Brisbane Housing Company Limited
ABN 75 101 263 834

Financial Report

For the period 1 July 2023 to 30 June 2024

Contents

DIRECTORS' REPORT

Your directors present this financial report on Brisbane Housing Company Limited consolidated entity ("Group") for the financial year ended 30 June 2024.

Incorporation

Brisbane Housing Company Limited ("BHC" or "the Company") is a not for profit legal entity incorporated in Australia as a company limited by shares.

Directors

The name of each person who has been a director during the year are:

Eloise Atkinson
Geoff Woolcock
Les Jones
Julie Heckenberg
Stacey Ross
Kirsty Smith
Matthew Leyshon
Katie Williams
Karla Fraser

All directors have been in office from the start of the financial year to the date of this report unless indicated otherwise.

Information on Directors

Eloise Atkinson	–	Independent Chair (Appointed 20 July 2016)
	–	Director since 2007
	–	B. Des St., B.Arch, AIA, GAICD
	–	Member of Property Committee, Member of Tenancy Management Committee, Member of Finance Committee, Member of Audit & Risk Committee
	–	Director nominated by the State Government and Brisbane City Council
	–	Director of BHC Affordable Living Limited
Geoff Woolcock	–	Director appointed 2009
	–	BA Hons 1 (UQ) PhD (La Trobe)
	–	Member of Tenancy Management Committee
	–	Director nominated by Community Shareholders
Les Jones	–	Director since 2012
	–	B.Com and Admin Victoria University Of Wgtn N.Z, CA, MAICD
	–	Chair of Audit & Risk Committee and Member of Finance Committee
	–	Director nominated by Community Shareholders
	–	Director of BHC Affordable Living Limited
Julie Heckenberg	–	Director since 2013
	–	Dip of Teaching (TAFE)
	–	Chair of Tenancy Management Committee
	–	Director nominated by Community Shareholders
	–	Director of Catalyst Affordable Housing Limited
Stacey Ross	–	Director since 2016
	–	BHS, DipComDevel, DipComServ, DipYthWork
	–	Member of Tenancy Management Committee
	–	Director nominated by the State Government
Kirsty Smith	–	Director since 2016
	–	B.Com & Grad.Dip Property Economics (Development Major)
	–	Chair of Finance Committee
	–	Member of the Property Committee
	–	Director nominated by Community Shareholders
	–	Director of BHC Development Services Pty Ltd
	–	Director of BHC Affordable Living Limited

Directors' Report continued

Matthew Leyshon	–	Appointed 25 November 2020
	–	B Arch, MBA
	–	Chair of Property Committee
	–	Director nominated by Community Shareholders
Katie Williams	–	Appointed 10 December 2021
	–	B Com (Hons), PhD
	–	Member of Finance Committee and Audit & Risk Committee
	–	Director nominated by the Brisbane City Council
Karla Fraser	–	Appointed 14 July 2022
	–	LLB (Hons) BA (Hons)
	–	Member of Property Committee and Audit & Risk Committee
	–	Director nominated by the State Government

Company Secretary
The following person held the position of Company Secretary for the entire financial year:
Peter Garrone, B.Com and LLB (Hons), Chartered Accountant (Australia). Peter Garrone has worked for Brisbane Housing Company Limited since March 2017 as Chief Financial Officer and was appointed Company Secretary on 19 April 2017.

Principal Activities
The principal activities of the Group during the financial year were the provision of affordable housing and activities to support this mission in Queensland.

Operating Results
The comprehensive income of the Group amounted to $71,678,293 (2023: $36,244,011). No provision for Income tax was established as Brisbane Housing Company Limited is exempt from income tax and the non-exempt subsidiaries have carried forward losses.

Dividends Paid or Recommended
No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made as the Group reinvests all surpluses in the development of affordable housing.

Review of Operations
The Group continued to provide affordable housing during the financial year. The Group continued to progress the development of the first stage of seven projects under the Housing Investment Fund (HIF) that will deliver almost 600 new social and affordable homes. These projects are being delivered through a partnership between BHC, Queensland Investment Corporation (QIC) and the Queensland Government that will deliver up to 1,200 new social and affordable homes across South-East Queensland through the HIF.

Significant Changes in State of Affairs
During the year there were no material or significant changes in the state of affairs of the Group. The Group continues to focus on the development and management of social and affordable housing within Queensland.

After Balance Date Events
Other than disclosed below, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Directors' Report continued

Future Developments, Prospects and Business Strategies

The Group expects to continue to build social and affordable housing in Queensland by developing mixed tenure and mixed use buildings. This will involve the use of external funding, Government grants (either up-front and/or recurring) and cash generated by the Group. The Group will continue to investigate alternative methods of raising private sector funding to deliver development projects.

Environmental Issues

The 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 entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Meetings of Directors

During the financial year, 10 meetings of directors were held. Attendances by each director during the year were as follows:

Committee Meetings

	Directors' Meetings		Audit Committee		Finance Committee		Property Committee		Tenancy Management Committee	
	A	B	A	B	A	B	A	B	A	B
Eloise Atkinson	10	8	3	1	8	5	10	8	7	3
Geoff Woolcock	10	10							7	7
Les Jones	10	9	3	3	8	8				
Julia Heckenberg	10	10							7	7
Stacey Ross	10	9							7	4
Kirsty Smith	10	9			8	8	10	9		
Matthew Leyshon	10	9					10	10		
Katie Williams	10	9	3	3	8	6				
Karla Fraser	10	9	3	3			10	10		

A = Number of meetings eligible to attend
B = Number of meetings attended

Indemnifying Officers

During the financial year, the Group paid a premium to insure against legal costs that might be incurred in defending an action against one or any of the directors or officers of the Group and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty in relation to the Group.

Proceedings on Behalf of the Entity

No person has applied for leave of Court to bring proceedings on behalf of an entity of the Group or intervene in any proceedings to which an entity of the Group is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

None of the Group entities were party to any such proceedings during the year.

Directors' Report continued

Auditor’s Independence Declaration

A copy of the Auditor's Independence Declaration as required under s 60-40 of the Australian Charities and Not-for-Profits Commission Act 2012 is set out on page 7.

Signed in accordance with a resolution of the Board of Directors.

Chairperson

Eloise Atkinson

Dated this 25th day of September 2024

Grant Thornton Audit Pty Ltd
King George Central
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Brisbane QLD 4000
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Brisbane QLD 4001

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Auditor's Independence Declaration

To the Directors of Brisbane Housing Company Limited

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Brisbane Housing Company Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

H.E. Hiscox

H E Hiscox
Partner - Audit & Assurance

Brisbane, 25 September 2024

Brisbane Housing Company Limited
ABN 75 101 263 834

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Note	Consolidated Group	
		2024	**2023**
		$	**$**
Revenue from rent		20,091,288	18,969,995
Revenue from government grants		35,473,567	14,270,450
Other revenue		3,169,116	2,952,230
Total Revenue	2	**58,733,971**	**36,192,675**
Property expenses		9,172,570	9,520,608
Employee benefits expense		6,727,062	6,329,515
Depreciation and amortisation		8,155,975	7,695,778
Finance costs		1,071,612	365,947
Professional fees		246,634	190,109
Administration expenses		1,129,249	892,421
Other expenses		166,972	409,433
Total Expenses	3	**26,670,074**	**25,403,811**
Surplus / (loss) before income tax		**32,063,897**	**10,788,864**
Income tax expense		-	-
Surplus / (loss) after income tax		**32,063,897**	**10,788,864**
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Gains/(Losses) on property revaluation		39,614,396	25,455,147
Other comprehensive income, net of income tax		**39,614,396**	**25,455,147**
Total comprehensive income for the year		**71,678,293**	**36,244,011**

The accompanying notes form part of these financial statements.

Brisbane Housing Company Limited

ABN 75 101 263 834

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	Consolidated Group	
		2024	**2023**
		$	**$**
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	61,870,927	17,295,569
Trade and other receivables	5	4,225,798	2,244,131
Loans to third parties	6	124,097	147,707
Other current assets	7	4,719,980	3,852,403
TOTAL CURRENT ASSETS		**70,940,802**	**23,539,810**
NON-CURRENT ASSETS			
Property, plant and equipment	8	474,260,605	420,533,253
Right of use assets	9	2,274,727	2,063,117
Work in progress	10	66,969,066	7,477,853
Investment properties	11	1,300,000	1,300,000
Intangible assets	12	29,311	6,493
TOTAL NON-CURRENT ASSETS		**544,833,709**	**431,380,716**
TOTAL ASSETS		**615,774,511**	**454,920,526**
CURRENT LIABILITIES			
Trade and other payables	13	71,005,306	22,033,716
Current provisions	14	847,006	752,202
Lease liabilities	15	563,614	408,186
Borrowings	16	11,475,536	-
TOTAL CURRENT LIABILITIES		**83,891,462**	**23,194,104**
NON-CURRENT LIABILITIES			
Non-current provisions	14	58,807	127,501
Lease liabilities	15	2,148,808	2,091,361
Borrowings	16	28,489,581	-
TOTAL NON-CURRENT LIABILITIES		**30,697,196**	**2,218,862**
TOTAL LIABILITIES		**114,588,658**	**25,412,966**
NET ASSETS		**501,185,853**	**429,507,560**
EQUITY			
Issued capital	20	11	11
Reserves		205,601,964	165,987,568
Retained earnings		295,583,878	263,519,981
TOTAL EQUITY		**501,185,853**	**429,507,560**

The accompanying notes form part of these financial statements.

Brisbane Housing Company Limited
ABN 75 101 263 834

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2024

	Note	Issued Capital	Retained Earnings	Asset Revaluation Reserve	Total
		$	$	$	$
Consolidated Group					
Balance at 1 July 2022		11	247,419,235	145,844,303	393,263,549
Total comprehensive income for the year		-	10,788,864	25,455,147	36,244,011
Transfer of revaluations reserve related to disposed asset		-	5,311,882	(5,311,882)	-
Balance at 30 June 2023		11	263,519,981	165,987,568	429,507,560
Total comprehensive income for the year		-	32,063,897	39,614,396	71,678,293
Balance at 30 June 2024		11	295,583,878	205,601,964	501,185,853

The accompanying notes form part of these financial statements.

Brisbane Housing Company Limited

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STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2024

	Note	Consolidated Group	
		2024	**2023**
		$	**$**
CASH FLOW FROM OPERATING ACTIVITIES			
Rent & other income		28,633,681	20,358,586
Payments to suppliers and employees		(25,264,597)	(17,367,861)
Government grants		76,115,186	10,150,000
Interest received		887,993	382,335
Finance costs		(296,854)	(138,621)
Net cash provided by operating activities		**80,075,409**	**13,384,439**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(21,792,783)	(6,129,961)
Purchase of motor vehicle		(30,814)	-
Payments for work in progress		(52,940,691)	(14,939,502)
Proceeds from sale of fixed assets		-	9,188,727
Net cash used in investing activities		**(74,764,288)**	**(11,880,736)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		39,616,434	-
Loan repayments from third parties		23,610	22,980
Payments relating to leases		(501,307)	(352,559)
Retirement village ingoing contributions		125,500	101,150
Net cash provided by (used in) financing activities		**39,264,237**	**(228,429)**
Net increase / (decrease) in cash held		44,575,358	1,275,274
Cash and cash equivalents at beginning of financial year		17,295,569	16,020,295
Cash and cash equivalents at end of financial year	4	**61,870,927**	**17,295,569**

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the consolidated financial statements and notes of Brisbane Housing Company Limited and controlled entities ("Consolidated Group" or "Group"). Brisbane Housing Company Limited is a not for profit company limited by shares and incorporated in Queensland, Australia.

1.1 Basis of Preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosures, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not-for-Profits Commission Act 2012.

The financial statements cover Brisbane Housing Company Limited as a consolidated entity. The financial statements are presented in Australian Dollars, rounded to the nearest whole dollar, which is the consolidated entity's functional and presentation currency.

Historical cost convention
The financial statements have been prepared under the historical cost convention, with the exception of Property, Plant & Equipment and Investment Properties which are recorded at either historical cost or fair value in accordance with items 1.3d & 1.3f.

1.2 New and revised standards that are effective for these financial statements.

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

1.3 Summary of accounting policies

a. Principles of Consolidation

A controlled entity is any entity of which Brisbane Housing Company Limited has the power to govern the financial and operating policies, so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered/(left) the consolidated group during the year, their operating results have been included/(excluded) from the date control was obtained/(ceased).

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

b. Revenue

The company recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

1.3 Summary of accounting policies continued

b. Revenue continued

Rental Income
Rental Income is recognised in accordance with AASB 16. The performance obligation of providing units of accommodation or commercial tenancy (as documented in the lease agreement) is satisfied over a period of time as the lessee occupies the premises. Accordingly, revenue is recognised over the same period of time at the rates agreed to in the rental agreement.

Grants
Grant funding is received by the Group from a number of sources. The performance obligations attached to the grant funding are considered when determining whether to account for the revenue under AASB 15 or AASB 1058. Where the grant funding has no specific performance obligations attached the revenue is recognised at the point in time the right to receive the grant funds occurs.

In situations where a capital funding agreement is in place the grant funding is often received up-front or at the time specified milestones in the project are achieved. The funding agreement may include the transfer of land as well as a cash contribution towards the construction costs of the building. For each funding agreement the Group identifies the performance obligations which often require construction of a building on a particular site and may also require the Group to contribute towards a particular share of the construction costs.

Where land is transferred, the performance obligation is satisfied at the point in time the land is transferred to the Group. Revenue is recognised under AASB 1058 at the time of the transfer at fair value.

Unearned Grant Income
Unearned Grant Income is represented by grant income received under funding agreements with the State Government through the various government departments. Where cash funding is received up-front and there are performance obligations specified in the agreement that have been identified as being fulfilled over time in line with the construction works on the project, the funds received are accounted for under AASB 1058 and are initially recorded as a liability under unearned grant income (see note 13 Trade and other payables). Grant revenue is recognised in profit or loss over time in proportion to the value of construction works over the same period. If conditions are attached to the grant which must be satisfied before the company is eligible to retain any remaining contribution, the grant will be recognised as a liability until those conditions are satisfied.

Due to the conditions of the funding agreements where if the performance obligations are not met, the funds are to be returned to the State Government, the unearned grant revenue is presented as a current liability, even where construction may not commence for a period greater than 12 months.

Donations
Donations are recognised as income at the time the pledge is made.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

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

c. Construction Contracts and Work in Progress

Construction work in progress is valued at cost. Cost includes both variable and fixed costs relating to specific contracts, and those costs that are attributable to the contract activity in general and that can be allocated on a reasonable basis.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

1.3 Summary of accounting policies continued

d. 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 impairment losses.

Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, or directors' valuations.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same classes of assets are charged against the revaluation reserve directly in equity; all other decreases are charged to the profit or loss.

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

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

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

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

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, 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 rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant & Equipment	3 - 50%
Office Equipment	10 - 50%
Motor Vehicles	12 - 20%
Leasehold Improvements	12.5 - 22%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

1.3 Summary of accounting policies continued

e. Assets Held for Sale

Assets held for sale are land and buildings that have been identified by management as no longer being suitable in fulfilling BHC's mission and have been approved by the Board for divestment. Assets held for sale are shown at fair value. When the asset is sold, any amounts included in the asset revaluation reserve for that asset are transferred to retained earnings.

f. Investment Properties

Investment properties are properties which are outside the core mission of Brisbane Housing Company Limited and are held for generation of cash flows and capital appreciation.

Investment properties are recognised at fair value. Independent valuers are engaged to value the investment properties on a periodic, at least triennial, basis with directors' valuations being performed in the intermediate periods. The last independent valuation was obtained in the 2021 financial year. Investment properties are not depreciated.

g. Leases

All leases, except for short-term leases and leases of low-value are recognised in the Statement of Financial Position with a 'Right of Use' asset and a corresponding 'Finance Lease Liability'. The right of use asset is depreciated over the term of the lease and the finance lease liability is reduced as lease payments are made. An 'interest' charge is recognised in finance costs over the term of the lease.

h. Impairment of Assets

At each reporting date, the entity reviews the carrying values 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 to sell and value in use, is compared to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed to the profit or loss. Refer to Note 1d for the accounting policy for property assets.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset's class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

i. Employee Benefits

Provision is made for the company’s liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within 1 year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than 1 year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on the corporate bond rate with terms to maturity that match the expected timing of cash flows.

Contributions are made by the entity to employee superannuation funds and are charged as expenses when incurred.

j. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the profit or loss in the period in which they are incurred.

k. 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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

1.3 Summary of accounting policies continued

l. 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

m. Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997. Subsidiaries that are not exempt from income tax did not have taxable income for the period.

n. Intangibles

Software

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Software is currently amortised over 3 years.

Management Rights

Management rights are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Management rights are amortised over 10 years.

o. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

p. Comparative Figures

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

q. Financial Instruments

Recognition, Initial Measurement and Derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss, which are initially measured at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Classification and Subsequent Measurement of Financial Assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified in to the following categories upon initial recognition:

- Amortised cost
- Fair value through profit and loss (FVPL)
- Equity instruments at fair value through other comprehensive income (FVOCI)

Classifications are determined by both:

- The Group's business model for managing the financial asset
- The contractual cash flow characteristics of the financial asset

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

1.3 Summary of accounting policies continued

q. Financial Instruments continued

Subsequent Measurement of Financial Assets

(i) Financial Assets at Amortised Cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL);

- They are held within a business model whose objective is to hold the financial assets and collect contractual cash flows
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall in to this category of financial instruments.

Impairment of Financial Assets
In assessing the impairment of financial assets, the Group uses the "expected credit losses" model (ECL). The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1"); and
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").
- "Stage 3" would cover financial assets that have objective evidence of impairment.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and Other Receivables
The Group makes use of a simplified approach for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

Included in trade and other receivables at 30 June 2024 is an amount receivable from rental tenants charged by the Group during the current financial year amounting to $523,776 and an allowance for expected credit losses has been made for $325,359.

Classification and Measurement of Financial Liabilities

The Group's financial liabilities include trade and other payables, lease liabilities and borrowings. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs, unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Other Payables - Retirement Village
New residents of the Village are required to pay an ingoing contribution. The ingoing contribution is initially recorded at fair value and is non-interest bearing. Subsequent fair value adjustments are made through the profit or loss. Over the first five years at the Village, residents are required to pay a deferred management fee of 6% of the ingoing contribution per annum. Fair value is the amount payable on demand and is measured as the principal amount less deferred management fees accrued for up to reporting date.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

1.3 Summary of accounting policies continued

q. Financial Instruments continued

Other Payables - Retirement Village continued
As there is no unconditional right for BHC to defer payment for 12 months or greater, the ingoing contribution liability is recorded as a current liability. Based on the experience at the Village to date and estimates around length of stay at the Village, it is reasonable to expect that only a portion of residents will leave the Village in any given year and therefore it is reasonable to expect that only a portion of the ingoing contributions received will become due and payable in the next 12 months. In the year to 30 June 2024 $1,385,948 (2023: $428,213) ingoing contributions were paid out.

r. Critical Accounting Estimates and Judgments
The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates - Impairment
The entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations to assess the recoverable amounts which incorporate a number of key estimates.

Key estimates - Plant and Equipment
To comply with AASB 116, as each building is completed the Board of Directors adopts Quantity Surveyor estimates for Plant and Equipment associated with rental properties based on the estimated replacement cost of the assets. Depreciation for Building Plant and Equipment has been calculated by amortising the replacement cost of the assets over the remaining useful life as determined by the Quantity Surveyor's report and adopted by the Board of Directors.

Key estimates - Land & Buildings at valuation
The sale of certain properties in the Group's portfolio would give rise to a taxable supply under the GST legislation and therefore be subject to GST. This GST liability would cause the net sale value being less than the book value. No adjustment to the book value has been made in the accounts as there is no current intention to sell any of the affected properties and also because the potential GST liability could be avoided by renting the affected properties at market rents for a period of five years.

Refer to Note 8 which highlights key estimates in relation to the valuation of land and buildings.

Key estimates - Work In Progress
Directors review amounts held in work in progress on a quarterly basis to assess the likelihood of a project progressing. Costs for projects that are aborted are expensed by a resolution of the Board.

Key estimates - Deferred Management Fee Income
Residents of the retirement village pay an up-front ingoing contribution, of which 70% is ultimately refundable and with 30% being a "deferred management fee" (DMF) paid to the Group. The DMF is payable over a 5 year period or on a pro-rata basis if the resident leaves within the 5 year period.

The DMF is initially recorded as an unearned revenue and is recognised as income over 7 years which which reflects the estimated length of time a resident might stay in the Village.

Fair Value Measurement Hierarchy
The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can assess at the measurement date;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

1.3 Summary of accounting policies continued

r. Critical Accounting Estimates and Judgments continued

Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The inputs used for the purposes of revaluing the Group's land and buildings fall under the "Level 2" inputs.

Going Concern

The directors of Brisbane Housing Company Limited have assessed the ability of the Group to continue as a going concern for the financial year ended 30 June 2024. This assessment is based on a review of the Group's financial position, cash flow forecast and operating performance.

The Group has entered in to a debt facility arrangement in the current year to facilitate delivery of the HIF program and has also received significant grant revenue that is held as unearned to facilitate these projects. This has attributed to an increase in current liabilities and in the current year the current liabilities exceed current assets. The net current asset deficiency will resolve itself as the Group has a binding agreement in place for long-term financing from Housing Australia and the Qld Social Housing Fund commencing early 2025. As buildings that are funded by the current debt are completed, the current debt is replaced with long-term financing from Housing Australia and the Qld Social Housing Fund that will be held as non-current.

NOTE 2: REVENUE

		Consolidated Group	
		2024	**2023**
		$	**$**
(a)	Revenue from rent		
–	Residential rent (incl service charges)	18,263,057	17,117,552
–	Commercial rent	328,940	393,860
–	Recovery of tenant damage	368,360	370,602
–	Caretaking income	807,201	757,919
–	Other property related revenue	323,730	330,062
		20,091,288	18,969,995
(b)	Revenue from grants		
–	Grants – Affordable Housing	34,221,766	13,095,445
–	Grants – National Rental Affordability Scheme	1,251,801	1,175,005
		35,473,567	14,270,450
(c)	Other revenue		
–	Management fees	181,758	203,033
–	Management fees & sales commissions relating to Elevate Residential	963,386	710,314
–	Accommodation fees relating to Arbor Sherwood Retirement Village	330,241	321,716
–	Deferred management fees relating to Arbor Sherwood Retirement Village*	633,775	581,564
–	Interest received	887,993	382,335
–	Other revenue**	171,963	753,268
		3,169,116	2,952,230
	Total Revenue	58,733,971	36,192,675

* Deferred Management Fees are payable by the resident during the first 5 years of occupancy. If a resident exits within the first 5 years, Deferred Management Fees are payable on a pro rata basis to the date of exit.

** Other Revenue includes amounts received as settlement of insurance claims, proceeds received as part of the settlement of legal claims against third parties and sale proceeds from the sale of units.

NOTE 3: EXPENSES

	Consolidated Group	
	2024	**2023**
	$	**$**
Expenses		
Finance costs:		
– External	1,017,240	335,431
– Right of Use Asset	54,372	30,516
Bad and doubtful debts	323,403	53,306
Depreciation expense on non-cancellable leases		
– Right of Use Asset	448,200	332,103
Rental expense on leases where AASB16 has not been applied		
– minimum lease payments	5,376	5,376
Expenses relating to Elevate Residential	758,426	596,355
Superannuation expense	872,824	662,991

NOTE 4: CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2024	**2023**
	$	**$**
Cash at bank	60,770,912	16,145,569
Short term deposits with original maturity < 3 months	1,100,015	1,150,000
Short term deposits with original maturity 3-6 months	-	-
	61,870,927	17,295,569

Cash at bank balance at 30 June 2024 includes $48.0m (2023: $5.3m) of capital funding received which is to be used for the construction of specific buildings over the next 1 - 2 years.

The average effective interest on cash and term deposits was 4.17% (2023: 3.07%).

At 30 June 2024, the Company had bank guarantees in favour of the lessor of the property occupied as the head office of the Company to a total value of $546,842 (2023: $385,637).

NOTE 5: TRADE AND OTHER RECEIVABLES

	Consolidated Group	
	2024	**2023**
	$	**$**
CURRENT		
Residential receivables	530,555	584,374
Commercial receivables	708,285	106,672
Other receivables	3,312,317	1,664,256
	4,551,157	2,355,302
Allowance for expected credit losses	(325,359)	(111,171)
	4,225,798	2,244,131

Residential and Commercial receivables represent amounts invoiced during the financial year that are unpaid at 30 June. Other receivables represents amounts the Group has outlaid under an agreement, but is entitled to recover from 3rd parties in the next financial year.

Refer to note 1.3(q) for analysis details on past due receivables.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 6: LOANS TO THIRD PARTIES

	Consolidated Group	
	2024	2023
	$	$
Current	124,097	147,707
	124,097	147,707

Loans to third parties are interest free with the balance payable after 10 years from the start of the loan.

NOTE 7: OTHER CURRENT ASSETS

	Consolidated Group	
	2024	2023
	$	$
CURRENT		
Prepayments	1,350,777	1,163,703
Accrued income	1,940,440	1,564,251
Interest receivable	92,409	54,464
GST receivable	908,712	423,785
Advances and deposits	427,642	646,200
Total other assets	4,719,980	3,852,403

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

The Group’s land and buildings were revalued as at 30 June 2024 and are based on the independent valuations, annual rents and capitalisation rates, and applying a discount factor to come to the valuation amount for both the independently valued properties as well as the balance of the portfolio which is usually subject to a directors valuation.

See note 25 - Fair value measurement for more details on the valuation methodologies.

The Group is required to classify all assets and liabilities measured at fair value using a three level hierarchy (see Fair Value Measurement Hierarchy under Critical Accounting Estimates and Judgements) and the inputs used for the purposes of revaluing the Group's land and buildings fall under the "Level 2" inputs.

Valuations were made on the basis of open market value. The revaluation increment was credited to the asset revaluation reserve in equity during the year.

Brisbane Housing Company Limited
ABN 75 101 263 834

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 8: PROPERTY, PLANT AND EQUIPMENT continued

	Consolidated Group	
	2024	**2023**
	$	**$**
Land and Buildings at:		
– Directors' Valuation - Modified "Directors' valuation"	270,012,215	272,996,567
– Directors' Valuation - Modified "Independent valuation"	161,576,048	124,275,892
– Cost	38,538,639	18,743,141
Total Land and Buildings	470,126,902	416,015,600

The value of Buildings excludes any associated Plant and Equipment items which are identified separately.

The Land & Buildings at Cost represents sites purchased for redevelopment.

Plant and equipment		
At cost	20,536,110	20,916,509
Accumulated depreciation	(17,023,914)	(17,026,567)
	3,512,196	3,889,942
Office Equipment		
At cost	378,692	396,366
Accumulated depreciation	(223,310)	(245,600)
	155,382	150,766
Leasehold Improvements		
At cost	608,144	565,509
Accumulated depreciation	(238,668)	(166,726)
	369,476	398,783
Motor Vehicles		
At cost	157,173	126,359
Accumulated depreciation	(60,524)	(48,197)
	96,649	78,162
Total Property, Plant and Equipment	474,260,605	420,533,253

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (CONT)

a. **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 & Buildings	Plant & Equipment	Office Equipment	Leasehold Improvements	Motor Vehicles	Total
	$	$	$	$	$	$
Consolidated Group:						
Balance at 30 June 2023	416,015,600	3,889,942	150,766	398,783	78,162	420,533,253
Additions	21,196,682	474,317	69,301	42,635	30,814	21,813,749
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Revaluation increments / (decrements)	39,614,396	-	-	-	-	39,614,396
Depreciation expense	(6,699,776)	(852,063)	(64,685)	(71,942)	(12,327)	(7,700,793)
Balance at 30 June 2024	470,126,902	3,512,196	155,382	369,476	96,649	474,260,605

NOTE 9: RIGHT OF USE ASSETS

	Consolidated Group	
	2024	**2023**
	$	**$**
Right of use asset	3,652,677	2,992,867
Accumulated depreciation	(1,377,950)	(929,750)
	2,274,727	2,063,117

Right of Use Assets relates to the capitalisation of the Company's office and car parking leases in accordance with AASB 16. The office lease is for a fixed term of 8 years, with an option to renew for a further 5 years. The car parking lease is for a period of 5 years 2 months and expires in line with the office lease expiry. There is no renewal option for the car parking lease.

During the year BHC leased additional office space to facilitate the Group's growth. This lease also expires in line with the original office lease expiry.

NOTE 10: WORK IN PROGRESS

	Consolidated Group	
	2024	**2023**
	$	**$**
Work in Progress		
At cost	66,969,066	7,477,853

Movements in Work in Progress	
Balance at 30 June 2023	7,477,853
Additions	59,539,108
Transfer to property, plant and equipment	-
Transfer to property expenses	(47,895)
Balance at 30 June 2024	66,969,066

During the year construction commenced on a 34 unit building at Ethel St, Chermside, a 82 unit building in Sutton St, Redcliffe, a 92 unit building at Curwen Tce, Chermside and a 82 unit building in Cleveland St, Stones Corner.

NOTE 11: INVESTMENT PROPERTIES

	Consolidated Group	
	2024	**2023**
	$	**$**
NON-CURRENT		
Commercial	1,300,000	1,300,000
	1,300,000	1,300,000

Commercial properties are carried at fair value in accordance with Note 1.3(f).

NOTE 12: INTANGIBLE ASSETS

	Consolidated Group	
	2024	**2023**
	$	**$**
Software		
Cost	75,130	45,330
Accumulated amortisation	(45,819)	(38,837)
Net Carrying Value	29,311	6,493

Capitalised Software at 30 June 2024 represents customisation of accounting software for various business uses and implementation costs for a long-term asset management system.

NOTE 12: INTANGIBLE ASSETS continued

	Consolidated Group	
	2024	**2023**
	$	**$**
Management rights	288,636	288,636
Accumulated amortisation	(288,636)	(288,636)
Net Carrying Value	-	-
Net intangibles	29,311	6,493

Movements in Carrying Amounts

	Software	Management Rights	Total
	$	**$**	**$**
Movement in the carrying amounts for each class of intangibles between the beginning and the end of the current financial year			
Consolidated Group:			
Balance at 30 June 2023	6,493	-	6,493
Additions	29,800	-	29,800
Amortisation expense	(6,982)	-	(6,982)
Balance at 30 June 2024	29,311	-	29,311

NOTE 13: TRADE AND OTHER PAYABLES

	Consolidated Group	
	2024	**2023**
	$	**$**
CURRENT		
Trade payables and accruals	7,920,604	1,525,189
GST payable	3,620,179	38,986
Unearned grant income	45,913,073	6,327,415
Other unearned income	380,503	449,050
Other payables	897,325	1,143,435
Other payables - retirement village	12,273,622	12,549,641
	71,005,306	22,033,716

During the period $3,489,830 of Unearned Grant Income was recognised as income and reported within Revenue from Government Grants. Refer to note 1.3b for more details on unearned grant income and 1.3q other payables - retirement village.

NOTE 14: PROVISIONS

	Consolidated Group	
	2024	**2023**
	$	**$**
Current	847,006	752,202
Non-current	58,807	127,501
	905,813	879,703

NOTE 14: PROVISIONS continued

Analysis of Total Provisions	**Short-term Employee Benefits**	**Long-term Employee Benefits**	**Total**
	$	**$**	**$**
Consolidated Group			
Balance at 1 July 2023	527,266	352,437	879,703
Provisions raised / (reversed)	660,292	(61,818)	598,474
Amounts paid	(556,262)	(16,102)	(572,364)
Balance at 30 June 2024	631,296	274,517	905,813

NOTE 15: LEASE LIABILITIES

	Consolidated Group	
	2024	**2023**
	$	**$**
Current	563,614	408,186
Non-current	2,148,808	2,091,361
	2,712,422	2,499,547

	Consolidated Group	
	2024	**2023**
Lease Commitments	**$**	**$**
Payable:		
– not later than 12 months	629,089	451,043
– between 12 months and 5 years	2,247,822	2,178,132
– greater than 5 years	-	-
– Less finance costs	(163,522)	(129,631)
	2,713,389	2,499,544

The non-cancellable office lease has a 8 year term expiring 31 Aug 2028 with an option to renew for a further 5 years. Rental provisions within the lease agreement require the minimum lease payments to be increased by 3.75% on each anniversary. In March 2024 BHC entered in to a second lease agreement for additional office space in the same building. The lease expiry, rent review conditions and general terms and conditions are aligned with the original lease.

NOTE 16: BORROWINGS

	Consolidated Group	
	2024	**2023**
	$	**$**
Current	11,475,536	-
Non-current	28,489,581	-
	39,965,117	-
Loan Facilities		
Loan facilities	365,000,000	-
Amount utilised	(39,965,117)	-
Amount available	325,034,883	-

Borrowings are interest only and are used to fund the development of social and affordable housing projects under the Housing Investment Fund (HIF). The term of the facilities aligns with when the conditions precedent were satisfied for the relevant project.

NOTE 16: BORROWINGS continued

Following completion of each project, the completed building will be sold to BHC Affordable Living Limited, a special purpose entity which BHC is the sole member. BHC Affordable Living Limited will fund the purchase of the projects with long-term debt from Housing Australia and the Qld Social Housing Fund (an entity established to receive subordinated debt from Australian Retirement Trust (ART). BHC will use the sale proceeds to repay the borrowings that it has incurred in relation to the projects.

NOTE 17: CAPITAL COMMITMENTS

	Consolidated Group	
	2024	**2023**
	$	**$**
Capital Expenditure Commitments		
Capital expenditure commitments contracted for:		
Capital expenditure projects	109,692,136	8,533,150
	109,692,136	8,533,150
Payable:		
– not later than 12 months	108,552,136	8,533,150
– between 12 months and 5 years	1,140,000	-
– greater than 5 years	-	-
	109,692,136	8,533,150

NOTE 18: OPERATING LEASES AS LESSOR

The Group leases out commercial space retained in its developments on an operating lease basis.
The lease contracts are all non-cancellable ranging from 1 - 5 years from the commencement of the lease.
No contingent rents were recognised. Future minimum lease rentals are as follows:

	Consolidated Group	
	2024	**2023**
	$	**$**
Minimum lease rentals due:		
– not later than 12 months	258,553	266,426
– between 12 months and 5 years	147,532	394,550
– greater than 5 years	-	-
	406,085	660,976

NOTE 19: KEY MANAGEMENT PERSONNEL COMPENSATION

The Group's key management personnel consisted of the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Projects Director and Directors. Total compensation paid to key management personnel during the financial year amounted to $1,395,152 (2023: $1,263,920).

NOTE 20: SHARE CAPITAL

	Consolidated Group	
	2024	**2023**
	$	**$**
3 (2023: 3) fully paid Ordinary Shares	3	3
8 (2023: 8) fully paid Community Redeemable Preference Shares	8	8
	11	11

Ordinary shares do not carry the right to receive a dividend or participate in the income, profits or surplus assets of the Company beyond the redemption amount and in the event of winding up, the surplus assets of the company are transferred to one or more charitable institutions nominated by the State Government. Redeemable preference shares do not participate in dividends or proceeds of winding up (apart from the $1 redemption amount).

At shareholders' meetings each ordinary share and community redeemable preference share is entitled to vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

NOTE 21: COMPOSITION OF THE GROUP

Set out below are details of the subsidiaries held directly by the parent entity, Brisbane Housing Company Limited.

Name of the Subsidiary	Country of Incorporation and principal place of business	Principal Activity	Proportion of Ownership interests held by the Group	
			2024	2023
BHC Development Services Pty Ltd	Australia	Dormant	100%	100%
Catalyst Affordable Housing Limited	Australia	Developer/Manager of Affordable Housing in Gladstone (to 1 November 2023) and; Elevate Real Estate Agency	100%	100%
BHC Affordable Living Limited	Australia	Dormant	100%	100%

NOTE 22: CONTINGENT LIABILITIES

As a condition of the funding received under the funding agreement with the State Government (the State), for the Bothwell Street project (Caggara House), the Company was required to construct 57 social housing units. The State contributed the land currently valued at $4.58m and cash of $7.47m. The State has an option to purchase the development in 2053 and a first right of refusal if the Company sells before that date. The Company may be required to repay the contingent liability to the State in the event of a sale of the property. The contingent liability is a proportion of the value of the property based on the proportion of the total cost which was provided by the State and is to reduce by 2.5% per annum from 2015.

NOTE 23: AFTER BALANCE DATE EVENTS

There is no litigation filed against the Group since balance date and the Group is unaware of any pending litigation.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25th September 2024. The directors have the power to amend and reissue the financial statements.

NOTE 24: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons.

During the year the Group paid $401,092 excl GST (2023: $332,833) to Allens Linklaters for legal and professional fees. One of the Group's Directors is a partner in the firm. Related party payable balances included within trade payables and accruals at 30 June amounted to $3,565 (2023: $10,154).

NOTE 25: FAIR VALUE MEASUREMENT

The following table shows the non-financial assets measured at fair value on a recurring basis at 30 June 2024:

	$
Property Plant and Equipment	
Land & Buildings Directors' Valuation - Modified "Independent Valuation" Approach	161,576,048
Land & Buildings Directors' Valuation - Modified "Directors' Valuation" Approach	270,012,215

Consistent with prior years, one third of the portfolio was valued by an independent valuer at 30 June 2024. Given the fluctuation in values due to the uncertainty in the property market at the current time, the directors have determined, based on BHC individual circumstances, not to adopt the independent valuations as assessed. In determining the fair value of the Land and Buildings the Directors have had regard to these independent valuations and have applied two approaches.

- Modified Independent Valuation Approach – applied to properties that were independently valued during the period. Where the independent valuation indicated a valuation increment, the Directors have considered BHC's internal annual rental and capitalisation forecasts and, where appropriate, applied a discount factor of between 0% to 50% on the independent valuation increment. For properties where the independent valuation indicated a decrement, the decrement has been booked in its entirety.
- Modified Directors Valuation Approach – applied to all other properties. In these cases the Directors have applied the average increment / decrement determined under the Modified Independent Valuation Approach above to properties with similar geographical and operational characteristics as those independently valued.

It is expected that once the property market settles, the previous valuation methods for independent and directors' valuations will resume.

The land and buildings were revalued on 30 June 2024. The land and buildings were previously revalued in June 2023.

NOTE 26: REMUNERATION OF AUDITORS

	2024 $	2023 $
Audit Services - Grant Thornton		
Audit of the financial statements	61,400	58,820
Other audit services	14,517	13,768
Total remuneration for audit services	75,917	72,588
Other Services - Grant Thornton		
Tax compliance services	3,811	3,900
Risk management services	3,000	3,000
Other professional services	34,295	-
Total remuneration for other services	41,106	6,900
Total remuneration for services	117,023	79,488

NOTE 27: REGISTERED OFFICE

The registered office and principal place of business for the group is Level 17, 333 Ann St, Brisbane QLD 4000.

DIRECTORS' DECLARATION

The directors of the entity declare that:

1. The consolidated financial statements and notes, as set out on pages 8 to 30, are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012 and:

   a. comply with Accounting Standards - Simplified Disclosures (including Australian Interpretations) and the Australian Charities and Not-for-Profits Regulations 2022; and

   b. give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the company and of the consolidated group.

2. In the directors’ opinion there are reasonable grounds to believe that the company and its subsidiaries will be able to pay their debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Eloise Atkinson (Chairperson)

Dated this 25th day of September 2024

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Independent Auditor's Report

To the Members of Brisbane Housing Company Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Brisbane Housing Company Limited (the "Registered Entity") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, and the consolidated statement of profit or loss and other 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 material accounting policy information and the Directors' declaration.

In our opinion, the financial report of Brisbane Housing Company Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

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

b 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 the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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 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.

Other information

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 Registered Entity are responsible for the preparation and fair presentation of the financial report 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 is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Registered 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 Registered Entity or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Registered Entity's financial reporting process.

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 Registered 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 Registered 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 Registered 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.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

H.E. Hiscox

H E Hiscox
Partner – Audit & Assurance

Brisbane, 25 September 2024