



Financial Report

Bridge Housing Limited

A.C.N. 135 570 955

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024



Acknowledgment of Country

We acknowledge Aboriginal people as the
traditional owners of the land, and pay our
respects to elders past and present.
Always was. Always will be. Aboriginal Land.



Table of Contents

Director's Report	2
Consolidated Statement of Profit or Loss and Other Comprehensive Income	9
Consolidated Statement of Financial Position	10
Consolidated Statement of Cash Flows	11
Consolidated Statement of Changes in Equity	12
Notes to the Financial Statements for the Year Ended 30 June 2024	14
Directors' Declaration	40
Independent Auditor's Report	41

Directors' Report

The Directors present their report together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') of Bridge Housing Limited (referred to hereafter as the "Company" or parent entity) for the year ended the 30 June 2024.

Directors

Information on Directors

The names of directors who held office at any time during, or since the end of the year are set out below together with the information on each director's qualifications and special responsibilities. Non-executive directors are not remunerated. Executive directors are not remunerated for their role as a director.

Names of Directors	Qualification	Occupation	Committee Membership	Years as Director
Mark Turner (resigned 15 November 2023)	BSc MRICS	Strategic Adviser for Commercial Property	Housing, Asset and Development	10
Carolyn Scobie	M.A. (Japanese), B.A./L.L.B. Grad Dip, CSP, GAICD	Lawyer	People and Governance	9
Graham Monk	BComm (Hons), FCPA	Consultant and Company Director	Finance, Risk and Audit	8
Jill Hannaford	BappSc (AppEcG) (Hons 1), MUrb&RegPlg	Company Director	People and Governance	6
Liz Forsyth	BSW, IPAA	Business Executive	Housing, Asset and Development	4
Stephen Bull	BCom, BPsyc (Hons), CA, MAICD, MInstD	Company Director	Housing, Asset and Development	4
Karen Cooper	Dip Bus, Dip Training & Assessment, MBA, AICD, AHRI, ACM	Company Director	People and Governance	3
Vivienne Yu	BA Ecs., MRE, MBA, GAICD and FCPA	Company Director	Finance, Risk and Audit	2
Rebecca Pinkstone (resigned 31 Jan 2024)	B.A Social Science (Hons), MA Public Administration, AICD	Business Executive	All Committees	1
Tina Tang (appointed as a casual vacancy 24 August 2023 and confirmed at the AGM)	BArch, GAICD, Cert Appl. Finance (SIA)	Company Director	Housing, Asset and Development	1

Directors' Report (Continued)

Names of Directors	Qualification	Occupation	Committee Membership	Years as Director
Jacqueline Christie (appointed as a casual vacancy 28 August 2023 and confirmed at the AGM)	B Ec/ LLB (Hons)	Business Executive	People and Governance	1
Matthew Knight (appointed as a casual vacancy 28 August 2023 and confirmed at the AGM)	LLB/ LLM, CA ICAEW, Dip. Social Leadership	Business Executive	Finance, Risk and Audit	1

Meetings of Directors

During the financial year, nine Board meetings of directors were held, in addition to committee meetings shown below. There was also a temporary working group constituted of representatives of the Board which met in relation to Housing Australia Future Fund opportunities. Attendance by each director during the 2023-24 year in their capacity as a board or subcommittee member was as follows:

Directors	Appt Date	Board (includes out of session meetings)		People and Governance (includes out of session meetings)		Housing, Assets and Development		Finance, Risk and Audit	
		A	B	A	B	A	B	A	B
Mark Turner	2014	2	2	X	X	2	2	X	X
Carolyn Scobie	2015	9	7	8	8	X	X	X	X
Graham Monk	2016	9	8	X	X	X	X	6	6
Jill Hannaford	2018	9	7	8	7	3	2	X	X
Liz Forsyth	2020	9	8	X	X	3	3	X	X
Stephen Bull	2020	9	9	X	X	6	5	X	X
Karen Cooper	2021	9	6	8	8	X	X	X	X
Vivienne Yu	2022	9	9	X	X	X	X	6	5
Rebecca Pinkstone	2023	4	4	X	X	X	X	X	X
Tina Tang	2023	9	7	X	X	6	5	X	X
Jacqueline Christie	2023	9	9	3	3	3	3	X	X
Matthew Knight	2023	9	9	X	X	X	X	6	5

A: Meetings Eligible to Attend **B:** Meetings Attended **X:** Not a Member of the Committee

 Chair of committee Eligible to attend

Directors' Report (Continued)

Company Secretaries

Laura Duesbury was Company Secretary for the financial year and continues in office at the date of this report. Rebecca Pinkstone was Company Secretary for the financial year up until 31 January 2024.

Executive Director

Stephen Bull was appointed Executive Director from 1 February 2024 to 29 August 2024 to act in the CEO role with the resignation of Rebecca Pinkstone. This provided stability and support to senior management through a particularly critical time whilst we undertook a search for a new CEO. Ms Laurie Leigh was appointed CEO effective 5th August 2024.

Mr Bull's temporary employment and remuneration is permitted under articles 9.8 and 9.11 of the Constitution. Deputy Chair Carolyn Scobie chaired meetings of the Board during the time of his appointment.

Corporate Information

The Company is a 'not for profit' entity, registered as a company limited by guarantee. It does not issue shares to its members. Under its Constitution, it does not have the capacity to issue dividends to its members. Any surplus on winding up will be distributed to an organisation which has similar objects as dictated by the Constitution.

It is registered as a charity with the Australian Charities and Not-for-profits Commission (ACNC) ABN 55760055094. As a Public Benevolent Institution, it is endorsed to access the following tax concessions; GST Concession and is FBT and Income Tax Exempt. It is also endorsed as a Deductible Gift Recipient (DGR) covered by Item 1 of the table in section 30-15 of the *Income Tax Assessment Act 1997*.

If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$1 each towards any outstanding obligations of the Company.

Short and Long Term Objectives of the Entity

The Company's Mission is to change peoples lives through more homes and quality services.

Strategy For Achieving Those Objectives

The Company achieves its medium and long term objectives through three year strategic plans, and related short term objectives which are implemented through detailed annual business plans. The Company's growth and success have been driven by successive strategic plans since 2006. In 2024, the Company completed the third year of Strategic Plan 2021-25.



Directors' Report (Continued)

The strategic and business plans have four key objectives underpinned by three strategic themes:

1

Change lives

Quality services that deliver impact and make a difference to the lives of our residents



2

Provide more homes

More affordable homes through a growing property portfolio



3

Build a sustainable future

a strong and inclusive organisation backed by engaged and skilled people



4

Influence change in the system

leadership and advocacy that creates positive change in the housing system



Growing sustainably

Partnering effectively

Leveraging technology

Directors' Report (Continued)

Principal Activities

The principal activity of the Company in the course of the financial year was the provision of social and affordable housing to the local community. There was no significant change in the nature of this activity during the financial year.

How The Company's Activities Assisted In Achieving The Company's Objectives

The cash flows of the Company will continue to be employed to improve lives through the provision of affordable homes and quality services for low to moderate income households.

How The Company Measures Its Performance

The Company measures its performance by meeting the objectives established in the annual business plan to deliver strategic plan objectives. The results of our performance for 2023-24 are reported in the 2024 Impact Report.

Operating Results

The accounting surplus in 2024 was \$1,378,869 (2023: \$15,593,469) whilst the underlying operating surplus in 2024 was \$4,985,511 (2023: \$3,303,123).

Our underlying operating result remains strong. Movements from the underlying operating surplus to the accounting surplus is reconciled below but are mainly a result of recognition of a loss generated from lease accounting of \$6,756 (2023: \$617,776), interest on loans of \$1,571,245 (2023: \$1,500,109) and depreciation of \$4,953,732 (2023: \$4,493,583) offset by receipt of Capital Grants of \$1,822,185 (2023: \$17,939,000).

There was a fair value adjustment of \$27,962,572 from the revaluation of our property portfolio.

There was no income tax expense as the Company is tax exempt.



Directors' Report (Continued)

A reconciliation from accounting surplus to underlying operating surplus is shown below.

	2024 \$	2023 \$
Accounting Surplus (as per statement of Profit and Loss)	1,378,869	15,593,469
Less:		
Grant revenue for property acquisition	(1,822,185)	(17,939,000)
Interest income	(1,102,906)	(962,815)
Plus:		
Interest expenses on loans (excluding interest on lease liabilities)	1,571,245	1,500,109
Depreciation & amortisation (excluding amortisation on right of use assets)	4,953,732	4,493,583
Net loss per AASB16	6,756	617,776
Underlying Operating Surplus	4,985,511	3,303,122

In 2023-24 Bridge Housing successfully delivered the third year of our Strategic Plan 2021-24.

Even though it was a year of significant change for Bridge Housing, we continued to maintain our focus on delivering outstanding customer service and meeting the objectives established in our Business Plan.

We delivered another strong profit result to support future growth whilst continuing to invest in our people, business systems and maintenance. During the financial year we built upon previous years with another record level of investment in maintenance amounting to \$15 million.

We continued to improve the business and business outcomes through a range of initiatives identified in our 2023-24 Business Plan. The outcomes of these are reported in our 2024 Impact Report.

Directors' Report (Continued)

Key highlights for 2023-24 include:

- Delivered the third year of our Strategic Plan 2021-24
- Implemented ESG action plan and reporting framework
- Delivered Customer Experience Action Plan
- Implemented 3rd Year of Building Bridges Community Engagement Strategy
- Delivered against our Digital Strategy, including phase 2 of our staff portal and a new Intranet
- Designed a Customer Care Hub
- Continued to upgrade our IT infrastructure and security environment
- Implemented a Handy Person Pilot Program on the Northern Beaches
- Implemented the 4th Innovate Reconciliation Action Plan
- Delivered our largest maintenance program to date
- Progressed the design, planning and approval to deliver the development of 350 new dwellings in Elizabeth St Redfern
- Secured capital funding of \$5 million from Homes NSW to provide additional social housing
- Responded to call for applications with Housing Australia to leverage the Housing Australia Future Fund (HAFF) to deliver additional social and affordable housing
- Reviewed our Total Rewards Package which saw a number of enhancements to attract and retain staff
- Completed a brand refresh including the launch of a new web site
- Acquired 17 new properties and delivered an additional 76 new social and affordable housing units
- Housed 213 people in a safe and secure home
- Established a number of Special Purpose Vehicles (SPV's) in preparedness for HAFF

In the 2024-25 financial year, the Company intends to continue with the following projects or initiatives:

- Finalise planning approval for the Redfern development
- Finalise planning options for the Dulwich Hill project
- Implement the Customer Care Hub
- Review AI for opportunities to deliver better service
- Review and update our Capital Management Strategy and secure a “working capital” solution to fund growth opportunities
- Continue to implement our Digital Strategy including a review of our ERP system and implementation of a new Document Management System in SharePoint
- Continued focus on Cyber Security and protection of Personal Information
- Develop 3 Year ESG roadmap
- Finalise acquisition of an asset on the Northern Beaches
- Progress to contract close successful HAFF applications to provide additional social and affordable housing.



Directors' Report (Continued)

Subsequent Events

One matter has occurred since the end of the financial year that will affect or may affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

Dee Why Acquisition

Bridge Housing settled on the acquisition of a 25 room boarding housing in Dee Why on 21 October 2024 utilising a \$5m grant from Homes NSW and a \$5.3m loan from Housing Australia.

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

On behalf of directors:



Stephen Bull
Chairman



Graham Monk
Director

Dated this 29th day of October 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 \$	2023 \$
Revenue	2	71,289,563	80,454,087
Other income	3	4,048,059	3,033,648
Tenancy and property management expenses	4	(45,697,839)	(42,328,234)
Administration expenses	4	(4,549,866)	(4,341,233)
Employee benefits	4	(13,263,100)	(11,926,740)
Depreciation expenses	4	(4,862,256)	(4,402,107)
Finance costs	4	(5,585,692)	(4,895,952)
Surplus before income tax expense		1,378,869	15,593,469
Income tax expense	1(a)	-	-
Surplus after income tax expense for the year attributable to the members of Bridge Housing Limited		1,378,869	15,593,469
<i>Items that will not be reclassified subsequently to profit or loss</i>			
(Loss)/Gain on the revaluation of land and buildings	8	27,962,572	(7,762,832)
Other comprehensive income/(loss) for the year, net of tax		27,962,572	(7,762,832)
Total Comprehensive income for the year attributable to the members of Bridge Housing Limited		29,341,441	7,830,637

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



Consolidated Statement of Financial Position

AS AT 30 JUNE 2024

	Notes	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	6	14,872,920	18,698,879
Other financial assets	9	3,500,000	7,500,000
Trade and other receivables	7	8,359,812	7,109,854
Total current assets		26,732,732	33,308,733
Non-current assets			
Property, plant and equipment	8	389,275,591	354,950,775
Other financial assets	9	760,551	810,975
Right of use asset	10	113,450,482	102,671,371
Total non-current assets		503,486,624	458,433,121
Total assets		530,219,356	491,741,854
Liabilities			
Current liabilities			
Trade and other payables	12	3,595,688	3,620,761
Other liabilities	13	8,019,368	9,884,067
Employee benefits	14	1,418,876	1,272,384
Lease liability	11	22,172,578	20,399,404
Total current liabilities		35,206,510	35,176,616
Non-current liabilities			
Employee benefits	14	203,333	150,913
Borrowings	15	75,739,896	75,698,843
Lease liability	11	94,951,751	85,939,057
Total non-current liabilities		170,894,980	161,788,813
Total liabilities		206,101,490	196,965,429
Net assets		324,117,866	294,776,425
Equity			
Reserves	16	197,230,047	169,267,475
Accumulated surpluses		126,887,819	125,508,950
Total equity		324,117,866	294,776,425

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

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 \$	2023 \$
Cash flows from operating activities			
Cash receipts from customers (inclusive of GST)		48,262,450	42,131,164
Cash paid to suppliers and employees (inclusive of GST)		(44,876,435)	(37,341,846)
Grants received (inclusive of GST)		21,918,818	16,163,341
Interest and other finance costs paid		(1,575,548)	(1,500,109)
Interest expenses on leases		(4,014,447)	(3,395,843)
Interest received		1,073,343	878,888
Net cash from operating activities	17	20,788,181	16,935,595
Cash flows from investing activities			
Purchase of property, plant and equipment		(11,224,500)	(33,146,916)
Capital investment grants		-	12,839,000
Proceeds from term deposits		4,000,000	23,000,000
Net cash (used in)/from investing activities		(7,224,500)	2,692,084
Cash flows from financing activities			
Repayment of lease liabilities		(17,389,640)	(16,662,092)
Net cash used in financing activities		(17,389,640)	(16,662,092)
Net increase/(decrease) in cash and cash equivalents		(3,825,959)	2,965,587
Cash and cash equivalents at the beginning of the year		18,698,879	15,733,292
Cash and cash equivalents at the end of the year	6	14,872,920	18,698,879

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

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2024

	Accumulated surpluses \$	Reserves \$	Total equity \$
Balance at 1 July 2022	109,915,481	177,030,307	286,945,788
Surplus after income tax expense for the year	15,593,469	-	15,593,469
Revaluation		(7,762,832)	(7,762,832)
Total comprehensive income for the year	15,593,469	(7,762,832)	7,830,637
Balance at 30 June 2023	125,508,950	169,267,475	294,776,425
Surplus after income tax expense for the year	1,378,869	-	1,378,869
Revaluation		27,962,572	27,962,572
Total comprehensive income for the year	1,378,869	27,962,572	29,341,441
Balance at 30 June 2024	126,887,819	197,230,047	324,117,866

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



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: Summary of Significant Accounting Policies

Basis of preparation

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

The financial report was authorised for issue by the directors on the 29 October 2024. The directors have the power to amend and reissue the financial statements.

The financial report has also been prepared on a historical cost basis, except for land and buildings deemed to be at fair value.

The financial report is presented in Australian dollars, which is Bridge Housing Limited's functional and presentation currency. Bridge Housing Limited is a not-for-profit unlisted public company limited by guarantee and it is incorporated and domiciled in Australia. The financial report presents the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 21.

Principal of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Bridge Housing Limited ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Bridge Housing Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated 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 consolidated 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.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business for a period of at least twelve months from the date these financial statements were approved.

As at 30 June 2024, the Company had net current liability of \$8,473,778 (2023: net current liability position: \$1,867,883). The increase is because the company has utilised its funds to acquire non-current assets to generate future revenue.

The directors believe there are reasonable grounds to conclude the Company will continue as a going concern, after consideration of the following factors:

1. The company generates significant operating cash flows each year. For 30 June 2024 it was \$20,788,181 (2023: \$16,935,595)
2. The cashflow forecasts of the Company for a period of 12 months from the date of approval of the financial statements indicate sufficient cash flow from operations that will support the Company during this period; and
3. The ability of the Company to sell excess assets to support cash flows if required.

Accordingly, the directors believe the Company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

Significant accounting policies

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: Summary of Significant Accounting Policies (Continued)

(a) Income tax

As the Company 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.

(b) GST

Revenues and expenses are recognised net of GST, except where GST incurred is not recoverable from the taxation authority in which case the GST is recognised as part of the cost of the expense item. Receivables and payables are stated with the amount of GST included. The net amount of GST payable to the taxation authority is included in payables in the statement of financial position.

(c) Critical accounting estimates and judgements

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 based on current trends and economic data, obtained both externally and within the Company.

Allowance for expected credit losses

The Company measures loss allowances for trade receivables at an amount equal to lifetime expected credit losses. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due unless a payment arrangement has been entered into with the Company.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk. Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

Land and building valuations

Critical estimates are made by the Directors in respect to the fair value of the land and buildings. The fair value of the land and buildings are reviewed regularly by the Directors with reference to independent third party valuations. This external valuation has been prepared in accordance with established valuation methodologies and Australian Accounting Standards using the fair value model.

Estimation of useful lives of assets

The directors determine the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could be revised. The depreciation charge will increase where the useful lives are less than previously estimated lives, or where obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Capitalisation of refurbishment costs for capital owned properties

Refurbishment costs for capital owned properties are expected to derive economic benefit from assets beyond the current year and the costs are used in the normal course of its operations to be capitalised. The capitalised cost are recognised and depreciated on a straight line basis over the useful lives of the assets.

Lease term

The lease term is a significant component in the measurement of both the right-of use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economic incentive to exercise an extension

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: Summary of Significant Accounting Policies (Continued)

option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances. As the Company adopted a portfolio approach, the lease term has been determined based on a historical analysis of property usage from the portfolio as well as expected future strategic trends.

Incremental borrowing rate

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

Fair value measurement hierarchy

The Company 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 access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and 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 fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 2: Revenue

	2024 \$	2023 \$
Rental revenue	43,631,786	38,439,445
Non-rental revenue	1,001,224	945,499
Government grants	24,580,294	39,731,479
Private rental assistance - revenue	2,076,259	1,337,664
	<u>71,289,563</u>	<u>80,454,087</u>

Rental revenue is recognised on a straight-line basis over the length of the term.

Revenue for services in accordance with contracts with customers is recognised over time as the performance obligations are satisfied which occurs when the services are delivered or transferred to the customer. When the Company's programs and arrangements are not accounted for as contracts with customers, the Company accounts for the arrangement as a grant or contribution. For grants and contributions of property, the Company recognises the asset when title transfers or vests, or when a lease of the property commences. The asset provided by the grantor is recognised at fair value and the Company recognises any related amount at the same time as follows:

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

Service concession arrangements are accounted for as contracts with customers and revenue is recognised when the services are delivered or transferred to the customer or beneficiaries. Revenue is presented net of any payments that are made by the Company to the customer, including payments that are structured as lease payments. For contracts considered to be service concession agreements the company does not recognise the property or the right to use the property associated with these agreements. The company considers contracts with government to manage social housing dwellings as service concession agreements.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 3: Other Income

	2024 \$	2023 \$
Fees received – services	1,243,772	1,133,258
Gain on lease termination	1,559,908	658,426
Interest income	1,102,906	962,815
Insurance compensation income	141,473	270,515
Sundry income	-	8,634
	<u>4,048,059</u>	<u>3,033,648</u>

Insurance compensation income

Insurance compensation income is recognised as income in the periods when they are earned. It represents the recovery from the insurer of costs incurred as a result of property damage.

Gain on lease termination

Gain on lease modification is recognised as income in the periods when the leases of the properties are modified.

Rendering of services

Income from fees received for services is recognised over time when the services are delivered or transferred to the customer.

Interest

Revenue is recognised as interest accrues using the effective interest method.

Sundry Income

Sundry income is recognised as revenue when money is received and any obligations are met.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 4: Expenses

	2024 \$	2023 \$
<i>Tenancy and property management expenses</i>		
Rent paid	3,117,179	2,311,619
Amortisation expenses – right of use assets	18,361,532	17,365,488
Doubtful and bad debt expenses	147,151	284,251
Insurances	1,331,860	1,053,755
Rates and utility charges	5,524,374	4,990,987
Repairs and maintenance	15,139,484	14,984,470
Private rental assistance - expenses	2,076,259	1,337,664
	45,697,839	42,328,234

	2024 \$	2023 \$
<i>Administration expenses</i>		
Amortisation expenses – right of use assets	594,774	572,807
Office expenses	2,162,529	2,218,337
Consultant fees	532,712	394,694
Audit and accounting fees	163,093	159,408
Amortisation of loan arrangement fees	41,053	41,053
Amortisation of SHMT contract assets	50,423	50,423
Other expenses	785,587	824,300
Legal fees	219,695	80,211
	4,549,866	4,341,233

	2024 \$	2023 \$
<i>Employee benefits</i>		
Employee benefits	12,060,053	10,842,608
Superannuation expenses	1,203,047	1,084,132
	13,263,100	11,926,740

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 4: Expenses (Continued)

	2024 \$	2023 \$
<i>Depreciation of property, plant and equipment</i>	4,862,256	4,402,107

	2024 \$	2023 \$
<i>Finance costs (interest expenses)</i>		
Interest expense on loans	1,571,245	1,500,109
Interest expense on lease liabilities	4,014,447	3,395,843
	<u>5,585,692</u>	<u>4,895,952</u>

NOTE 5: Auditor's Remuneration

During the financial year the following fees were paid or payable for services provided by the auditor (BDO Audit Pty Ltd) of the Company:

	2024 \$	2023 \$
Audit of the financial statements	77,000	66,500
Other services	48,628	12,470
	<u>125,628</u>	<u>78,970</u>

NOTE 6: Cash and Cash Equivalents

	2024 \$	2023 \$
Cash at bank and on hand	2,738,268	4,564,227
Cash on deposit	12,134,652	14,134,652
	<u>14,872,920</u>	<u>18,698,879</u>

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 7: Trade and Other Receivables

	2024 \$	2023 \$
Trade receivables	1,405,262	2,369,298
Property bonds	1,428,209	1,363,685
Government grants receivable	2,878,091	2,690,932
Prepayments	2,387,292	168,838
Other receivables	587,300	833,450
	8,686,154	7,426,203
Less: allowance for expected credit losses	(326,342)	(316,349)
	8,359,812	7,109,854

The Company has recognised an allowance of expected credit losses of \$326,342 (2023: \$316, 349) in the profit or loss in respect of receivables for the year ended 30 June 2024.

Movements in the allowance for expected credit losses are as follows:

	2024 \$	2023 \$
Opening balance	316,349	326,972
Additional provisions recognised	147,151	284,251
Receivables written off during the year as uncollectable	(137,158)	(294,874)
Closing balance	326,342	316,349

Customers with balances past due (greater than 90 days) but without provision for impairment amount to \$nil as at 30 June 2024 (2023 \$nil). Total provision of \$326,342 (2023 \$316,349) represents a provision for all ex-tenant debt as well as all receivables over 90 days.

Trade and other receivables are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment (refer to Note 1 (c) for further details).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 8: Property, Plant and Equipment

	2024 \$	2023 \$
<i>Furniture and fittings</i>		
At cost	54,301	74,050
Less: Accumulated depreciation	(33,502)	(41,528)
	<u>20,799</u>	<u>32,522</u>
<i>Motor vehicles</i>		
At cost	150,035	150,035
Less: Accumulated depreciation	(150,035)	(120,063)
	<u>-</u>	<u>29,972</u>
<i>Computer equipment</i>		
At cost	1,478,419	2,087,228
Less: Accumulated depreciation	(811,108)	(1,521,356)
	<u>667,311</u>	<u>565,872</u>
<i>Office equipment</i>		
At cost	115,728	188,523
Less: Accumulated depreciation	(100,553)	(155,430)
	<u>15,175</u>	<u>33,093</u>
<i>Land and buildings</i>		
At fair value	381,249,129	349,989,816
	<u>381,249,129</u>	<u>349,989,816</u>
<i>Leasehold improvements</i>		
At cost	1,077,940	1,077,940
Less: Accumulated depreciation	(992,389)	(862,421)
	<u>85,551</u>	<u>215,519</u>
<i>Work in Progress</i>		
At cost	7,237,626	4,083,981
	<u>7,237,626</u>	<u>4,083,981</u>
Total property, plant and equipment	<u>389,275,591</u>	<u>354,950,775</u>

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 8: Property, Plant and Equipment (Continued)

Movements in carrying amounts

Movements in the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year is set out below:

	Furniture & fittings \$	Motor vehicle \$	Computer equipment \$	Office equipment \$	Land and buildings \$	Leasehold improvements \$	Work in progress (WIP) \$	Total \$
Balance at 1 July 2022	34,492	59,978	302,784	56,771	332,954,533	345,487	214,755	333,968,800
Additions	11,310	-	531,068	7,855	28,727,455	-	3,869,226	33,146,914
Disposals at Costs	-	-	(117,456)	-	-	-	-	(117,456)
Accumulated Depreciation Disposed	-	-	117,456	-	-	-	-	117,456
Depreciation	(13,280)	(30,006)	(267,980)	(31,533)	(3,929,340)	(129,968)	-	(4,402,107)
Revaluation	-	-	-	-	(7,762,832)	-	-	(7,762,832)
Balance at 30 June 2023	32,522	29,972	565,872	33,093	349,989,816	215,519	4,083,981	354,950,775
Additions	-	-	399,843	5,300	7,665,712	-	3,153,645	11,224,500
Disposals at Costs	(19,749)	-	(1,008,652)	(78,095)	-	-	-	(1,106,496)
Accumulated Depreciation Disposed	19,749	-	1,008,652	78,095	-	-	-	1,106,496
Depreciation	(11,723)	(29,972)	(298,404)	(23,218)	(4,368,971)	(129,968)	-	(4,862,256)
Revaluation	-	-	-	-	27,962,572	-	-	27,962,572
Balance at 30 June 2024	20,799	-	667,311	15,175	381,249,129	85,551	7,237,626	389,275,591

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

Where the property is vested to the Company or is acquired with an intention to hold the property as a long-term asset for the provision of social housing, the asset is treated as property, plant and equipment.

Assets acquired at no cost, or for nominal consideration, are initially recognised at fair value as at the date of acquisition. Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Subsequent to recognition, the properties are carried at the fair value at the balance sheet date.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 8: Property, Plant and Equipment (Continued)

Critical estimates are made by the Directors in respect to the fair values of the land and buildings. The fair value of the land and buildings are reviewed regularly by the Directors with reference to independent third-party valuations which are performed at least every 3 years.

Although some of the properties have restrictive covenants (social housing covenants) on the title, they have been valued on a vacant possession basis at market value. Where properties are within a complex, the valuations are performed as having separate strata title after deducting the costs to obtain individual strata. That is, it is assumed that the properties in the whole block can be sold separately.

As at 30 June 2024, all properties were valued based on having a separate strata title based on the independent third party valuer assumption that the properties within the relevant complex were able to have a separate strata title.

On this basis, the directors assessed the fair value of land and buildings at 30 June 2024 to be \$381,249,129 (2023: \$349,989,816). The revaluation increase of \$27,962,572 (2023 decrease: \$7,762,832) has been recognised against the asset revaluation reserve based on the valuation reports. (Refer Note 16).

The most recent valuation was completed as at 30 June 2024 by an independent assessment on thirty three percent of the portfolio. The independent valuer also estimated values of the non valued properties by applying indexed movements in property value by type and location since the last formal valuation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset class. Thereafter the decrements are taken to profit or loss. As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

• Buildings	50 years
• Furniture and fittings	5 years
• Leasehold improvements	2-7 years
• Motor vehicles	5 years
• Computer equipment and software	1-5 years
• Office equipment	2-5 years

Leasehold improvements are amortised over the shorter period of useful life or remaining lease term.

The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date.

An item of property, plant and equipment is de-recognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 8: Property, Plant and Equipment (Continued)

Impairment of property, plant and equipment

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the statement of profit or loss and other comprehensive income.

NOTE 9: Other Assets

	2024 \$	2023 \$
Current		
Cash on term deposits	3,500,000	7,500,000
	<u>3,500,000</u>	<u>7,500,000</u>

	2024 \$	2023 \$
Non-Current		
Contract asset- capitalised fulfilment costs	1,008,466	1,008,466
Less: Accumulated amortisation	(247,915)	(197,491)
	<u>760,551</u>	<u>810,975</u>

Cash on term deposits are term deposits which are invested in the bank for the period longer than three months.

Capitalised fulfilment costs are stated at historical costs less amortisation and impairment. These are the fulfilment costs of the SHMTP contracts which have been capitalised under AASB15. Amortisation is calculated on a straight-line basis over the remaining length of the contract.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 10: Right of Use Assets

	Right of Use Assets - Properties \$	Right of Use Assets - Office total \$	Right of Use Assets - Equipment \$	Total \$
Right Of Use Assets				
Balance as at 1 July 2022	97,514,220	2,137,118	48,392	99,699,730
Additions	23,829,506	36,785	26,189	23,892,480
De-recognition of terminated leases	(17,019,409)	-	(6,439)	(17,025,848)
Amortisation	(17,365,488)	(554,884)	(17,923)	(17,938,295)
Effect of modification to lease term	14,043,304	-	-	14,043,304
Balance as at 30 June 2023	<u>101,002,133</u>	<u>1,619,019</u>	<u>50,219</u>	<u>102,671,371</u>
 Additions	 31,403,044	 2,016,628	 (823)	 33,418,849
De-recognition of terminated leases	(16,881,185)	-	-	(16,881,185)
Amortisation	(18,361,532)	(576,853)	(17,921)	(18,956,306)
Effect of modification to lease term	13,197,753	-	-	13,197,753
Balance as at 30 June 2024	<u>110,360,213</u>	<u>3,058,794</u>	<u>31,475</u>	<u>113,450,482</u>

Recognition and measurement

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 11: Lease Liabilities

	2024 \$	2023 \$
Current		
Lease liabilities	(22,172,578)	(20,399,404)
	<u>(22,172,578)</u>	<u>(20,399,404)</u>
Non-Current		
Lease liabilities	(94,951,751)	(85,939,057)
	<u>(94,951,751)</u>	<u>(85,939,057)</u>

	2024 \$	2023 \$
Balance at the beginning of year	(106,338,461)	(102,749,046)
Addition of new properties	(33,418,848)	(23,892,481)
De-recognition of terminated properties	18,441,093	17,684,274
Rent payment	21,404,087	20,057,935
Interest expense	(4,014,447)	(3,395,843)
Balance at the end of the year	<u>(103,926,576)</u>	<u>(92,295,161)</u>
Reassessment of the lease length	(13,197,753)	(14,043,301)
Balance at the end of the year	<u>(117,124,329)</u>	<u>(106,338,462)</u>



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 12: Trade and Other Payables

	2024 \$	2023 \$
Trade payables	132,525	9,656
Accrued expenses	3,440,533	3,340,481
Other payables	22,630	270,624
	<u>3,595,688</u>	<u>3,620,761</u>

Trade and other payables represent liabilities for goods and services provided to the Company prior to year end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms. The carrying amount of the creditors and payables is deemed to reflect fair value.

NOTE 13: Other Liabilities

	2024 \$	2023 \$
Deferred revenue-Grant subsidy	628,739	1,612,053
Deferred revenue-Grant for projects	3,812,189	5,125,856
Deferred income	3,578,440	3,146,158
	<u>8,019,368</u>	<u>9,884,067</u>

	Deferred revenue - Grant subsidy \$	Deferred revenue - Grant for projects \$	Deferred income \$	Total \$
Balance as at 1 July 2022	2,427,998	6,303,886	2,540,621	11,272,505
Payment received in advance	14,991,510	17,105,814	2,036,401	34,133,725
Transfer to revenue-performance obligation satisfied in the year	(15,807,454)	(18,283,844)	(1,430,864)	(35,522,162)
Balance as at 30 June 2023	<u>1,612,054</u>	<u>5,125,856</u>	<u>3,146,158</u>	<u>9,884,068</u>
Payment received in advance	15,385,664	3,834,983	2,607,333	21,827,980
Transfer to revenue-performance obligation satisfied in the year	(16,368,979)	(5,148,650)	(2,175,051)	(23,692,680)
Balance as at 30 June 2024	<u>628,739</u>	<u>3,812,189</u>	<u>3,578,440</u>	<u>8,019,368</u>

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 13: Other Liabilities (Continued)

Deferred grant income

Grant income is deferred until the Company satisfies performance obligations which occurs when the services are delivered or transferred to the customer.

Deferred income

Deferred income is rental revenue received but not yet earned.

NOTE 14: Employee Benefits

	2024 \$	2023 \$
Current		
Annual leave	934,804	817,413
Long service leave	484,072	454,971
	<u>1,418,876</u>	<u>1,272,384</u>
Non-Current		
Annual leave	203,333	150,913
	<u>203,333</u>	<u>150,913</u>

Liabilities for wages and salaries, including annual leave expected to be settled within 12 months of reporting date, are recognised in provisions in respect of employees' services rendered up to reporting date and are measured at amounts expected to be paid when the liabilities are settled. Liabilities are included as part of employee benefits.

Liabilities for annual leave not expected to be settled within 12 months from reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. Long service leave entitlements have been measured at the amount expected to be paid when the liability is settled, plus related on-costs, which provides an estimate of the amount not materially different from the liability measured at the present value of the estimated future cash outflows to be made for those benefits.

Long service leave, once 5 years' service is reached, can either be taken as leave or paid on termination of employment. This liability is shown as a current liability although it is not expected that this full amount will be paid within the next 12 months.

No provision is made for sick leave entitlements.

Amounts not expected to be settled within the next 12 months

The current liability for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Company does not have an unconditional right to defer settlement. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 14: Employee Benefits (Continued)

The following amounts reflect leave that is not expected to be taken within the next twelve months.

	2024 \$	2023 \$
Employee benefits obligation expected to be settled after twelve months	192,850	181,741
	<u>192,850</u>	<u>181,741</u>

NOTE 15: Borrowings

	2024 \$	2023 \$
Non-Current		
Borrowings	76,000,000	76,000,000
Less: Loan arrangement fees	(260,104)	(301,157)
	<u>75,739,896</u>	<u>75,698,843</u>

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

The Company maintained its debt facility with Housing Australia (HA) formerly the National Housing Finance and Investment Corporation (NHFIC) of \$76,000,000 (2023: \$76,000,000) to fund various acquisitions and developments. There is no unused line of credit as at 30 June 2024 (2023: \$Nil). No loan is required to be paid until 23 May 2030. The borrowing is secured by registered first mortgages over the properties owned by the Bridge Housing.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset (nil 2024 and 2023). All other finance costs are expensed in the period in which they are incurred, including interest on long-term and short-term borrowings.



Notes to Consolidated the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 16: Reserves

Movements on reserves in the year are as follows:

	At the start of the year \$	Revaluation of Land and Buildings \$	At the end of the year \$
Asset revaluation	169,267,475	27,962,572	197,230,047
	169,267,475	27,962,572	197,230,047

The asset revaluation reserve is used to recognise increments and decrements in the fair value of land and buildings in accordance with note 8.

Critical estimates are made by the Directors in respect to the fair values of the land and buildings. The fair value of the land and buildings are reviewed regularly by the Directors with reference to independent third party valuations. As a result, the land and buildings were revalued upwards by \$27,962,572 (2023 downward: \$7,762,831).

NOTE 17: Cash Flow Information

	2024 \$	2023 \$
Reconciliation of surplus to net cash flow from operating activities		
Surplus for the year	1,378,869	15,593,469
Depreciation	4,912,679	4,452,530
Amortisation	41,053	41,053
Grant investment revenue	-	(12,839,000)
Amortisation – right of use asset	18,956,306	17,938,295
Gain on lease termination	(1,559,908)	(658,426)
Changes in assets and liabilities		
(Increase) in trade and other receivables	(1,249,958)	(3,964,976)
Increase/(decrease) in trade creditors and other payables	(25,073)	79,789
Increase in provisions and employee benefits	198,912	82,356
Decrease in other liabilities	(1,864,699)	(3,789,495)
Net cash flow from operating activities	20,788,181	16,935,595

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 18: Contingent Liabilities

There is a security deposit guarantee of \$385,557 for the office level 9, 59 Goulburn St, Sydney premises (2023: \$385,557). Another security deposit guarantee of \$60,622 for the office level 1, 660-664 Pittwater Rd, Brookvale premises (2023: \$60,622).

The Company had no other contingent liabilities as at 30 June 2024 or 30 June 2023.

NOTE 19: Commitments

Capital commitment

As at 30 June 2024 there is no capital commitment (2023: Nil).

NOTE 20: Related Party Transactions

Key management personnel

The aggregate compensation made to key management personnel of the Company is set out below:

	2024 \$	2023 \$
Short-term employee benefits	1,429,242	1,190,107
Post-employment benefits	131,788	113,656
	<u>1,561,030</u>	<u>1,303,763</u>

NOTE 21: Parent Entity and Interest in Subsidiaries

Bridge Housing Limited is the parent entity. It is a not-for-profit unlisted public company limited by guarantee and it is incorporated and domiciled in Australia.

Subsidiaries

During the year Bridge Housing established a number of Special Purpose Vehicles, as listed below, of which Bridge Housing is the sole member. As at the 30 June 2024 all these organisations are dormant.

Name of Subsidiary	2024
Bridge Living	100%
Bridge Places Sydney	100%
Bridge Neighbourhoods	100%
Bridge Homes Sydney	100%
Bridge Communities Trust	100%

The financial report covers Bridge Housing Limited as an individual entity.

Transactions with related parties

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 21: Parent Entity and Interest in Subsidiaries (Continued)

Receivable from and payable to related parties

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

Loans to/from related parties

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

NOTE 22: Fair Value Measurement

Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability

30 June 2024	Level 1 \$	Level 2 \$	Level 3 \$	Level 4 \$
<i>Assets</i>				
Land and buildings	-	-	381,249,129	381,249,129
Total assets	-	-	381,249,129	381,249,129

30 June 2023	Level 1 \$	Level 2 \$	Level 3 \$	Level 4 \$
<i>Assets</i>				
Land and buildings	-	-	349,989,816	349,989,816
Total assets	-	-	349,989,816	349,989,816

There were no transfers between levels during the financial year.

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

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

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 22: Fair Value Measurement (Continued)

Valuation techniques for fair value measurements categorised within level 3

Land and buildings have been valued based on similar assets, location and market conditions.

The unobservable inputs applied in the valuation methods used included direct market sale prices comparison, rental market data, rental levels, rental demands and other unobservable inputs.

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

	Land and buildings \$
Balance at 30 June 2023	349,989,816
Additions/Disposal /transfers from construction in progress	7,665,712
Depreciation	(4,368,971)
Revaluation increment	27,962,572
Balance at 30 June 2024	381,249,129

NOTE 23: Events After Reporting Period

One matter has occurred since the end of the financial year that will affect or may affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

Dee Why Acquisition

Bridge Housing settled on the acquisition of a 25 room boarding housing in Dee Why on 21 October 2024 utilising a \$5m grant from Homes NSW and a \$5.3m loan from Housing Australia.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 24: Financial Risk Management

(a) General objectives, policies and processes

In common with all other businesses the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Company's financial instruments consist of cash and cash equivalents, trade receivables, trade payables and borrowings.

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and its overall objective is to set policies that seek to reduce risk as far as possible without unduly affecting the ability of the Company to achieve its aims and each year the Board reviews the strategic risks and the risk management plan. Further details regarding these policies are set out below, in notes (b), (c) and (d).

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Company incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Company.

There is no concentration of credit risk with respect to current receivables.

The maximum exposure to credit risk at balance sheet date is the carrying value of these assets, net of any provision for impairment, as disclosed below:

	2024 \$	2023 \$
Cash	14,872,920	18,698,879
Trade and other receivables	8,359,812	7,109,854
Term Deposits	3,500,000	7,500,000
	<u>26,732,732</u>	<u>33,308,733</u>

(c) Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulties raising funds to meet commitments associated with financial instruments.

The Company is not significantly exposed to this risk, as it has \$14,872,920 (2023: \$18,698,879) of cash and cash equivalents to meet these obligations as they fall due.

The Company manages liquidity risk by monitoring cash flows and ensuring it has sufficient cash reserves and available borrowings to be able to pay debts as and when they become due and payable.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 24: Financial Risk Management (Continued)

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

2024	Less than 12 months \$	Between 1-3 years \$	Over 3 years \$	Total \$
Non-derivative financial Liabilities				
Trade and other payables	3,595,688	-	-	3,595,688
Lease liabilities	22,172,578	40,614,721	54,337,030	117,124,329
Borrowings		-	75,739,896	75,739,896
	25,768,266	40,614,721	130,076,926	196,459,913

2023	Less than 12 months \$	Between 1-3 years \$	Over 3 years \$	Total \$
Non-derivative financial Liabilities				
Trade and other payables	3,620,761	-	-	3,620,761
Lease liabilities	20,399,404	37,049,850	48,889,207	106,338,461
Borrowings		-	75,698,843	75,698,843
	24,020,165	37,049,850	124,588,050	185,658,065

As at 30 June 2024, the Company has a debt agreement with Housing Australia (HA) formerly the National Housing Finance and Investment Corporation (NHFIC) for \$76m.

(d) Market Risk

Market risk arises from the use of interest bearing financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 24: Financial Risk Management (Continued)

(d) Market Risk (continued)

The Company's exposure to interest rate risk is set out in the tables below:

2024	Floating interest rate \$	Fixed interest <1year \$	Fixed interest 1-3 year And Over \$	Non-interest bearing \$	Total
<i>Financial Assets</i>					
Cash	2,181,617	-	-	556,651	2,738,268
Term Deposit		15,134,652	500,000	-	15,634,652
Trade and other receivables	-	-	-	8,359,813	8,359,812
	2,181,617	15,134,652	500,000	8,916,464	26,732,732
Weighted average interest rate	3.19%				
<i>Financial Liabilities</i>					
Trade and other payables	-	-	-	3,595,688	3,595,688
Borrowings*	-	-	76,000,000	-	76,000,000
	-	-	76,000,000	3,595,688	79,595,688
Weighted average interest rate			2.07%		

2023	Floating interest rate \$	Fixed interest <1year \$	Fixed interest 1-3 year And Over \$	Non-interest bearing \$	Total
<i>Financial Assets</i>					
Cash	2,397,150	-	-	2,167,077	4,564,227
Term Deposit		21,134,652	500,000	-	21,634,652
Trade and other receivables	-	-	-	7,109,855	7,109,855
	2,397,150	21,134,652	500,000	9,276,932	33,308,734
Weighted average interest rate	3.22%				
<i>Financial Liabilities</i>					
Trade and other payables	-	-	-	3,620,761	3,620,761
Borrowings*	-	-	76,000,000	-	76,000,000
	-	-	76,000,000	3,620,761	79,620,761
Weighted average interest rate			2.07%		

*Borrowings are long term fixed interest bonds for 10 years and 12 years

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 24: Financial Risk Management (Continued)

(d) Market Risk (continued)

Sensitivity Analysis – Interest Rate Risk

The Company has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in the risk.

The effect on the result and equity as a result of changes in interest rate, with all other variables remaining constant, would be as follows:

2024	Carrying Amount \$	+1% Result \$	-1% Result \$
Cash	18,372,920	183,729	(183,729)
2023	Carrying Amount \$	+1% Result \$	-1% Result \$
Cash	26,198,879	261,989	(261,989)

There is no impact on our borrowing costs as all debt is provided on a fixed interest charge.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 25: Economic Dependency

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

NOTE 26: Company Details

The current address of the registered office and principal place of business is:
Level 9 59 Goulburn St, Sydney, NSW 2000.

NOTE 27: Members' Guarantee

The entity is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* and is an entity 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.



Directors' Declaration

The directors of the Company declare that:

1. The financial statements comprising the statement of financial position, statement of profit or loss and other comprehensive income, statement of cash flows, statement of changes in equity, and accompanying notes to the financial statements, are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* and
 - a. comply with Australian Accounting Standards and the *Australian Charities and Not-for-Profit Commission Regulations 2022*; and
 - b. give a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the year ended on that date;
2. In the directors opinion, there are reasonable grounds to believe that Bridge Housing Limited will be able to pay its debts as and when they fall due.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Stephen Bull
Chairman



Graham Monk
Director

Dated this 29th day of October 2024

DECLARATION OF INDEPENDENCE BY LEAH RUSSELL TO THE DIRECTORS OF BRIDGE HOUSING LIMITED

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 of Bridge Housing Limited for the year ended 30 June 2024

This declaration is in respect of Bridge Housing Limited and the entities it controlled during the period.



Leah Russell
Director

BDO Audit Pty Ltd

Sydney

30 October 2024

INDEPENDENT AUDITOR'S REPORT

To the members of Bridge Housing Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Bridge Housing Limited (the registered entity) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, and the responsible entities' declaration.

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

- (i) Giving a true and fair view of the Group'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 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 Group in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have 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.

Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible entities 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, responsible entities are responsible for assessing the Group'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 responsible entities either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO


Leah Russell
Director

Sydney 30 October 2024





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