Coast2Bay Housing Group Limited and Controlled Entity
ABN 32 127 308 856

DIRECTORS FINANCIAL REPORT
for the year ended 30 June 2024

Coast2Bay Housing Group Limited and Controlled Entity
Directors Financial Report for the year ended 30 June 2024

The Directors present their report, together with the financial statements, on the controlled entity for the year ended 30 June 2024.

Directors

The name of the directors in office at any time during, or since the end of, the year are:

Chair	Gordon Sutherland	
Secretary	Andrew Elvin	
	Terrence Bethke	Resigned 3 November 2023
	Michaela Duke	Appointed 11 December 2023
	Daren Cardow	
	Helen Glanville	
	Jean McRuvie	
	Peter Moriarty	
	Adam Morley	Resigned 23 January 2024
	Cheryl Ling	Appointed 25 March 2024
	Leanne Newberry	
	Daniel O'Brien	

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

Information on Directors

Name:	Gordon Sutherland
Title:	Board Chair
Qualifications:	BSci(Hons)Bld GradDipBusAd
Experience and expertise:	- 37 years in the construction and property industry including periods of service for the following major companies: - FKP (Retail Development Manager – Peregian Springs) - Watpac (Manager Design and Construct/Development Manager) - Involvement in the major projects such as redevelopment of Lang Park and Brisbane Cricket Ground - Company developments including Addison Avenue residential Bulimba, Botanic Residential Development, Mitchelton, Riviera Apartments, Brisbane - John Holland Pty Limited (Business Development Manager) - Lend Lease (Project and Development Manager) - Consulere Pty Limited (Project Manager) - Citra Constructions Limited (Construction Manager) - Watts Constructions Pty Limited (Chief Planner).
Special responsibilities:	Member Projects, Programs and Planning Committee Member Finance, Audit and Risk Committee Member Development Committee Board Member Purpose Real Estate Limited.

Name:	Andrew Elvin
Title:	Chief Executive Officer
Qualifications:	MA BA (Hons) GAICD
Experience and expertise:	- Over 25 years as Senior Executive Manager and CEO of community housing providers/human service organisation; - Licensed Real Estate Professional; - Director of Community Housing Industry Association Queensland; Member REIQ.
Special responsibilities:	Secretary Coast2Bay Housing Group Limited Managing Director, Secretary and Board Member Purpose Real Estate Limited.

Coast2Bay Housing Group Limited and Controlled Entity
Directors Financial Report for the year ended 30 June 2024

Information on Directors (continued)

Name:	Daren Cardow
Title:	Director
Qualifications:	BBus CPA GAICD
Experience and expertise:	- Professional Accountant, practicing for over 25 years - Extensive financial reporting, business development and corporate governance capabilities - Experienced director holding several Board positions with both commercial and NFP organisations as well as Advisory Boards with numerous SME's across diverse industries. - An appointed external auditor for a variety of local community organisations, in addition to commercial and statutory engagements.
Special responsibilities:	Chair of the Finance, Audit and Risk Committee.

Name:	Michaela Duke
Title:	Director
Qualifications:	Bachelor of Laws (Hons) Bachelor of International Business GradDip Legal Practice
Experience and expertise:	- Principal Solicitor of Duke Legal - Over 15 years' experience as a legal practitioner practicing in the areas of property law, commercial law and wills and estates - Experience in large commercial property transactions and SMSF transactions - Experienced in complex estate planning including testamentary trusts and structuring.
Special responsibilities:	Member Finance, Audit and Risk Committee. Board member Purpose Real Estate Limited to 28 May 2024.

Name:	Helen Glanville
Title:	Director
Qualifications:	GradDipSocialScience GradCertHousingMgmt DipBusMgmt Cert IV Workplace Assessment Cert IV Workplace Training Licenced Realtor
Experience and expertise:	- 12 years with the Department of Housing in property and tenancy management roles - Partner in private development company, winner of HIA Sunshine Coast Best Residential Estate 2000 and HIA Queensland Medium Density Project of the year 2000 - 25 years in family-owned real estate businesses.
Special responsibilities:	Member Projects, Programs and Planning Committee Board Chair Purpose Real Estate Limited.

Name:	Jean McRuvie
Title:	Director
Qualifications:	FAIM MAICD
Experience and expertise:	- 30 years board experience across a range of industries - 21 years CEO and Senior Executive in a range of sectors including primary health, education, agriculture and regional development - Extensive experience in membership of government advisory bodies - Wide experience in government and non-government funded projects, reporting and evaluation - Designed and developed ISO 9001 accreditation for a number of agencies - President, COTA Qld – Council of the Ageing - Committee Member Gambling Community Benefit Fund.
Special responsibilities:	Chair Projects, Programs and Planning Committee.

Coast2Bay Housing Group Limited and Controlled Entity
Directors Financial Report for the year ended 30 June 2024

Information on Directors (continued)

Name:	Peter Moriarty
Title:	Director
Qualifications:	Certificate II Project Management Economics of Development, Brisbane (Chifley) Litigation and Governance, Brisbane (Chifley) Effective Communication, Mediation and Negotiation Skills Program, Brisbane (Chifley)
Experience and expertise:	- Director of Fresh Directions (Development and Consultancy Practice) - Developer of residential land subdivision, townhouse, unit, commercial, industrial and mixed-use projects - Significant development experience in prior roles as Development Manager and Senior Planner at large development, construction and consultancy companies.
Special responsibilities:	Chair Development Committee.

Name:	Cheryl Ling
Title:	Director
Qualifications:	Fellow of the Institute of Chartered Accountants (FCA) for England and Wales GAICD BA (Hons) European Business Diplom Betriebswirt, Betriebswirtschaft (Business Studies)
Experience and expertise:	- KPMG trained International Finance Executive and Board Advisor with a strong track record in highly regulated contexts - More than 30 years experience in delivering the full range of strategic, operational and financial responsibilities in multi cultural and socially diverse sectors including telecoms, local government, banking and health - Former Equity Partner in audit, accounting and business consulting firm specialising in the banking and finance sector, reporting to international parent companies, regulators and audit committees - Experienced in delivering governance and financial performance related to advice to not for profit entities operating in Vanuatu including Oxfam and Habit for Humanity - 2023 Australian CFO of the Year Award Finalist - Current CFO and co-owner of the international franchising health and fitness group Jetts Fitness Global.
Special responsibilities:	Member Finance Audit and Risk Committee.

Name:	Leanne Newberry
Title:	Director
Qualifications:	B.Bus (Land Economy) Graduate Certificate in Adult and Workplace Education Cert IV Training and Assessment Cert IV Project Management JP Qualified (Qld) Registered Real Estate Professional in Queensland
Experience and expertise:	- 30 years in commercial real estate with leading global firms - JLW, CBRE, Cushman and Wakefield, and Knight Frank - Extensive experience in real estate and facilities management for both owners and occupiers - Track record in design, development and implementation of property management policies and procedures at local, regional and global level - Successfully designed, developed and delivered adult learning programs in real estate across Australia and New Zealand - Currently Head of Transformation, Asset Management Services at Knight Frank, Australia - Involved in several community organisations on the Blackall Range.
Special responsibilities:	Member Project, Programs and Planning Committee Board Member Purpose Real Estate Limited.

Coast2Bay Housing Group Limited and Controlled Entity
Directors Financial Report for the year ended 30 June 2024

Information on Directors (continued)

Name:	Daniel O'Brien
Title:	Director
Qualifications:	BENG(CIVIL) MIEAUST MAPM FAIM
Experience and expertise:	- Over 20 years business experience in the planning, capital investment and delivery of major Defence, Aerospace, infrastructure and resource projects - Background in both corporate (publicly listed, large private and government owned corporations) and professional sector - Significant experience in highly regulated environments of Aerospace, Defence, construction, engineering, water, resources, energy and infrastructure.
Special responsibilities:	Member Development Committee.

RESIGNATIONS	**Information to date of resignation**
Name:	Terrence Bethke (resigned 3 November 2023)
Title:	Managing Director
Qualifications:	Bachelor of Laws Accredited Property Law Specialist
Experience and expertise:	- Over 30 years' experience as Managing Director of Munro Thompson Lawyers - Practices in unit development, land subdivision, commercial property transfers and joint ventures - Past association with a wide range of tourist-orientated developments, including major projects across the Sunshine Coast - Accredited as a Property Law Specialist by the Queensland Law Society; an honour held by few solicitors in Queensland - Appointed a fellow of the UDIA in recognition of his services to the property industry.
Special responsibilities:	Member Finance Audit and Risk Committee.

Name:	Adam Morley (resigned 23 January 2024)
Title:	Director
Qualifications:	BBusPropVal Real Estate Licence
Experience and expertise:	- Over 20 years of experience in the property finance industry, having worked for St George Bank and ANZ Bank including financing of large scale residential, commercial, retail and industrial projects around Queensland and Northern Territory - Experienced financial investment activity with private investors, syndicates, joint ventures and property fund managers in Queensland and interstate - In early 2020, commenced with Ray White Commercial Noosa and Maroochydore as a Commercial Sales Consultant
Special responsibilities:	Member Development Committee.

Coast2Bay Housing Group Limited and Controlled Entity
Directors Financial Report for the year ended 30 June 2024

Meetings of Directors

The number of meetings of the controlled entity's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

Director	Full Board		Finance, Audit and Risk Committee		Projects, Programs and Planning Committee		Development Committee	
	Attended	Held^	Attended	Held^	Attended	Held^	Attended	Held^
Gordon Sutherland (Chair)	10	10	6	6	6	6	6	6
Andrew Elvin (Secretary)*	10	10	5	6	5	6	6	6
Terrence Bethke (i)	3	4					2	3
Michaela Duke (ii)	4	6	2	2				
Daren Cardow	10	10	6	6				
Helen Glanville	10	10			6	6		
Jean McRuvie	10	10			6	6		
Peter Moriarty	4	10					6	6
Adam Morley (i)	3	5	0	3				
Cheryl Ling (ii)	3	3	1	1				
Leanne Newberry	9	10			6	6		
Daniel O'Brien	5	10					4	6

* Attendance to committee meetings in capacity as CEO of Coast2Bay Housing Group Limited.
^ 'Held' represents the number of meetings conducted during the time the Director was in office.

(i) there were two resignations during the year.
(ii) there were two new appointments during the year.

Review of Operations

	2024 $	2023 $
Consolidated surplus of the Consolidated Group	62,411,144	27,404,612

A review of the operations of the Consolidated Group during the financial year and the results of those operations found that the increases in government capital grants awarded to the Consolidated Group to attend to the housing crisis within the Community Housing Sector have resulted in a significant increase in equity for the Group. This directly contributed to an increase in the Consolidated Groups year on year surplus results, a large escalation in non-current assets offset by only minor changes to liabilities.

Key Performance Indicators

Operational and financial	2024	2023
Proportion of funding provided by:		
- Government grants for capital programs	81%	53%
- Government grants for operational programs	5%	12%
- Rental income	12%	28%
- Other income	2%	7%
Proportion of funding spent on:		
- Rent expense	36%	34%
- Wages and salaries	27%	28%
- Property expenses	16%	12%
- Depreciation expense	12%	17%
- All other expenses	9%	9%

Coast2Bay Housing Group Limited and Controlled Entity
Directors Financial Report for the year ended 30 June 2024

Significant Changes in the State of Affairs
No significant changes in the Consolidated Group's state of affairs occurred during the financial year.

Principal activities
The principal activities of the Consolidated Group during the financial year were to deliver community and affordable housing solutions to targeted households in need who face barriers to entry to the general housing market, and conduct business as a real estate agent in the commercial sector.

Events Subsequent to the End of the Reporting Period
Other than that disclosed in **Note 19** of the financial statements, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Group, the results of those operations, or the state of affairs of the Consolidated Group in future financial years.

Likely Developments and Expected Results of Operations
The Group will continue to pursue its strategic objectives to sustain and increase community housing outcomes and profitability. This will entail continued focus on grant submissions to government to enable social and affordable housing solutions in the community of operations. The Group plans to continue to undertake asset development and acquisitions and improve business and operational efficiency to achieve better than recommended industry benchmarks. This will assist ongoing and longer-term fulfilment of contractual obligations, financial servicing and the organisational growth goals as identified in the 10 year strategic and forward financial plan.

Environmental Regulation
The Consolidated Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Options
No options over issued shares or interests in the Company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report. No shares or interests in the Company or a controlled entity have been issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Indemnification of Officers
No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Consolidated Group.

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

Contributions on Winding up
In the event of the company being wound up, the constitution states that each member is required to contribute a maximum of $1.00 each towards meeting any outstanding obligations of the entity. At 30 June 2024, the total amount that members of the company are liable to contribute if the company is wound up is $13.00 (2023: $13.00).

Auditor's Independence Declaration
A copy of the Auditor's Independence Declaration as required under subdivision 60-C section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012* and under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Directors Resolution

This report is signed in accordance with a resolution of the Board of Directors.

On behalf of the Directors

Gordon Sutherland
Board Chair

Location .... Month

Maroochydore .... 26 / 8 / 2024

66 Duporth Avenue
PO Box 299
Maroochydore QLD 4558
+61 (0)7 5443 2600
reception@loveandpartners.com

COAST2BAY HOUSING GROUP LIMITED
ABN 32 127 308 856

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

AUDITOR'S INDEPENDENCE DECLARATION UNDER ACNC ACT S 60-40 TO THE DIRECTORS OF COAST2BAY HOUSING GROUP LIMITED

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Coast2Bay Housing Group Limited. As the lead audit partner for the audit of the financial statements of Coast2Bay Housing Group Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024 there have been no contraventions of:

i. the auditor independence requirements of the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and
ii. any applicable code of professional conduct in relation to the audit.

Love + Partners

Love + Partners
REGISTERED COMPANY AUDITORS

Brett J Buntain
Director
RCA No. 213172

Date: 25 August 2024

Coast2Bay Housing Group Limited and Controlled Entity ABN 32 127 308 856

FINANCIAL STATEMENTS for the year ended 30 June 2024

Coast2Bay Housing Group Limited and Controlled Entity
Consolidated Financial Statements for the year ended 30 June 2024

Contents

Coast2Bay Housing Group Limited and Controlled Entity
Consolidated Financial Statements for the year ended 30 June 2024

General Information

The financial statements cover Coast2Bay Housing Group Limited as a consolidated entity consisting of Coast2Bay Housing Group Limited and its controlled entities at the end of, or during, the year. The financial statements are presented in Australian dollars, which is the controlled entity's functional and presentation currency.

The registered office and principal place of business of the controlled entity is: Tower 2, Level 4, Kon-Tiki Building, 55 Plaza Parade, Maroochydore, Qld 4558. A description of the business operations and principle activities is included within the Directors' Report with further information contained within the notes to the Financial Statements.

The Financial Statements are authorised for issue, in accordance with a resolution of the Board of Directors, on the date of signing of the Directors' Declaration. The Directors have the power to amend and reissue the Financial Statements.

For information in relation to Coast2Bay Housing Group Limited and its controlled entity's Financial Statements, please call 07 5451 2900.

Coast2Bay Housing Group Limited and Controlled Entity

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Revenue	2	77,799,126	29,908,759
Interest revenue		104,380	56,347
Gain on sale of assets		8,745	857
Auditor fees	22	(23,031)	(23,888)
Bad and doubtful debts expense		(164,749)	(77,846)
Depreciation expense	3	(1,885,700)	(2,394,101)
Employee benefits expense		(4,194,101)	(3,770,830)
Finance costs		(107,547)	(89,337)
Other expenses		(1,154,423)	(928,604)
Property expenses		(2,356,323)	(1,665,836)
Rent paid to owners		(5,615,232)	(4,761,005)
Surplus for the year attributable to the members of Coast2Bay Housing Group Limited	13	62,411,144	16,254,517
Other comprehensive income for the year	13	0	11,150,095
Total comprehensive income for the year attributable to the members of Coast2Bay Housing Group Limited		**62,411,144**	**27,404,612**

The accompanying notes form part of these financial statements.

Coast2Bay Housing Group Limited and Controlled Entity

Consolidated Statement of Financial Position

As at 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Assets			
Current assets			
Cash and cash equivalents	4	14,379,326	8,947,841
Trade and other receivables	5	1,297,961	1,420,703
Total current assets		15,677,287	10,368,543
Non-current assets			
Right-of-use assets	6	300,319	930,524
Property, plant and equipment	7	113,101,737	52,053,395
Total non-current assets		113,402,056	52,983,919
Total assets		**129,079,343**	**63,352,462**
Liabilities			
Current liabilities			
Trade and other payables	8	2,438,649	1,503,967
Contract liabilities	9	8,149,985	1,463,650
Employee benefits	10	411,770	441,880
Lease liabilities	11	262,264	646,969
Borrowings	12	4,054,495	114,588
Total current liabilities		15,317,163	4,171,054
Non-current liabilities			
Employee benefits	10	20,882	11,051
Lease liabilities	11	67,190	315,432
Borrowings	12	949,020	8,540,981
Total non-current liabilities		1,037,092	8,867,464
Total liabilities		**16,354,255**	**13,038,517**
Net assets		**112,725,088**	**50,313,944**
Equity			
Issued capital		13	13
Retained surpluses	13	90,216,217	27,776,271
Capital maintenance reserve	13	1,354,098	1,382,901
Asset revaluation reserve	13	21,154,760	21,154,760
Total equity		**112,725,088**	**50,313,944**

The accompanying notes form part of these financial statements.

Coast2Bay Housing Group Limited and Controlled Entity

Consolidated Statement of Changes in Equity

for the year ended 30 June 2024

Consolidated	Issued capital $	Retained surplus $	Capital maintenance reserve $	Asset revaluation reserve $	Total equity $
Balance at 1 July 2023	**13**	**27,776,271**	**1,382,901**	**21,154,760**	**50,313,944**
Surplus	0	62,411,144	0	0	62,411,144
Other comprehensive income for the year	0	0	0	0	0
Transfers	0	28,802	(28,802)	0	0
Total comprehensive income for the year	0	62,439,946	(28,802)	0	62,411,144
Transactions with owners in their capacity as owners:					
Share issue/(cancellation)	0	0	0	0	0
Balance at 30 June 2024	**13**	**90,216,217**	**1,354,098**	**21,154,760**	**112,725,088**

Consolidated	Issued capital $	Retained surplus $	Capital maintenance reserve $	Asset revaluation reserve $	Total equity $
Balance at 1 July 2022	**13**	**11,574,003**	**1,330,651**	**10,004,665**	**22,909,332**
Surplus	0	16,254,517	0	0	16,254,517
Other comprehensive income for the year	0	0	0	11,150,095	11,150,095
Transfers	0	(52,249)	52,249	0	0
Total comprehensive income for the year	0	16,202,268	52,249	11,150,095	27,404,612
Transactions with owners in their capacity as owners:					
Share issue/(cancellation)	0	0	0	0	0
Balance at 30 June 2023	**13**	**27,776,271**	**1,382,901**	**21,154,760**	**50,313,944**

The accompanying notes form part of these financial statements.

Coast2Bay Housing Group Limited and Controlled Entity

Consolidated Statement of Cash Flows

for the year ended 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Cash flows from operating activities			
Receipts from customers (including GST)		10,468,897	9,122,592
Payments to suppliers and employees (including GST)		(19,404,558)	(13,917,409)
		(8,935,661)	(4,794,817)
Interest received		104,380	57,758
Sponsorships and donations received		129,115	1,203,893
Operating grants received (including GST)		12,076,860	7,391,936
Interest paid		(107,547)	(89,337)
Net cash generated from operating activities	16	3,267,147	3,769,433
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		16,818	10,455
Capital grants received		68,753,176	10,156,711
Payments for property, plant and equipment		(62,324,903)	(19,751,179)
Net cash used in investing activities		6,445,091	(9,584,013)
Cash flows from financing activities			
Share issue/(cancellation)		0	0
Payments for right-of-use assets		(628,700)	(2,080,828)
Additions to borrowings		0	8,600,000
Payments for borrowings	12	(3,652,053)	(720,330)
Net cash generated by / (used in) financing activities		(4,280,753)	5,798,843
Net increase/(decrease) in cash held		**5,431,485**	**(15,737)**
Cash and cash equivalents at the beginning of the financial year		8,947,841	8,963,578
Cash and cash equivalents at the end of the financial year	4	**14,379,326**	**8,947,841**

The accompanying notes form part of these financial statements.

Note 1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for 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.

The financial statements were authorised at the date of the Directors' Declaration.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the controlled entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where judgements and estimates are significant to the financial statements, are disclosed in **Note 1 (e)**.

(b) Principles of consolidation

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of Coast2Bay Housing Group Limited and its controlled entities, Purpose Real Estate Limited, Hudson Baringa Limited and Community Build to Rent Limited. These are the consolidated financial statements. Subsidiary details are provided in **Note 23.**

An entity controls another entity when the entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the controlling entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

(c) 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 the controlled entity's 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 the consolidated entity's 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.

(d) 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.

(i) Revenue and other income

Revenue recognition

Revenue from contracts with customers

The Entity is first required to determine whether amounts received are accounted for as Revenue per AASB 15: Revenue from Contracts with Customers or Income per AASB 1058: Income of Not-for-Profit Entities.

Note 1 Summary of Significant Accounting Policies (continued)

Funding arrangements which are enforceable and contain sufficiently specific performance obligations are recognised as revenue under AASB 15. Otherwise, such arrangements are accounted for under AASB 1058, where upon initial recognition of an asset, the Entity is required to consider whether any other financial statement elements should be recognised (e.g. financial liabilities representing repayable amounts), with any difference being recognised immediately in profit or loss as income.

The Entity is first required to determine whether amounts received are accounted for as revenue per AASB 15: Revenue from Contracts with Customers or Income per AASB 1058: Income of Not-for-Profit Entities.

Operating grants, donations and bequests

When the controlled entity receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When the conditions of AASB 15 are satisfied, the controlled entity:
- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the controlled entity:
- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Capital grants

When the controlled entity receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The controlled entity recognises income in profit or loss when or as the controlled entity satisfies its obligations under terms of the grant.

Interest income

Interest revenue is recognised as interest accrues using the effective interest method.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Volunteer services

The controlled entity has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

(ii) Cash and cash equivalents

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

(iii) Trade and other receivables

Trade and other receivables are amounts due from shareholders as well as amounts receivable from customers for services or goods sold. They are recognised at fair value and measured at amortised cost, less any provision for impairment. The current portion represents amounts to be collected within 12 months.

(iv) Inventories

The controlled entity does not hold any inventory. There are no items held for re-sale.

Note 1 Summary of Significant Accounting Policies (continued)

(v) Leases

The controlled entity as lessee

At inception of a contract, the controlled entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the controlled entity where the controlled entity is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the controlled entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:
- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflect the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the controlled entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary leases

For leases that have significantly below-market terms and conditions principally to enable the controlled entity to further its objectives (commonly known as peppercorn/concessionary leases), the entity has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

The controlled entity as lessor

The controlled entity sub-leases properties under headlease arrangements and therefore acts as lessor. Upon entering into each contract as a lessor, the controlled entity assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (e.g. legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the controlled entity's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Entity uses the relative stand-alone price to allocate the consideration under the contract to the lease and non-lease components.

(vi) Property, plant and equipment

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

Freehold property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors may conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Note 1 Summary of Significant Accounting Policies (continued)

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Freehold land is not subject to depreciation.

Assets under construction

Works in progress are not depreciated until they reach service delivery. Where assets have separate identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the controlled entity.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to **Note 1(viii)** for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Intangible assets

Software is initially recognised at cost. Where software is acquired at no cost, or for a nominal cost, the cost is its fair value, as at the date of acquisition. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Software has an estimated useful life of between one and five years. It is assessed annually for impairment. Other intangible assets are only recognised in accordance with AASB 138.

Depreciation

The depreciable amount of all fixed assets, including buildings and plant and equipment, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation thresholds used for each class of depreciable assets are:

Buildings - $10,000
Plant and equipment - $5,000
Intangible assets - $100,000

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period in accordance with AASB 116 Property, Plant and Equipment.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(vii) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15: Revenue from Contracts with Customers.

Note 1 Summary of Significant Accounting Policies (continued)

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:
- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:
- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:
- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:
- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:
- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:
- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The entity initially designates a financial instrument as measured at fair value through profit or loss if:
- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

Note 1 Summary of Significant Accounting Policies (continued)

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the controlled entity made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the controlled entity's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:
- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (i.e. has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the entity elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The entity recognises a loss allowance for expected credit losses on:
- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:
- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

Note 1 Summary of Significant Accounting Policies (continued)

The entity uses the following approaches to impairment, as applicable under AASB 9:
- the general approach;
- the simplified approach;
- the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the entity assesses whether the financial instruments are credit-impaired, and:
- if the credit risk of the financial instrument has increased significantly since initial recognition, the entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there is no significant increase in credit risk since initial recognition, the entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:
- trade receivables; and
- lease receivables

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Purchased or originated credit-impaired approach

For purchased or originated credit-impaired financial assets, the general approach is modified such that at the reporting date, an entity shall only recognise the cumulative changes in lifetime expected credit losses since initial recognition as a loss allowance. The expected credit losses for purchased or originated credit-impaired financial assets shall be discounted using the credit-adjusted effective interest rate determined at initial recognition.

Evidence of credit impairment includes:
- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event);
- a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the entity assumes that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the entity applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:
- there is a low risk of default by the borrower;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Note 1 Summary of Significant Accounting Policies (continued)

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(viii) Impairment of assets

At the end of each reporting period, the controlled entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the controlled entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(ix) Trade and other payables

These amounts represent liabilities for goods and services provided to the controlled 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.

(x) Contract liabilities

Contract liabilities represent the controlled entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the controlled entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the controlled entity has transferred the goods or services to the customer.

(xi) Employee benefits

Short-term employee benefits

Provision is made for the entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, annual leave and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

All superannuation contributions are expensed in the period in which they are paid or payable. Superannuation is paid in accordance with the *Superannuation Guarantee (Administration) Act 1992* (as amended). There are no defined benefit schemes.

The controlled entity pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers compensation insurance is a consequence of employing employees and an entitlement to employees should any claim be recognised as a personal injury claim. However, it is not counted in an employee's total remuneration package. It is not employee benefits and is recognised separately as employee related expenses. There were no recognised claims for the reporting year (2023: nil).

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 at 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. Oncosts such as 17.5% leave loading and the future superannuation guarantee percentages are applied as part of the calculation of the liability for annual and long service leave as relevant.

Note 1 Summary of Significant Accounting Policies (continued)

Long Service Leave Scheme: QLeave provides a portable long service leave scheme for workers in Queensland's community services industry that came in force on 1 January 2021. Under the *Community Services Industry (Portable Long Service Leave) Act 2020*, employees can accrue long service leave benefits based on their service across the community services industry, not just the length of time spent with an individual employer.

The controlled entity retains the employee's long service leave liability accrued up to and including 31 December 2020. After this date, the controlled entity immediately expenses to profit and loss the accrued leave and makes a cash payment for the respective amount to each individual employee account in QLeave. When an employee takes long service leave, the controlled entity is required to make payment to the employee in accordance with current pay rates and the relevant award requirements. However, a claim by the controlled entity will be made to QLeave for any portion of the payment that was accrued for the employee post 1 January 2021.

Each quarter, the controlled entity submits a return (in arrears) to QLeave detailing the employee's wages and pays a levy to QLeave. When the employee has seven years of service recorded with QLeave, they are entitled to 6.1 weeks of long service leave paid by QLeave. Employees who were part of the controlled entity prior to 1 January 2021 have their eligible service period date recognised by QLeave. Employees who commence with the controlled entity on or after 1 January 2021, are asked if they already have a QLeave account relevant to the community services industry. If they have not, they are registered as a new employee with the scheme from the date of commencement.

There is no set dollar amount for long service leave payments with QLeave. QLeave calculate the payment amount when the controlled entity lodges the claim as relevant for the individual employee. It is based on the employee's wage and the number of years they have recorded with QLeave at the time of payment.

Therefore, no liability is recorded for long service leave that has been accrued for employees from 1 January 2021. The controlled entity's liability reflects only the portion up to and including 31 December 2020. This balance will erode over time as it is taken.

The controlled entity's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

(xii) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 ATO is included with other receivables or 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 ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

Commitments and contingencies, if relevant, are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

(xiii) Income Tax

As the controlled 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.

(xiv) Provisions

Provisions are recognised when the controlled entity has a present (legal or constructive) obligation as a result of a past event, it is probable the controlled entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(xv) Issued capital

Shares are classified as equity. The issue of shares and options are governed by Section 5 of the Constitution of Coast2Bay Housing Group Limited.

(xvi) Dividends

The controlled entity does not pay dividends to shareholders pursuant to section 5.7 (e) of the Constitution of Coast2Bay Housing Group Limited.

(xvii) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Note 1 Summary of Significant Accounting Policies (Continued)

(e) Critical accounting judgements and estimates

The preparation of the financial statements requires judgement, estimation and assessment of assumptions that affect the reported amounts in the financial statements. These are evaluated on all levels. Basis can include historical experience, current trends, economic factors, expectations of future events, and an approach to both reasonability or probability as relevant to the issue or circumstance as at the reporting date. Judgements, estimates and various assumptions may not agree to the future actual result and therefore do have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Accordingly, key approaches are disclosed below.

Key estimates

(i) Valuation of freehold land and buildings

The freehold land and buildings were independently valued at 30 June 2023 by Herron Todd White. The valuation was based on the fair value less costs of disposal. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation increment of $11.15m being recognised for the year ended 30 June 2023. The triennial approach of revaluation will next occur prior to 30 June 2026.

The controlled entity performs triennial revaluations of land and buildings. In periods when the freehold land and buildings are not subject to an independent valuation, an assessment is performed to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the 'asset revaluation reserve' in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in 'other comprehensive income' as a revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

(ii) Useful lives of property, plant and equipment

As described in **Note 1 (d) (vi)**, the controlled entity reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Key judgements

(iii) Performance obligations under AASB 15

Pursuant to AASB 15: Revenue from Contracts with Customers as detailed in **Note 1 (d)(i)**, as part of identifying a performance obligation, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by considering any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

(iv) Lease term and Option to Extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the entity will make. The controlled entity determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the entity.

(v) Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the controlled entity expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows (despite an informal internal policy that requires annual leave to be used when 8 or more weeks are accrued), the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

(vi) Allowance for expected credit losses

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 experience and historical collection rates.

Note 1 Summary of Significant Accounting Policies (Continued)

(vii) Lease term

The lease term is a significant component in the measurement of both the right-of-use assets 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 controlled entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The controlled entity 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. These are performed individually on a lease-by-lease basis in accordance with AASB 16: Leases that includes decisions on business strategy in respect of the relevant current or expected future circumstances.

(f) Economic dependence

During the financial year, there has been significant new funding approvals for capital programs that have commenced through formalised Capital Funding Agreements (CFA) with the Queensland Government. Given these programs are continuing into the next financial year, at the date of this report, the Board of Directors had no reason to believe that this funding will not continue pursuant to current legal instruments.

(g) Fair value of assets and liabilities

The entity measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. "Fair value" is the price the entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after considering transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Note 1 Summary of Significant Accounting Policies (Continued)

(h) New and amended accounting standards adopted

AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

The Entity adopted AASB 2021-2 which amends AASB 7, AASB 101, AASB 108 and AASB 134 to require disclosure of "'material accounting policy information'" rather than "significant accounting policies'" in an entity's financial statements. It also updates AASB Practice Statement 2 to provide guidance on the application of the concept of materiality to accounting policy disclosures.

The adoption of the amendment did not have a material impact on the financial statements.

AASB 2021-6: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards

AASB 2021-6 amends AASB 1049 and AASB 1060 to require disclosure of 'material accounting policy information' rather than "significant accounting policies" in an entity's financial statements. It also amends AASB 1054 to reflect the updated terminology used in AASB 101 as a result of AASB 2021-2. The adoption of the amendment did not have a material impact on the financial statements.

AASB 2022-7: Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards

AASB 2022-7 makes editorial corrections to various Australian Accounting Standards and AASB Practice Statement 2. It also formally repeals the superseded and redundant Australian Accounting Standards set out in Schedules 1 and 2 of this standard. The adoption of the amendment did not have a material impact on the financial statements.

Note 2 Revenue

	Consolidated 2024 $	Consolidated 2023 $
Revenue from contracts with customers		
Rent	9,390,667	8,392,822
Fees	818,554	901,733
	10,209,221	9,294,555
Other revenue		
Grants (i)	67,215,650	19,555,702
Incentives (ii)	187,715	331,581
Sponsorships and donations (iii)	129,115	703,893
Other sundry revenue	57,425	23,029
	67,589,905	20,614,204
Total Revenue	**77,799,126**	**29,908,759**

Other Revenue

Grants (i)

Grants recorded as revenue are the result of the contract obligation being satisfied in accordance with AASB 15 *Revenue from Contracts with Customers* with the relevant provider. These funds are recognised in accordance with contract milestones or other terms and conditions that satisfy the contract obligation. Please also refer to **Note 9** for Grants funds received in advance held as a contract liability on reporting date and expectations of recognition in future years.

The Entity has also received capital grant for construction activities used to further its objectives. As consistent with Note 1, the grant is recognised as income as the Entity constructs the building under AASB 1058. Income is recognised based on the cost incurred to date relative to total expected costs to be incurred as this measure is expected to reflect the Entity's progress towards completion.

Revenue from government grants, other grants, and incentives	Consolidated 2024 $	Consolidated 2023 $
Operating grants		
Queensland State Government - Community Rental Scheme	3,217,802	2,735,958
Queensland State Government - Community Managed Head Lease	532,224	620,788
Queensland State Government - Housing Support - Better Together Program	491,851	321,928
Queensland State Government - Employer Boost Apprenticeship	3,601	51,755
Queensland State Government - Meanwhile Use Program	0	6,581
Queensland State Government - Homes for Homes Program	0	(3,543)
Queensland State Government - Gambling Community Benefit Fund	45,455	0
Local Government - Sunshine Coast Council	31,441	0
Local Government - Moreton Bay Regional Council - Tenants' Children's Christmas Appeal	0	2,405
Other	90,091	5,000
Total operating grants	**4,412,466**	**3,740,873**

Coast2Bay Housing Group Limited and Controlled Entity

Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

Note 2 Revenue (continued)

Revenue from government grants, other grants, and incentives (continued)	Consolidated 2024 $	2023 $
Capital grants		
Queensland State Government - Construction works - Beerwah	0	7,015,541
Queensland State Government - Construction works - Yandina	820,404	6,791,898
Queensland State Government - Construction works - Nirimba	5,809,485	403,953
Queensland State Government - Construction works - Banya	2,494,030	
Queensland State Government - Construction works - Domestic and Family Violence (DFV)	219,095	1,518,436
Queensland State Government - Construction works - Cooroy	8,125	0
Queensland State Government - Property Acquisition	52,952,045	0
Philanthropic Grants - RISE 2 - Bendigo Bank	500,000	85,000
Total capital grants	**62,803,184**	**15,814,829**
Total grants	**67,215,650**	**19,555,702**

At reporting date, contracts either have expired or have not been renegotiated for grant programs. However, where a contract has been signed for future funding, and that funding is certain at reporting date, the following table details the expected grant revenue that is likely to be recognised in the future related to the performance obligations of that contract. The total does include an operational component of $219k that was identified as approved operational income under the capital funding agreements (2023: $120k).

	2025 $	2026 $	Total $
Queensland State Government - Community Rental Scheme (i)	3,530,956	0	3,530,956
Queensland State Government - Affordable Housing for Women DFV Initiative (ii)	637,041	0	637,041
Queensland State Government - Construction works - Nirimba (iii)	6,516,772	0	6,516,772
Queensland State Government - Construction works - Banya (iv)	13,248,932	0	13,248,932
Queensland State Government - Acquisition - HIF1 NRAS Acquisition Program (v)	234,000	0	234,000
Queensland State Government - Construction works - DFV (vi)	3,437,050	718,125	4,155,175
Queensland State Government - Construction works - Cooroy (vii)	1,462,775	8,642,411	10,105,186
Queensland State Government - Acquisition - NRAS Purchase Initiative (viii)	56,516,250	678,750	57,195,000
Federal Government - Construction works - Safe Places Inclusion Round (ix)	5,259,860	0	5,259,860
Total future years grant funding	**90,843,636**	**10,039,286**	**100,882,922**

(i) a two-year contract is in place with the Queensland State Government for the Community Rental Scheme. This commenced 1 July 2023 and concludes 30 June 2025.

(ii) a one year contract with the Queensland State Government to manage 20 private head leases with an aim to transitioning people to longer term housing. Occupants can only be those impacted by domestic and family violence.

(iii) a Capital Funding Agreement with the Queensland State Government for the purchase of land and construction activities in Nirimba was executed on 29 June 2022 and subsequently varied in 2023. Construction activity is well underway with expected completion during 2024-25. The capital value is $12.73 million (excl. GST).

(iv) a Capital Funding Agreement with the Queensland State Government for the purchase of land and construction activities in Banya was executed on 26 October 2023 and subsequently varied in 2024. Construction activity is well underway with expected completion during 2024-25. The capital value is $15.33 million (excl. GST).

Note 2 Revenue (continued)

(v) a Capital Funding Agreement with the Queensland State Government for the purchase of various established dwellings in Southside and Maroochydore was executed on 27 May 2024. Settlements are expected to be finalised in early 2024-25. The capital value is $1.70 million (excl. GST).

(vi) a Capital Funding Agreement with the Queensland State Government for the purchase of land and construction activities in Banya and Noosaville was executed on 12 March 2024. Construction activity is forecast to commence in 2024-25 and be completed in 2025-26. The capital value is $4.79 million (excl. GST).

(vii) a Capital Funding Agreement with the Queensland State Government for the purchase of land and construction activities in Cooroy was executed on 23 May 2024. Construction activity is forecast to commence in 2025-26. The capital value is $13.31 million (excl. GST).

(viii) a Capital Funding Agreement with the Queensland State Government for the purchase of various established dwellings in Sippy Downs, Southside, Peregian Springs, Taigum, Gympie, North Lakes, Clinton and Noosaville was executed on 26 June 2024. Settlements are expected to be finalised in August 2024. The capital value is $6.89 million (excl. GST). Further capital funding agreements for additional batches of acquisitions are expected to be executed progressively for 2024-25 up to the total program value.

(ix) the Australian Federal Government issued a letter on 5 June 2024 approving a grant application for the purchase of land and construction activities for DFV under the Safe Places Program. A grant agreement is expected to be executed and construction activity commence in 2024-25. The capital value is forecast to be $5.26 million (excl. GST).

The Entity is dependent on the Queensland State Government for some recurrent funding used to operate the business (items (i) & (ii) above. At the date of this report, the Board of Directors has no reason to believe the Government will not continue to support the Entity.

	Consolidated	
	2024 $	2023 $
Incentives (ii)		
Queensland State Government - National Rental Affordability Scheme	33,082	69,468
Commonwealth Government - National Rental Affordability Scheme	97,578	203,902
Commonwealth Government - National Disability Insurance Scheme	57,055	58,210
Total Incentives	**187,715**	**331,581**

Sponsorship (iii)

The entity has three foundations that define rules associated with fundraising for specific activities. These are the Coast2Bay Housing Foundation, the Better Together Foundation and the RISE Foundation. Refer **Note 4** for summary of fundraising activity.

Note 3 Depreciation

	Note	Consolidated	
		2024 $	2023 $
Depreciation - Leases		625,957	1,995,088
Depreciation - Property, plant and equipment	7	1,259,744	399,012
Total depreciation		**1,885,700**	**2,394,101**

Note 4 Cash and Cash Equivalents

	Consolidated	
	2024 $	2023 $
Cash at bank	12,012,744	8,654,688
Trust account	356,420	283,117
Cash on deposit	2,010,162	10,035
Total cash and cash equivalents	**14,379,326**	**8,947,841**

Cash is cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This includes cash on hand, cash at bank, and term deposits maturing within three months from the date of acquisition.

Cash held as 'restricted' identifies that it is either set aside for a specific purpose, has been received in advance for a specific purpose and is to be returned to the provider should it not be fully spent (e.g. contract liabilities) or, the cash is either notionally or legally administered or tied to a contractual obligation. It is not available for general business use. This cash is usually held in a special account so it remains separate from the rest of the controlled entity's cash and equivalents. A summary is below.

	Note	Consolidated	
		2024 $	2023 $
Restricted			
Trust account (i)		356,420	283,117
Brokerage fund (ii)		3,827	2,048
RISE 2 Foundation Fund (ii)		100	554,997
Contract funds held	9	8,149,985	1,463,650
		8,510,331	**2,303,812**
Unrestricted (iii)			
Other		5,868,995	6,644,028
Total cash and cash equivalents		**14,379,326**	**8,947,841**

(i) Trust account funds are represented as held 'in trust' for clients and are managed in a separate bank account. Cash held is for a payment due 'on demand' when obligations are satisfied. As a result, the payments due are reported as a current liability as they are not owned by the controlled entity. The trust account is managed in accordance with the *Agents Financial Administration Act 2014*.

(ii) Brokerage and RISE 2 Foundation Funds are held in separate bank accounts. The funds are raised for specific purposes. The parent and subsidiary entities are both public benevolent institutions and registered charities with Deductible Gift Recipient (DGR) status with the ATO.

(iii) Unrestricted cash is available for business purposes. There are some obligations in respect of the assignment of these funds if they are to be used outside of normal business operations.

Summary of fundraising activity	RISE 2 Foundation	Brokerage Fund*	Total
	$	$	$
Opening balance 1 July 2023	**554,997**	**2,048**	**557,045**
Donations	137,824	34,729	172,553
Philanthropic Grants	45,455	20,000	65,455
Transfers	(4,997)	4,997	0
Less:			
Fund raising expenses	(33,611)	(13,206)	(46,817)
Capital works	(695,143)	0	(695,143)
Allocation of personal grants to beneficiaries	(4,425)	(42,943)	(47,368)
Closing balance 30 June 2024	**100**	**5,625**	**5,725**

* includes unspent donnation from the Knights of the Southern Cross of $1,797 not held within separate Brokerage Bank account.

Note 4 Cash and Cash Equivalents (continued)

Summary of fundraising activity	RISE 2 Foundation	Brokerage Fund	Total
	$	$	$
Opening balance 1 July 2022	**10,532**	**109**	**10,641**
Donations	118,680	34,079	152,759
Philanthropic Grants	585,000	0	585,000
Less:			
Fund raising expenses	(23,829)	(3,464)	(27,293)
Capital works	(135,386)	0	(135,386)
Allocation of personal grants to beneficiaries	0	(28,676)	(28,676)
Closing balance 30 June 2023	**554,997**	**2,048**	**557,045**

Note 5 Trade and Other Receivables

	Consolidated	
	2024 $	2023 $
Trade receivables	438,832	367,176
Less: allowance for expected credit losses	(110,902)	(66,991)
Other receivables	485,854	478,017
Prepayments	484,176	642,500
Total trade and other receivables	**1,297,961**	**1,420,703**

The entity's normal credit term is 30 days.

Note 6 Right-of-use Assets

The Entity's lease portfolio includes both property leases and plant and equipment leases.
AASB 16 related amounts recognised in the balance sheet are as follows:

	Consolidated	
	2024 $	2023 $
Buildings - Right-of-use	1,195,036	2,119,233
Less: Accumulated depreciation	(926,492)	(1,209,828)
	268,544	909,405
Plant and equipment - Right-of-use	55,831	52,622
Less: Accumulated depreciation	(24,055)	(31,503)
	31,775	21,119
Total Right-of-use assets	**300,319**	**930,524**

Additions to the Right-of-use assets during the year was $23,389 (2023: $3,313,837). The controlled entity leases plant and equipment, commercial offices and residential houses under agreements of between one and ten years with, in some cases, options to extend.

The controlled entity leases office equipment under agreements of less than one year. These leases are either short- term or low-value, so have been expensed as incurred and not capitalised as Right-of-use assets in accordance with AASB 16 Leases.

Note 7 Property, Plant and Equipment

	Consolidated 2024 $	Consolidated 2023 $
Land and buildings - at valuation (i)	108,503,957	44,780,455
Less: Accumulated depreciation	(1,149,200)	0
	107,354,757	44,780,455
Assets under construction (Works in progress)	5,454,660	6,894,389
Plant and equipment - at cost	528,993	532,190
Less: Accumulated depreciation	(392,235)	(326,290)
	136,758	205,899
Motor vehicles - at cost	305,819	294,570
Less: Accumulated depreciation	(150,258)	(121,918)
	155,562	172,652
Total property, plant and equipment	**113,101,737**	**52,053,395**

(i) No revaluation was conducted for the 2023-24 year. The freehold land and buildings were independently valued at 30 June 2023 by Herron Todd White. The valuation resulted in a revaluation increment for 2022-23 of $11,150,095 being recognised in the revaluation surplus for the year ended 30 June 2023. Refer to Note 14 for detailed disclosures regarding the fair value measurement of the entity's freehold land and buildings. Property acquisitions are recognised at market value.

Movements in carrying amounts

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

	Land and buildings $	Assets under construction $	Plant and equipment $	Motor vehicles $	Total $
Balance at 1 July 2023	44,780,455	6,894,389	205,899	172,652	52,053,395
Additions at cost	54,946,355	7,337,418	3,135	29,250	62,316,158
Revaluations	0	0	0	0	0
Transfers between categories	8,777,147	(8,777,147)	0	0	0
Disposals	0	0	0	(8,073)	(8,073)
Depreciation expense	(1,149,200)	0	(72,276)	(38,267)	(1,259,744)
Balance at 30 June 2024	**107,354,757**	**5,454,660**	**136,758**	**155,562**	**113,101,737**

	Land and buildings $	Assets under construction $	Plant and equipment $	Motor vehicles $	Total $
Balance at 1 July 2022	17,910,872	3,247,154	244,810	158,752	21,561,588
Additions	3,858,935	15,021,878	35,991	57,224	18,974,028
Revaluations	11,926,417	0	0	0	11,926,417
Transfers between categories	11,374,644	(11,374,644)	0	0	0
Disposals	0	0	(29)	(9,597)	(9,626)
Depreciation expense	(290,413)	0	(74,873)	(33,727)	(399,012)
Balance at 30 June 2023	**44,780,455**	**6,894,389**	**205,899**	**172,652**	**52,053,395**

Note 8 Trade and Other Payables

	Consolidated	
	2024 $	2023 $
Current liabilities		
Trade payables	343,927	716,179
Accrued expenses	434,085	367,049
Other payables	365,680	289,694
GST payable	1,294,958	131,045
Total trade and other payables	**2,438,649**	**1,503,967**

Note 9 Contract Liabilities

	Note	Consolidated	
		2024 $	2023 $
Current liabilities			
Rents and deposits paid in advance		258,423	62,837
Grants paid in advance		7,891,562	1,400,813
Total contract liabilities	4	**8,149,985**	**1,463,650**

Grants paid in advance:

Grants paid in advance relate to performance obligations that will only be satisfied in subsequent year. These grants are enforceable and have sufficiently specific performance obligations in accordance with AASB 15 Revenue from Contracts with Customers. The amount that is held at reporting date is recognised as a contract liability until the performance obligations have been satisfied. Grant programs are listed below:

	Consolidated	
	2024 $	2023 $
Queensland State Government - Housing Support - Better Together Program	203,617	362,512
Queensland State Government - Housing Investment Fund Program	883,932	0
Queensland State Government - Construction works - Banya	456,097	0
Queensland State Government - Construction works - Nirimba	4,826,240	462,101
Queensland State Government - Construction works - Cooroy	1,216,813	23,419
Bendigo Bank - Construction works - RISE2 Stage 3	0	500,000
Queensland State Government - Construction works - Yandina	301,091	52,782
Local Government - Sunshine Coast Council	3,772	0
Total contract liabilities	**7,891,562**	**1,400,813**

All grants where a payment is received in advance are expected to be recognised in the 2024-25 financial year (therefore current liabilities) in accordance with the performance obligations of the contract.

Note 10 Employee Benefits

	Consolidated	
	2024 $	2023 $
Current liabilities		
Annual leave	249,922	239,089
Long service leave (i)	161,848	202,791
Total current liabilities	411,770	441,880
Non-current liabilities		
Long service leave	20,882	11,051
Total employee benefits	**432,652**	**452,930**

(i) both the 2023-24 and 2022-23 amounts exclude payments that have been expensed to QLeave since entering the scheme on 1 January 2021. Refer Note 1(d) (xi).

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the controlled entity does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the controlled entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in **Note 1(d) (xi) and Note 1 (e) (v).**

Included in the provision is superannuation. This is paid in accordance with the *Superannuation Guarantee (Administration) Act 2014* (Cth). Any future changes to superannuation rates are considered as part of the provision calculations. The superannuation guarantee percentage increased to 11.5% on 1 July 2024 (1 July 2023: 11%).

Note 11 Lease Liabilities

	Consolidated	
	2024 $	2023 $
Current liabilities		
Property head leases	3,894	371,955
Office equipment	11,898	8,602
Offices	246,472	266,411
Total current lease liabilities	262,264	646,969
Non-current liabilities		
Property head leases	0	10,209
Office equipment	21,631	13,191
Offices	45,559	292,032
Total non-current lease liabilities	67,190	315,432
Total lease liabilities	**329,454**	**962,401**

The controlled entity adopted AASB 16 Leases from 1 July 2019. With the exception of short-term leases and leases of low-value assets, (refer also **Note 6**) right-of-use assets and corresponding lease liabilities are recognised in the Statement of Financial Position.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

Note 12 Borrowings

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Secured loans	4,039,512	81,397
Chattel mortgages	14,983	33,191
Total current borrowings	4,054,495	114,588
Non-current liabilities		
Unsecured loans	0	4,000,000
Secured loans	949,020	4,520,318
Chattel mortgages	0	20,663
Total non-current borrowings	949,020	8,540,981
Total borrowings	**5,003,516**	**8,655,569**

Reconciliation of Borrowings:	Secured Loans $	Chattel Mortgages $	Total $
Opening balance as at 1 July 2023	8,601,715	53,854	8,655,569
New contracts/drawdowns	0	0	0
Principle paid	(3,613,183)	(38,870)	(3,652,053)
Balance as at 30 June 2024	**4,988,532**	**14,983**	**5,003,516**

Reconciliation of Borrowings:	Secured Loans $	Chattel Mortgages $	Total $
Opening balance as at 1 July 2022	700,000	75,898	775,898
New contracts/drawdowns	8,600,000	0	8,600,000
Principle paid	(698,285)	(22,044)	(720,330)
Balance as at 30 June 2023	**8,601,715**	**53,854**	**8,655,569**

Note that interest paid is included in Financing costs within the Statement of Profit and Loss and Other Comprehensive Income.

As at reporting date, all borrowings for vehicles are secured by the chattel mortgage loan schedule for each individual vehicle. The mortgagee is Volkswagen Financial Services Australia ABN 20 097 071 460. Interest rates are fixed.

There were no changes to loan arrangements for the year. At reporting date, there was undrawn borrowings of $3.37m (2023: nil)
Please refer to **Note 14** in respect of fair value measurement of financial liabilities. Refer to **Note 17** for further information on assets pledged as security and financing arrangements.

Note 13 Retained Surplus and Reserves

	Consolidated	
Retained surplus	2024 $	2023 $
Retained surpluses at the beginning of the financial year	27,776,271	11,574,003
Surplus for the year attributable to the members of Coast2Bay Housing Group Limited	62,411,144	16,254,517
Capital maintenance reserve transfers within equity	28,802	(52,249)
Retained surpluses at the end of the financial year	**90,216,217**	**27,776,271**

	Consolidated	
Capital maintenance reserve (i)	2024 $	2023 $
Opening balance at the beginning of the financial year	1,382,901	1,330,651
Transfers in/(out)	(28,802)	52,249
Total capital maintenance reserve at the end of the financial year	**1,354,098**	**1,382,901**

	Consolidated	
Asset revaluation reserve (ii)	2024 $	2023 $
Opening balance at the beginning of the financial year	21,154,760	10,004,665
Revaluation increase in asset value (by class)	0	11,150,095
Total asset revaluation reserve at the end of the financial year	**21,154,760**	**21,154,760**

(i) The capital maintenance reserve is held for the upkeep and maintenance of the controlled entity's assets in accordance with the Strategic Asset Management Plan. This plan details the condition of all building assets and assigns a maintenance plan to ensure property is kept in good condition and remains insurable. Annual allocations are made by the controlled entity as part of the budgetary process. Any funds not fully spent against budget are transferred to the reserve.

(ii) The asset revaluation reserve records the revaluations of non-current assets - primarily land and buildings. The controlled entity performed the last full revaluation in June 2023 recording an increase to the reserve. No valuation was conducted during the current financial year. The next valuation activity will be conducted in the 2025-26 financial year.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the asset revaluation reserve as a component of equity. Revaluation decreases that offset previous increases of the same class of assets are recognised in 'other comprehensive income' as a revaluation surplus. All other decreases are recognised in profit or loss.

Note 14 Fair Value Measurement

The entity measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:
- financial assets at fair value through profit or loss;
- financial assets at fair value through other comprehensive income; and
- freehold land and buildings.

The entity does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

Valuation techniques

The entity selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the entity are consistent with one or more of the following valuation approaches:
- the market approach, which uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities;
- the income approach, which converts estimated future cash flows or income and expenses into a single discounted present value; and
- the cost approach, which reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the entity gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

		Consolidated	
Recurring fair value measurements	Note	2024 $	2023 $
Non-financial assets			
Land and buildings	7	107,354,757	44,780,455
Total assets		**107,354,757**	**44,780,455**

For freehold land and buildings, the fair values are based on an actual registered valuers valuation every three years that uses comparable market data for similar properties. The last triennial valuation occurred in June 2023.

Note 15 Financial Risk Management

The controlled entity's financial instruments consist mainly of deposits with banks, term deposits, accounts receivable, accounts payable, borrowings and lease liabilities. The carrying amount for each category of financial instrument, measured in accordance with AASB 9 *Financial Instruments* as detailed in the accounting policies (refer **Note 1 (d)**) are listed below.

	Note	Consolidated 2024 $	Consolidated 2023 $
Financial Assets at amortised cost			
Cash and cash equivalents	4	14,379,326	8,947,841
Trade and other receivables	5	1,297,961	1,420,703
Total Financial Assets		**15,677,287**	**10,368,543**
Financial Liabilities at amortised cost			
Trade and other payables	8	2,438,649	1,503,967
Lease liabilities	11	329,454	962,401
Borrowings	12	5,003,516	8,655,569
Total Financial Liabilities		**7,771,618**	**11,121,937**
Net Financial Assets		**7,905,668**	**(753,394)**

Refer Note 14 for detailed disclosures regarding the fair value measurement of the entity's financial assets.

Credit risk exposure:
The maximum exposure to credit risk at reporting date is recognised in the gross carrying amount of the financial assets or liabilities inclusive of any provisions for impairment. There is no recognised impairment loss for the current year (2023: nil). The reported amounts above represent the maximum credit risk amount. Impairment for risk is based on past experience, current and expected changes in economic conditions and other factors. This is supported through the controlled entity's documented risk assessments both at strategic and operational levels, which is performed in conjunction with historical experience and associated industry data. Also refer to **Note 5** for allowances for expected credit losses (provision for doubtful debts).

Liquidity risk exposure:
The maximum exposure to liquidity risk relates to the financial liabilities of the controlled entity - leases, trade payables and borrowings. The controlled entity must ensure sufficient cashflow to meet bank, supplier and lessor obligations as and when they fall due. This is achieved by ensuring that minimum levels of assets are held in a liquid form. The cashflow is reviewed monthly to a 12 month forecast to facilitate working capital coverage.

As a result of borrowings being reasonably low in consideration of total non-current assets, the liquidity risk is minimal for the repayment terms. However, in respect of Trade and other payables, fluctuation of expenses occur and are projected annually to ensure sufficient liquid funds are held. Terms are all within 30 days. At reporting date, borrowings have a financial liability until June 2048. Leases are generally short to medium term. The commitment for leases ranges from 1 to 7 years.

Market risk exposure:
The entity does not trade in marketable securities and does not trade in foreign currency. The exposure resides with interest rate risk in respect of term deposits held to generate interest income and interest expense payable on loans. From May 2022 to November 2023, there has been 13 consecutive interest rate rises announced by the Reserve Bank of Australia. Accordingly, the controlled entity has returned higher interest revenue as reported in the Statement of Profit or Loss and Other Comprehensive Income, and also worked to minimise loan interest expense.

Note 16 Reconciliation of Surplus to Net Cash from Operating Activities

	Consolidated 2024 $	Consolidated 2023 $
Surplus for the year	62,411,144	16,254,517
Adjustments for:		
Grants that funded capital	(62,083,886)	(10,165,726)
Depreciation and amortisation	1,885,700	2,394,101
Change in operating assets and liabilities:		
Decrease/(Increase) in trade and other receivables	123,748	(279,918)
(Decrease)Increase in trade and other payables	(230,237)	(382,767)
(Decrease)/Increase in GST	1,163,913	(247,847)
(Decrease)/Increase in employee benefits	(20,279)	24,437
(Decrease)/Increase in contract liabilities	17,044	(3,827,363)
Net cash from operating activities	**3,267,147**	**3,769,433**

Note 17 Contingencies

Several properties contained within land and buildings asset class (refer **Note 7**), were originally granted to the company via deeds of grant in trust from the Queensland State Government acting through the Department of Housing under the proviso the properties be used for community housing purposes. Therefore, should these properties cease to be used for community housing purposes, the Queensland State Government may have recourse to reclaim the properties or effect breach or associated clause of the original agreement.

168 properties (2023: 13) owned by the controlled entity across the two local government areas of Moreton Bay and Sunshine Coast have a mortgage registered on title with the State of Queensland and one where rights and interests are reserved to the Crown.

There are 23 properties that have been pledged as security that have a registered mortgage with Westpac Banking Corporation. These properties are owned by the controlled entity (2023: 21).

The controlled entity had no contingent liabilities at the reporting date (2023: nil).

Note 18 Capital and Leasing Commitments

Capital commitments - Property, plant and equipment

Capital commitments for the construction of property as per executed agreements as at 30 June 2024 are $17m (2023: $12m). Construction services have been outsourced to a number of external contractors through a tender process. The current commitments against these contracts are as follows and are due to be paid within the next 12 months to 2 years:

	Consolidated	
	Amounts remaining to be paid post balance date 2024 $	Amounts remaining to be paid post balance date 2023 $
Construction services - Yandina medium density development	0	2,004,453
Construction services - Nirimba medium density development	4,634,495	9,986,121
Construction services - Banya medium density development	12,690,699	0
Total commitments for capital expenditure	**17,325,194**	**11,990,574**

Capital commitments - Property, plant and equipment - contract not yet executed

The controlled entity will have capital commitments from 2024-2025 pursuant to pending design and subsequent tender processes for construction services for the RISE2 Stage 3, RISE2 Stage 4 and Lake MacDonald projects. Due to probity requirements, the expected costing cannot yet be disclosed until the finalisation of the tender processes. The total program however, is referenced within Note 2. The expected period of the commitments will be 3 years to 2026-27.

Lease commitments

The controlled entity has the following low value and short term lease commitments for operating expenditure as at the reporting date:

	Consolidated	
Lease commitments	Amounts remaining to be paid post balance date 2024 $	Amounts remaining to be paid post balance date 2023 $
No later than 12 months		
- short term leases	32,022	68,077
- low value leases	2,565	4,940
Total commitments for operating lease expenditure	**34,587**	**73,016**

Note 19 Events Occurring After Balance Date

There are matters to note that have arisen since balance date that may significantly affect the controlled entity's operations, the results of those operations, or the controlled entity's state of affairs in future financial years. These are listed below:

(i) The entity is currently in progress to modify loan terms on one loan facility held at 30 June 2024. The amendment to the loan will not change terms but may reduce in value with the potential to increase other facilities. The modification however is subject to a tripartite deed already signed by both Westpac Banking Corporation and the entity at 30 June 2024, with the third party, the Queensland State Government yet to sign. As a result of this process, the facility in question was fully paid at 30 June 2024 (2023: fully drawn for $3.6m) to support negotiations with the State following their request not to draw down this loan. If this loan was fully drawn, the current ratio for the entity would modify considerably as per B below:

	A	B
	As stated in this report - Statement of Financial Position	Loan fully drawn
	2024 $	2024 $
Total current assets	15,677,287	19,024,472
Total current liabilities	15,317,163	15,379,189
Current ratio	**102%**	**124%**

(ii) The Entity has a line of credit facility that expires in June 2025. The financier has already provided support that this facility will be extended for a further 36 months.

(iii) The Queensland Government has called on developers, institutional investors, registered community housing providers and eligible government entities to bring forward innovative proposals to add new social homes and affordable housing builds, refits or refurbishments across Queensland pursuant to the Housing Investment Fund - Round 2. At the date of this report, the Entity had one proponent-led application and three partner-led applications which have progressed to negotiation. It is highly anticipated that this will generate one or more new contractual arrangements in the short to medium term.

(iv) The Queensland Government invited registered community housing providers to propose new construction, acquisition and redevelopment projects as part of the QuickStarts Queensland Capital Investment Program for 2024-25 to 2026-27. At the date of this report, the Entity had seven applications under evaluation, with outcomes expected in 2024-25. It is highly anticipated that this will generate one or more new contractual arrangements in the short to medium term.

(v) Housing Australia invited proposals for funding to support the increased supply and availability of social and affordable housing across Australia, through the Housing Australia Future Fund Round 1. At the date of this report, the Entity had four proponent-led applications and one partner-led application which are now under evaluation. It is highly anticipated that this will generate one or more new contractual arrangements in the short to medium term.

(vi) In early July, the entity acquired freehold property in Deception Bay for redevelopment for $2.6m.

(vii) There are no known legal claims at reporting date.

Note 20 Key Management Personnel Compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, is considered key management personnel (KMP). Total remuneration paid to KMP of the entity during the year is as follows:

	Consolidated	
	2024 $	2023 $
Directors Fees	35,438	36,250
Directors Superannuation	3,898	3,806
Executive Salary	723,443	772,220
Executive Superannuation	80,671	81,083
Total KMP compensation	**843,451**	**893,359**

Note 21 Other Related Party Transactions

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year in respect of commercial activities of the controlled entity. However, Coast2Bay Housing Group Limited is a registered charity. There are occasions where Directors do make donations to the charity. Donations were made by four Directors for the financial year (2023: nine). The collective contribution amounted to $2,410 (2023: $5,279).

Note 22 Auditor's Remuneration

	Consolidated	
Remuneration of auditor	2024 $	2023 $
Trust account audit fees	2,056	2,844
Other audit services	7,080	0
Financial statements audit	13,895	21,044
Total auditor's remuneration	**23,031**	**23,888**

Note 23 Interests in Subsidiaries

Information about principal subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the parent entity. The assets, liabilities, income and expenses of the subsidiaries have been consolidated on a line-by-line basis in the consolidated financial statements of the Group. Each subsidiary's principal place of business is also its country of incorporation or registration.

Subsidiary name	Trading at 30 June 2024	Place of incorporation and operation	Ownership Interest Held by the Group*	
			2024	2023
Purpose Real Estate Limited	Yes	Australia	100%	100%
Hudson Baringa Pty Limited	No	Australia	100%	100%
Community Build to Rent Limited (i)	No	Australia	100%	0%

* *Percentage of voting power in proportion to ownership*

(i) this entity was incorporated during 2023-24.

Subsidiary financial statements for Purpose Real Estate Limited have been used in the preparation of these consolidated financial statements. They have been prepared as at the same reporting date as the Group's financial statements.

Information about principal subsidiaries

Other than the following, there are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group. There is no bank debt incurred by any subsidiary that applies to the carrying amount of the assets included within the consolidated financial statements (2023: nil).

Note 24 Parent Entity Information

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards:

Statement of profit or loss and other comprehensive income

	Parent	
	2024 $	2023 $
Surplus for the year attributable to the members of Coast2Bay Housing Group Limited	62,232,312	16,303,745
Other comprehensive income for the year	0	11,150,095
Total comprehensive income for the year attributable to the members of Coast2Bay Housing Group Limited	**62,232,312**	**27,453,840**

Statement of financial position

	Parent	
	2024 $	2023 $
Total assets	128,577,724	63,145,742
Total liabilities	15,881,571	12,681,901
Net Assets	**112,696,153**	**50,463,841**
Equity		
Issued capital	13	13
Revaluation surplus reserve	21,154,760	21,154,760
Capital maintenance reserve	1,354,097	1,382,900
Retained surplus	90,187,283	27,926,169
Total Equity	**112,696,153**	**50,463,841**

Guarantees

Coast2Bay Housing Group Limited has not entered into any guarantees, in the current financial year, in relation to the debts of its subsidiaries. However, it did in the previous financial year in the form of lending through an intercompany loan. Whilst paid in full during the 2023-24, the agreement is still in place with a limit of $300,000, interest free and expires on 30 June 2027.

Contractual commitments and Contingent assets or liabilities

The parent entity has entered into contractual commitments as disclosed in Note 2. It also had no contingencies as at the reporting date (2023: nil). This is equivalent to the information as disclosed in Note 18.

Significant accounting policies and accounting judgements and estimates

The accounting policies, judgements and estimates of the parent entity are consistent with those of the controlled entity, as disclosed in **Note 1**.

Note 24 Parent Entity Information

The 13 shareholders of the parent entity are as follows:

Equity Works Assoc. Inc.
Sunshine Coast Housing and Homelessness Network
Encircle Ltd
Residents Advisory Group
St Vincent de Paul Society Queensland
Youturn
Australian Pensioners and Superannuants League, Caloundra
STEPS Group Australia Ltd
Nambour Community Centre
Maroochy Neighbourhood Centre Inc
Caloundra Community Centre
Zonta Club of Caloundra City Inc
North Coast Aboriginal Corporation for Community Health

Note 25 Members' Guarantee

The controlled entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of $1 each towards meeting any outstanding obligations of the entity. At 30 June 2024, the number of members was 13 (2023: 13).

Directors' Declaration

for the year ended 30 June 2024

In accordance with a resolution of the Directors of Coast2Bay Housing Group Limited, the Directors of the registered entity declare that, in the Directors' opinion:

(i) The financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:

(a) comply with Australian Accounting Standards – Simplified Disclosures applicable to the entity; and
(b) give a true and fair view of the financial position of the registered entity as at 30 June 2024 and of its performance for the year ended on that date.

(ii) 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.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

On behalf of the Directors

Gordon Sutherland, Chair

Dated this 26th day of August 2024

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REGISTERED COMPANY AUDITORS

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COAST2BAY HOUSING GROUP LIMITED AND CONTROLLED ENTITY
2024 INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial report of Coast2Bay Housing Group Limited and its controlled entity *(the entity)*, which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(i) giving a true and fair view of the entity's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards – AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and Division 60 of *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 registered entity in accordance with the ACNC Act, 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 also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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 and, in doing so, 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the ACNC Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Report
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.
- 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 entity'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 entity to cease to continue as a going concern.
- 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 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.

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Brett J Buntain
Director
RCA No. 213172

Date: 27 August 2024