffs Harbour / Bellingen package under the NSW Government Social Housing Management Transfer Program.

The transfer resulted in the management of over 1,050 social housing dwellings for a 20-year term. Right-of-use assets includes 38 Mission Australia Housing head leases. These 'head leases' are properties leased from private landlords at commercial rates and then leased to tenants in accordance with the requirements of the agreement.

### 4.4.2 Peppercorn leases

The Group holds a number of peppercorn lease contracts or premises provided for nil or below market consideration. The Group adopted the option not to apply the fair value initial measurement requirement to Right-of-use assets as permitted by AASB 2018-8.

### Security

At 30 June 2023 Investment Properties with a carrying amount of \$290.6 million (2022: \$281.9 million) are subject to a mortgage to secure bank loans (see Note 12).

## Accounting Policy

### Recognition and measurement

Investment property, including both owned property and right-of-use assets is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit and loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

### Valuation methodology

Independent valuations are obtained for all investment properties at least once every three years. Investment properties in the Group owned are used for rental purposes to provide social and affordable housing.

In accordance with AASB 13 *Fair Value Measurement*, Mission Australia Housing has determined the highest and best use for the properties to be residential dwellings.

# Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

## 5. Property, plant and equipment

<i>In thousands of AUD</i>	<i>Leasehold Improvement</i>	<i>IT Assets</i>	<i>Plant and Equipment</i>	<i>Total</i>
Carrying amount as at 1 July 2021	149	-	99	248
Additions	14	-	3	17
Depreciation	(140)	-	(25)	(165)
<b>Balance at 30 June 2022</b>	<b>23</b>	<b>-</b>	<b>77</b>	<b>100</b>
Assets cost	2,041	85	714	2,840
Accumulated depreciation	(2,018)	(85)	(637)	(2,740)
Carrying amount as at 1 July 2022	23	-	77	100
Additions	866	-	51	917
Depreciation	(205)	-	(31)	(236)
<b>Balance at 30 June 2023</b>	<b>684</b>	<b>-</b>	<b>97</b>	<b>781</b>
Assets cost	2,907	85	765	3,757
Accumulated depreciation	(2,223)	(85)	(668)	(2,976)

## Accounting Policy

### Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. If significant parts of items of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

### Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

### Depreciation

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values, using the straight-line basis over the estimated useful lives, and is generally recognised in profit or loss.

Mission Australia Housing policy to depreciating right of use assets is detailed in note 6.

The estimated useful lives are as follows:

- IT Assets 3-5 years
- Leasehold improvement 3-10 years
- Plant and equipment 3-5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end.

### Impairment

### Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

# Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

## 6. Leases

### 6.1 Leases as lessee

The Group leases property, motor vehicles, computer and printing. The leases typically run for a period of 3 to 10 years, and may include an option to renew the lease after that date. Lease payments are renegotiated at the end of lease period to reflect market rentals.

The Group also leases plant and equipment (computer & printing equipment) with contract

terms of three years which are leases of low-value items.

The Group has elected not to recognise right-of-use assets and lease liabilities for these leases. Information about leases for which the Group is a lessee is presented below.

### Right-of-use assets

<i>In thousands of AUD</i>	Land and buildings	Investment Properties	Plant and Equipment	Total
Balance at 1 July 2022	48	-	29	77
Additions during the year	387	-	51	438
Remeasurement during the year	-	-	-	-
Depreciation charge for the year	(101)	-	(31)	(132)
Balance at 30 June 2023	<b>334</b>	<b>-</b>	<b>49</b>	<b>383</b>

### Amounts recognised in profit or loss

<i>In thousands of AUD</i>	2023
Cash outflow for lease payment	(614)
Cash outflow for lease interest payment	(17)
	<b>(631)</b>

### Future lease payments

The total of future lease payments (including those lease payments that are not included in the measurement of the lease liability, e.g. for short-

term leases and leases of low-value items) are disclosed for each of the following periods.

<i>In thousands of AUD</i>	2023	2022
Less than one year	561	135
Between one and five years	766	112
Total future lease payments at 30 June	<b>1,327</b>	<b>247</b>



# Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

## 6. Leases (continued)

### 6.1 Leases as lessee (continued)

#### Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

#### Accounting Policy

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### I. As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the

### 6.2 Leases as lessor

The Group leases out its investment property consisting of its social and affordable housing. All leases are classified as operating leases from a lessor perspective because the Group does not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

# Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

## 6. Leases (continued)

### Accounting policy (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment.

### Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### II. As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset. If an arrangement contains lease and non-lease components, then the Group applies AASB 15 to allocate the consideration in the contract.

# Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

## 7. Commitments

### 7.1 Capital commitments

The Group has contractual commitments of \$3 million with Housing Tasmania, towards increasing the social and affordable housing stock in Tasmania.

Mission Australia Housing Partnership Limited committed \$69.9 million to purchase of 130 residential units at Macquarie Park Sydney.

### 7.2 Housing commitments

As a Community Housing Provider, the Group has set aside investment and cash assets to scheduled repairs and maintenance of housing properties. Refer to Note 10 Investments and Note 13 Cash and Cash Equivalents for details of assets set aside in the current financial year. Failure to meet maintenance obligations may result in withdrawal

of the Group registration as a Community Housing Provider and other consequences of default within its contracts with Housing NSW and Housing Tasmania.

## 8. Inventory

The Group recognised \$2.9 million inventory representing 26 lots of land to be sold

*In thousands of AUD*

### Current

Inventory

2023	2022
2,863	-
<b>2,863</b>	<b>-</b>

### Accounting Policy

Inventories are measured at cost, adjusted when applicable for any loss of service potential. The cost

of inventories is based on the specific identification of their individual costs.

# Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

## 9. Trade and other receivables

*In thousands of AUD*

### Current

Trade receivables

### Non-current

Other receivables - MAHV

	2023	2022
Trade receivables	3,994	904
	3,994	904
Other receivables - MAHV	2,187	2,187
	<b>2,187</b>	<b>2,187</b>

No security is held against related entity balances.

## Accounting Policy

Trade and other receivables are classified as financial assets at amortised cost.

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument. Trade and other receivables are initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, and impairment are recognised in

profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The Group has no contract assets as at 30 June 2023.

The Group applied an 'expected credit loss' ("ECL") model in assessing impairment losses.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in an accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

## 10. Investments

*In thousands of AUD*

### Current

Term deposits

Restricted term deposits

	2023	2022
Term deposits	11,402	11,055
Restricted term deposits	25,529	25,400

The Group held the restricted term deposit balance of \$25.5 million under its subsidiary Mission Australia Housing Partnership upon securing a loan

to finance the construction of 130 residential units at Macquarie Park Sydney (see note 12).

## 11. Other assets

*In thousands of AUD*

### Non - current

Other assets

	2023	2022
Other assets	<b>23,507</b>	<b>8,028</b>

Other assets comprise deposits paid to Frasers to fund progress claims of the Builder made under the On-Loan Facility Agreement.

# Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

## Our financing and capital structure

This section provides information relating to Mission Australia Housing's capital structure and its exposure to financial risk, how they affect Mission Australia Housing financial position and performance and how the risks are managed.

### 12. Loans and borrowings

This note provides information about the Group interest-bearing loans and borrowings which are measured at amortised cost.

Bank loans are secured by properties owned by the Group and are disclosed as non-current liabilities.

Terms and conditions of outstanding loans were as follows:

In thousands of AUD	Currency	Fixed interest rate	Year of maturity	30 June 2023		30 June 2022	
				Face Value	Carrying amount	Face Value	Carrying amount
Non - Current							
Secured loan - NHFIC (MAH)	AUD	2.06%	2032	64,487	64,487	64,430	64,430
Secured loan - NHFIC (MAHPL)	AUD	2.39%	2031	67,710	67,710	67,687	67,687
Secured loan - NHFIC (MAHT)	AUD	6.81%	2025	2,724	2,724	-	-
Total interest-bearing liabilities				134,921	134,921	132,117	132,117

On 30 June 2020, the Group successfully completed a refinancing of its corporate loan facilities through a \$65.0 million loan facility with National Housing Finance and Investment Corporation (NHFIC).

The NHFIC facility is secured over 46 investment properties with a carrying value of \$290.6 million (2022: \$281.9 million).

In June 2021, Mission Australia Housing Partnership Limited (MAHPL) secured a \$67.9 million loan facility with (NHFIC) to enable the Group to commit to

purchase 130 residential units at Macquarie Park Sydney. The facility is secured up until purchase through the restricted cash as per Note 13 the restricted deposits as per Note 10 and the deposits paid to the builder as per Note 11.

In April 2022, Mission Australia Housing Tasmania (MAHT) secured a \$3.75 million loan facility to fund construction costs with (NHFIC), secured on the underlying property. As at 30 June 2023 \$2.7 million of the loan facility has been drawn down.

# Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

## 13. Cash and cash equivalents

*In thousands of AUD*

Bank balances  
Cash and cash equivalents in the statement of cash flows

2023	2022
9,332	8,359
<b>9,332</b>	<b>8,359</b>

*In thousands of AUD*

Restricted cash balance

2023	2022
22,500	38,329

The Group held the restricted bank balance of \$22.5 million (2022: \$38.3 million) through its subsidiary

MAHPL to secure a loan to acquire 130 residential units at Macquarie Park Sydney (Refer Note 12).

## 14. Finance income and finance costs

*In thousands of AUD*

Recognised in profit or loss

Interest income

Interest expense

Interest expense on lease liability

**Net finance costs**

2023	2022
754	34
(1,348)	(1,339)
(17)	(2)
<b>(611)</b>	<b>(1,307)</b>

### Accounting Policy

#### Finance income and expense

The Group finance income and finance costs include:

- interest income;
- interest expenses; and
- interest on lease liabilities.

Interest income or expense is recognised using the effective interest method.

## 15. Capital and reserves

### 15.1 Accumulated surplus

Accumulated surplus comprises an aggregate of the retained earnings.

### 15.2 Restricted accumulated surplus

The Group has restricted accumulated surplus of \$450.8 million (2022: \$427.4 million) in the current financial year. Restricted Surplus consists of the fair value of vested investment properties under SHGF, NBESP, Common Ground and CHGP.



# Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

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## 16. Determination of fair values

A number of the Group accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

### 16.1 Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

### 16.2 Investment property

Investment properties are held at fair value based on a determination of their highest and best use

and follows the fair market. An external, independent company, having appropriate professional qualifications and experience in the location and category of property is appointed to undertake investment property valuations. Properties are selected for independent valuation on a rotational basis to ensure each property is valued at least once every three years.

The fair values are based on highest and best use market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly. In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

# Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

## Our people

This section provides details of Mission Australia Housing's employee costs, including Key Management Personnel.

### 17. Personnel expenses

*In thousands of AUD*

	2023	2022
Wages and salaries	7,922	6,691
Other associated personnel expenses	987	942
Contributions to defined contribution plans	808	649
	<b>9,717</b>	<b>8,282</b>

#### Short-term benefits

Short-term employee benefits are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### Long-term employee benefits

The Group net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

That benefit is discounted to determine its present value. Re-measurement is recognised in profit or loss in the period in which they arise.

#### Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

### 18. Related parties

The Key Management Personnel compensation is as follows:

*In AUD*

	2023	2022
Short-term employee benefits	2,943,888	2,745,836
Long-term benefits	255,089	191,642
Post-employment benefits	209,989	190,547
	<b>3,408,966</b>	<b>3,128,025</b>

Key Management Personnel includes Directors of the Group, and Executives of Mission Australia who are primarily responsible for managing the affairs of Mission Australia Housing. Directors of Mission Australia Housing receive no remuneration in respect of their services provided as Directors. The compensation disclosed above represents the key

management personnel's compensation in relation to their services rendered to Mission Australia and includes compensation paid in respect of their services rendered to the Group.

### 19. Parent entity

Mission Australia Housing is a company limited by guarantee with Mission Australia the only member.

Consequently, Mission Australia Housing is deemed a 100% controlled entity of Mission Australia.

# Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

## Our group structure

This section explains significant aspects of the Mission Australia Housing's group structure including joint arrangements that the Group has an interest in. It also provides information on Mission Australia Housing's related entities.

### 20. Group entities

Active controlled entities - Mission Australia Housing Tasmania and Mission Australia Housing Partnership Limited are incorporated in Australia and 100% owned by Mission Australia Housing.

Mission Australia Housing Tasmania and Mission Australia Housing Partnership Limited have restrictions on the distribution of dividends and capital to the Company.

### Accounting Policy

#### Basis of consolidation

##### Controlled entities

The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of controlled entities have been changed when necessary to align them with the policies adopted by the Group.

Mission Australia Housing Tasmania and Mission Australia Housing Partnership Limited have been registered as Housing Associations, which are subject to various restrictions in New South Wales and

Tasmania and Victoria, in particular around their ability to make distributions of profit or capital to the Group. AASB 10 Consolidated Financial Statements require that these entities be consolidated, as control, rather than appropriation of capital, is the overriding determinant of whether an entity is consolidated.

##### Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

## Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

### 21. Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2023 the parent entity of the Group was Mission Australia Housing.

<i>In thousands of AUD</i>	<b>2023</b>	<b>2022</b>
<b>Result of parent entity</b>		
<b>Income</b>		
Rental Income	25,671	28,783
Other Income	8,538	4,143
<b>Operating Expenditure</b>		
Maintenance expenditure	(10,577)	(8,052)
Property expenditure	(8,074)	(7,712)
Tenant expenditure	(2,725)	(2,557)
Operations expenditure	(5,942)	(5,570)
Support and Service expenditure	(4,733)	(4,250)
<b>Non - Operating Expenditure</b>		
Interest income	522	34
External interest	(1,339)	(1,339)
Internal interest	197	185
Change in fair value on investment property	20,562	78,975
<b>Total comprehensive income for the period</b>	<b>22,100</b>	<b>82,640</b>
<b>Financial position of parent entity at year end</b>		
Current assets	27,897	27,653
Non-current assets	539,813	517,694
<b>Total assets</b>	<b>567,710</b>	<b>545,347</b>
Current liabilities	16,826	7,715
Non-current liabilities	65,032	73,884
<b>Total liabilities</b>	<b>81,858</b>	<b>81,599</b>
<b>Net assets</b>	<b>485,852</b>	<b>463,748</b>
<b>Total equity of the parent entity comprising of:</b>		
Accumulated surplus	485,852	463,748
<b>Total equity</b>	<b>485,852</b>	<b>463,748</b>
<b>Cash position of parent entity at year end</b>		
Net cash from operating activities	4,389	2,518
Net cash (used in) investing activities	(1,307)	(6,044)
Net cash (used in) from financing activities	(328)	(251)
<b>Net increase in cash and cash equivalents</b>	<b>2,754</b>	<b>(3,777)</b>
Cash and cash equivalents at 1 July	3,196	6,973
<b>Cash and cash equivalents at 30 June</b>	<b>5,950</b>	<b>3,196</b>

# Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2023 | Mission Australia Housing and its controlled entities

## Other disclosures

This section provides details of other disclosures relating to Mission Australia Housing’s to comply with accounting standards and other pronouncements.

### 22. Subsequent events

In the opinion of the Directors, there have been no likely changes in the operations of the Group that will adversely or significantly affect the results of the Group in subsequent financial year.

### 23. Members’ guarantee

Mission Australia Housing is a Company limited by guarantee. In the event of the Company being wound up, each member might be liable to contribute an amount not exceeding 10 cents.

### 24. Auditor’s remuneration

<i>in AUD</i>	2023	2022
Auditor of the Group - KPMG		
Audit and review of financial statements	100,000	92,700

### 25. Significant and changed accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

#### 25.1 Income tax

Mission Australia Housing entities are appropriately endorsed (as required by the Australian Tax Office) from the date of incorporation, for income tax exemptions.

#### 25.2 Changes in accounting policy

##### New and amended standards adopted by the Group

A number of other new standards were effective from 1 July 2022 but did not have a material effect on the Group’s financial statements.

## Directors' Declaration

Annual Financial Report 30 June 2023 | Mission Australia Housing

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### Directors' Declaration

In the opinion of the Directors of Mission Australia Housing:

- a) the consolidated financial statements and notes set out on pages 9 to 30 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
  - i. giving a true and fair view of the Group financial position as at 30 June 2023 and of its performance, for the financial year ended on that date; and
  - ii. complying with Australian Accounting Standards (including *the Australian Accounting Interpretations*) and *the Australian Charities and Not-for-profits Commission Regulation 2013*.
- b) there are reasonable grounds to believe that Mission Australia Housing will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Sydney, 26 October 2023.



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**Nancy Fox AM**  
Chairperson



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**Ian Hammond**  
Director





# Independent Auditor's Report

To the members of Mission Australia Housing

## Opinion

We have audited the **Financial Report**, of Mission Australia Housing (the Company) and its controlled entities (the Group).

In our opinion, the accompanying Financial Report of the Group is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2023, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Simplified Disclosures Framework* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022 (ACNCR)*.

The **Financial Report** comprises:

- i. Consolidated statement of financial position as at 30 June 2023.
- ii. Consolidated statement of profit or loss, Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Directors' declaration.

The Group consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

## Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.



## Other information

Other Information is financial and non-financial information in Mission Australia Housing's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures Framework and the ACNC and ACNCR.
- ii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- iii. Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- i. Identify and assess the risks of material misstatement of the Financial Report, whether due to



fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ii. Obtain an understanding of internal control relevant to the Audit 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 Group's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

Stephen Isaac

*Partner*

Sydney

26 October 2023