Melbourne City Mission

ABN 56 161 846 149

Annual Report - 30 June 2024

Melbourne City Mission
Directors' report
30 June 2024

Your Directors submit their report for the year ended 30 June 2024

Directors
The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period, unless otherwise stated.

Jonathon Mortimer (Chair)
Marion Hemphill (Deputy Chair)
John Russell - resigned November 2023
Caroline Sheehan
David Rennick
Stacey Ong
Lavania Parker
Sandra Brogden
Tamara Dunne - appointed July 2023

Information on directors

Name:	Jonathan Mortimer (Chair)
Title:	A member of the Board since June 2018.
Qualifications:	BA Hons, LLM, MPubPol
Experience and expertise:	Jonathan is a Director at a professional services firm in Melbourne, specialising in taxation. He has previously been the Head of Risk for a large Australian superannuation fund. Jonathan is a former member of the Board Quality Committee and Clinical Quality Committee at the Royal Victorian Eye and Ear Hospital. Jonathan is admitted to legal practice in Australia, and called to the bar of England and Wales. Jonathan holds a Master of Public Policy from the Australian National University and a Master of Law from the University of Cambridge.
Special responsibilities:	Chairperson

Name:	Marion Hemphill (Deputy Chair)
Title:	A member of the Board since August 2018
Qualifications:	LLB (Hons)
Experience and expertise:	Marion has more than 25 years' experience as a corporate lawyer. Marion is currently General Counsel and Chief Privacy Officer at Australian Red Cross Lifeblood. Marion is a Fellow of the Vincent Fairfax Fellowship, Cranlana Centre for Ethical Leadership. Marion previously held senior roles in large law firms in Australia, London and New Zealand and was Counsel to the New Zealand Takeover Panel. Her professional experience has included commercial negotiations, governance, compliance and government relations. Marion is a proponent of focusing on ethics, risk and compliance as a fundamental step to achieving strategic goals. Marion has an LLB (Hons) from Victoria University of Wellington
Special responsibilities:	Member of the Quality, Safety & Risk Committee, Chair of the Nominations & Remuneration Committee.

Name:	John Russell
Title:	A member of the Board since November 2019
Experience and expertise:	John has over 20 years of executive experience across consulting, investment management and operating roles. John has held leadership positions in both public and private companies and is currently Chief Executive Officer of a private investment company.
Special responsibilities:	Chair Board Finance Investment & Audit Committee (Resigned 29 November 2023)

Name:	David Rennick
Title:	A member of the Board since March 2021
Qualifications:	BEc, LLb.
Experience and expertise:	David brings over 30 years' experience in the professional services and property industries to his role as a Director and member of the Board's Quality Safety & Risk Committee. David is also Chair of The Hester Hornbrook Academy Board. He is Chair of the Villawood Properties Advisory Board and also sits on the advisory boards of Proximity Consulting and Carr Design. David is also Vice President of the Melbourne Football Club. Previously David was a Board Member of international law firm Pinsent Masons and CEO of Maddocks. His legal expertise includes property development, corporate real estate, governance and compliance.
Special responsibilities:	Chair of the Board Quality Safety & Risk committee

Name:	Caroline Sheehan
Title:	A member of the Board since June 2021
Qualifications:	Caroline holds a Bachelor of Arts in Disability Studies, a Post Graduate Diploma in Business Administration and is a graduate of the Australian Institute of Company Directors, Company Directors course.
Experience and expertise:	Caroline has over three decades of experience working across a range of for purpose organisations in the health, social services and humanitarian sectors where she has led numerous strategy, innovation, organisational change and transformation processes. For the past 15+ years Caroline has held executive level roles including: Director Strategy at The Royal Women's Hospital, Interim Chief Executive, Natural Carbon and Director Transformation, Australian Red Cross. Caroline currently balances non executive office roles, including Chair of the Victorian Indigenous Nurseries Cooperative (a nursery that propagates and supplies local indigenous plants for bushland revegetation), with executive level consulting services focused on strategy, change management and futures thinking.
Special responsibilities:	Member of the Nomination & Remuneration committee

Name:	Stacey Ong
Title:	A member of the Board since April 2021
Experience and expertise:	Stacey is the founder and Director of One Red Step, a consulting practice focused on social justice and social inclusion. She is an experienced management consultant with over 17 years' experience in both private, public and community sectors. Stacey is a former Director with a Big 4 consulting firm leading its social policy practice focusing on education and family violence. Stacey is on the Board of Women's Health Victoria, is a Fellow with the Women's Leadership Institute of Australia, and is a member of the Community Advisory Group for the Melbourne Social Equity Institute
Special responsibilities:	Member of the Board Quality Safety & Risk committee

Name:	Tamara Dunne
Title:	A member of the board since July 2023
Qualifications:	ACA, EMCC, BCom, AAICD
Experience and expertise:	Tamara has extensive international experience across the financial services sector. She has held senior positions in a number of large multi-national organisations and has worked in Australia, continental Europe, the UK, the US and mostly recently in Singapore. Tamara has professional experience in capital markets, risk management, project management, corporate governance and accounting. .
Special responsibilities:	Member of the Board Finance Investment & Audit committee

Name:	Lavania Parker
Title:	A member of the board since September 2022
Qualifications:	CA
Experience and expertise:	Lavania is an accomplished business leader with multifaceted experience in finance, mergers and acquisitions, start-ups, innovation, projects, and investments. She's had a global career garnered across Malaysia, London and Australia, across for-purpose organisations, professional services, transport and logistics, and postal services. Lavania is passionate about diversity and inclusion and currently works as the Chief Financial Officer in First Peoples' Assembly of Victoria and the Head of Corporate Services in Inclusive Australia and is an Advisory Board Member of Culturally Diverse Workforces. She's a mum of two young active children and looks forward to making a positive impact to MCM
Special responsibilities:	Member Board Finance Investment & Audit committee

Name:	Sandra Brogden
Title:	A member of the board since January 2023
Qualifications:	Dip Ed, BEd, MEd
Experience and expertise:	Sandra is a Noongar, Karajarri, Bard woman from Western Australia. She lives and works on Wadawurrung country in Geelong and has been actively involved with the Wathaurong community for the past 15 years. Sandra's life work has been in education; she is committed to improving educational outcomes for First Nations people. Sandra currently works as the First Nations Student Coordinator at the Geelong Grammar school and previously, Koorie Education Coordinator at the Department of Education, Victoria. Prior to this, Sandra held the position of Director of Projects/What Works National Coordinator with National Curriculum Services. Sandra has worked extensively with Catholic schools in Western Australia, firstly as the Coordinator for Aboriginal Education, based in the Perth office and then as the Regional Officer, responsible for managing 13 schools and the Catholic Education Office in the Kimberley. Through this work and her own family connections, Sandra has developed good working relationships with Aboriginal people and community organisations. Sandra has experience working in regional and urban settings, both as a teacher and as a consultant, and is very experienced in working with Aboriginal people.

Company secretary
Jacquie Scales
Company Secretary appointed 30 August 2017

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Full Board		Board Finance Investment & Audit		Board Quality, Safety & Risk Committee	
	Attended	Eligible	Attended	Eligible	Attended	Eligible
Jonathan Mortimer	11	11	5	5	4	4
Marion Hemphill	9	11	-	-	2	4
John Russell	4	4	2	4	-	-
Caroline Sheehan	10	11	-	-	-	-
David Rennick	10	11	-	-	1	4
Stacey Ong	10	11	-	-	-	-
Tamara Dunne	9	10	4	5	4	4
Lavania Parker	4	6	1	2	-	-
Sandra Brogden	6	11	-	-	-	-

	Board Nominations & Remuneration Committee Attended	Board Nominations & Remuneration Committee Held
Marion Hemphill	2	2
Caroline Sheehan	2	2
Jonathan Mortimer	2	2

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

Objectives
MCM's vision is Possibilities. On. Pathways to Possibility.

MCM has been making a positive difference to people's lives for over 160 years. MCM's Strategy 2023-27 reconfirms our commitment to delivering healing oriented, sector leading services that enable Possibility for everyone. As we look to the future, we will grow and innovate where we can make the biggest impact – empowering young people and families towards positive pathways of their choice, their way.

Our short term objectives include:

- Enable: We enable our workforce to do their best work.

- Deliver: We deliver sector leading services that are healing oriented, informed by client lived experience, and sustainable.

- Grow: We will empower more people towards positive pathways of their choice.

- Innovate: We innovate and advocate for lasting systems change.

- Hester Hornbrook Academy is delivering quality education programs in a high support flexible learning environment. With over 400 students who have overcome historical barriers to their education progress now actively working towards their positive pathways of choice, Hester Hornbrook Academy is proud of what it has achieved and excited about the potential of what's to come.

- As a newly formed Community Housing Provider, MCM Housing exists to create Pathways to Possibility through housing, by providing young people with affordable social housing. Our vision is "Every young person has a place to call home."

Our longer term strategic goals include:

- Grow equity in opportunity and Possibility for everyone.

MCM creates an overarching business plan to manage and monitor our annual objectives, the CEO and managers have a set of Key Performance Indicators to work towards that are regularly reported against and assessed.

Principal activities
The principal activities of Melbourne City Mission during the course of the financial year were:
- Disability Services;
- Education and Early Years;
- Homelessness and Family Services;
- Home and Residential Care based Palliative Care; and
- Community Housing

Dividends
Melbourne City Mission is a company limited by guarantee. As such, it has no issued capital and does not pay a dividend.

Review of Operations

MCM's innovative long term supported housing program for young people, Youth Housing Initiative (YHI), commenced during the year. YHI is being funded by philanthropic partners and the Victorian Government and involves housing, provided by MCM Housing, and extensive wrap around supports for a four-year period to support young people who have been homeless to rebuild their lives towards independence. The pilot is also being evaluated by an extensive research program with Monash University.

MCM exited its early learning centers business in 2024. The transition to the new providers will be complete in 2024. These exits are part of MCM's strategy to increase its focus on meeting the needs of Victoria's young people.

Hester Hornbrook commenced construction of a new Werribee campus scheduled to open for the 2025 school year. Additionally, it secured a new city campus site which will enable it to consolidate existing campuses and provide enhanced student experiences and outcomes.

Events Subsequent to Balance Date
The Business Sale Agreement for the sale of the Doreen early learning centre settled in July 2024. All costs of sale and the operational close down have been included in the results for the 2023/24 financial year.

In September 2024, MCM entered into a Business Sale Agreement and Lease Agreement related to the sale of the Brunswick early learning centre. These agreements are expected to come into effect in early November 2024 and MCM will formally transition these operations to the purchaser.

These agreements finalise MCM's planned exit of its early learning centre business.

In September 2024, practical completion of the construction of the Hester Hornbrook Academy Werribee campus was achieved. This is a significant milestone towards the opening of that campus. Hester Hornbrook Academy will continue to work with all stakeholders and the regulator to ensure the campus is open to new students for the 2025 school year.

No other matter or circumstances has arisen since 30 June 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

State of Affairs
No significant changes in the company's underlying activities have occurred during the financial year.

Future Developments
Melbourne City Mission will embark on a growth strategy across Victoria, focused on supporting those experiencing, or at imminent risk of, the most severe disadvantage.

Environmental Issues
Melbourne City Mission has determined that there are no significant environmental regulations that apply to its operations.

Directors' Benefits
No Director of Melbourne City Mission has received any remuneration or other benefit by way of contract with Melbourne City Mission either directly or via related corporations in which they have a substantial financial interest.

Indemnity and Insurance Of Directors and Auditors
During the financial year, the Department of Human Services met all the costs of insuring all Directors, past and present, against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct whilst acting in the capacity of Director of Melbourne City Mission.

Risk Management
The Board takes a proactive approach to risk management. The Board is responsible for ensuring that risks and opportunities are identified on a timely basis and that the company's objectives and activities are aligned with the risks and opportunities identified by the Board.

This report is made in accordance with a resolution of the board;

Jonathan Mortimer
Chairperson

30 October 2024

Tamara Dunne
Director (Member of FIA Committee)

Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012

To directors of Melbourne City Mission

As auditor for the audit of Melbourne City Mission for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

— no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

C Sweeney

C. L. Sweeney
Director
Melbourne, 6 November 2024

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Melbourne City Mission
Contents
30 June 2024

General information

The financial statements cover Melbourne City Mission as a consolidated entity consisting of Melbourne City Mission and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Melbourne City Mission's functional and presentation currency.

Melbourne City Mission is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

164-180 Kings Way
South Melbourne VIC 3205

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 October 2024. The directors have the power to amend and reissue the financial statements.

Melbourne City Mission
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Revenue	3	103,066,949	93,346,957
Total revenue		103,066,949	93,346,957
Expenses			
Write off of assets		(152,530)	-
Disability Services		(19,484,439)	(18,499,482)
Homelessness & Family Services		(28,657,664)	(28,024,127)
Education		(16,684,388)	(13,868,475)
Palliative Care Services		(6,880,752)	(5,954,805)
Shared Services		(17,716,752)	(15,906,416)
Fundraising and Public Information		(1,813,705)	(1,436,669)
Living Learning		(3,152,630)	(2,893,042)
MCM Housing		(1,275,123)	(382,981)
Total expenses		(95,817,983)	(86,965,997)
Operating surplus		7,248,966	6,380,960
Capital Grants	3	3,830,524	270,917
Capital Appeal		500,000	520,000
Investment Revenue	3	1,923,162	1,203,474
Bequests	3	387,407	360,956
Insurance Claim	3	-	4,495
Net Income for the year		13,890,059	8,740,802
Other comprehensive income			
Items that may not be reclassified subsequently to profit or loss			
Gain/(Loss) on the revaluation of financial assets		1,289,423	826,525
Other comprehensive income for the year		1,289,423	826,525
Total comprehensive income for the year		15,179,482	9,567,327

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

Melbourne City Mission
Statement of financial position
As at 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Assets			
Current assets			
Cash and cash equivalents	5	22,636,738	20,395,829
Trade and other receivables	6	2,304,745	3,525,429
Contract assets	7	3,917,365	3,079,253
Financial assets at fair value through other comprehensive income	8	26,874,614	26,590,864
Other assets	9	430,746	210,723
Total current assets		56,164,208	53,802,098
Non-current assets			
Property, Plant and Equipment	10	49,633,892	25,763,477
Right-of-use assets	12	9,005,843	8,821,072
Intangibles	13	4,848,561	5,942,235
Externally Funded Property, Plant and Equipment	11	209,273	221,411
Other assets	9	308,751	308,751
Total non-current assets		64,006,320	41,056,946
Total assets		120,170,528	94,859,044
Liabilities			
Current liabilities			
Trade and Other payables	14	7,949,773	8,167,575
Contract liabilities	15	2,742,027	3,943,729
Borrowings	16	10,224,942	-
Lease liabilities		2,020,630	2,094,601
Employee Benefits	17	5,403,284	4,937,282
Other Current Liabilities	18	1,785,488	1,343,509
Total current liabilities		30,126,144	20,486,696
Non-current liabilities			
Borrowings	16	2,931,344	2,931,344
Lease liabilities		8,570,025	8,397,950
Employee Benefits	17	1,129,284	796,667
Other Current Liabilities	18	209,273	221,411
Total non-current liabilities		12,839,926	12,347,372
Total liabilities		42,966,070	32,834,068
Net assets		77,204,458	62,024,976
Equity			
Reserves	19	2,832,102	1,542,679
Retained surpluses		74,372,356	60,482,297
Total equity		77,204,458	62,024,976

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

Melbourne City Mission
Statement of changes in equity
For the year ended 30 June 2024

Consolidated	**Financial Asset Reserve $**	**Property Maintenance Reserve $**	**Retained Surplus $**	**Total equity $**
Balance at 1 July 2022	716,154	526,813	51,214,682	52,457,649
Net Income for the year	-	-	8,740,802	8,740,802
Other comprehensive income for the year	826,525	-	-	826,525
Total comprehensive income for the year	826,525	-	8,740,802	9,567,327
Transfer (to)/from reserve	-	(526,813)	526,813	-
Balance at 30 June 2023	1,542,679	-	60,482,297	62,024,976

Consolidated	**Financial Asset Reserve $**	**Property Maintenance Reserve $**	**Retained Surplus $**	**Total equity $**
Balance at 1 July 2023	1,542,679	-	60,482,297	62,024,976
Net Income for the year	-	-	13,890,059	13,890,059
Other comprehensive income for the year	1,289,423	-	-	1,289,423
Total comprehensive income for the year	1,289,423	-	13,890,059	15,179,480
Balance at 30 June 2024	2,832,102	-	74,372,356	77,204,458

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

Melbourne City Mission
Statement of cash flows
For the year ended 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Cash flows from operating activities			
Receipts from government subsidies, grants and customers		114,579,531	95,064,770
Payments to suppliers and employees (inclusive of GST)		(99,400,398)	(88,129,588)
Fees from residents and clients		2,089,137	2,178,781
Capital grants and donations		12,097,055	4,885,269
		29,365,325	13,999,232
Dividends received		522,177	566,837
Interest received		1,400,986	636,637
Finance costs		(882,994)	(867,728)
Net cash from operating activities		30,405,494	14,334,978
Cash flows from investing activities			
Payments for investments		(5,004,409)	(5,800,394)
Payments for property, plant and equipment	10	(26,464,313)	(2,940,403)
Payments for intangibles	13	(369,386)	(841,240)
Proceeds from disposal of investments		6,010,080	2,419,548
Net cash used in investing activities		(25,828,028)	(7,162,489)
Cash flows from financing activities			
Repayment of lease liabilities		(2,336,556)	(2,237,836)
Net cash used in financing activities		(2,336,556)	(2,237,836)
Net increase in cash and cash equivalents		2,240,910	4,934,653
Cash and cash equivalents at the beginning of the financial year		20,395,829	15,461,176
Cash and cash equivalents at the end of the financial year	5	22,636,739	20,395,829

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

Note 1. Summary of Significant Accounting Policies

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

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

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

Basis of preparation
These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and Victorian legislation the Fundraising Act 1998 and associated regulations and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 25.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Melbourne City Mission ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Melbourne City Mission 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.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 1. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Revenue is recognised either under AASB15 or AASB1058.

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. The customer for these contracts is the fund provider. Revenue is recognised by applying a five-step model as follows:
1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue

Grant Income
Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for under AASB 15 as revenue from contracts with customers, with revenue recognised as these performance obligations are met. Where there is a difference between the timing of the receipt of the grant and the satisfaction of the performance obligations, it will result in the recognition of a receivable, contract asset or contract liability.

AASB1058 requires that where there are no contracted performance obligations, revenue is recognised when received.

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

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

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Dividends and Imputation Credit
Dividends and Imputation Credit is taken into the Statement of Profit or Loss when declared.

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.

Rent
Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Donation
Donations are recognised as income when the donations are received unless Melbourne City Mission has not met its specific obligations.

Income tax

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

Current and non-current classification

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

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

Note 1. Summary of Significant Accounting Policies (continued)

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

Cash and cash equivalents
Cash on hand and in banks and short-term deposits are stated at nominal value. For the purposes of the Cash Flow Statement, cash includes cash on hand and at bank, excluding resident and client cash, at-call deposits, term deposits with a maturity of 90 days or less, and which are subject to an insignificant risk of changes.

Trade Receivables
Trade receivables were recognised and carried at original value less an allowance for uncollectible amounts. Receivables from residents and clients are on 30-day terms. Collectability of trade receivables is reviewed on an ongoing basis.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets
Contract assets are recognised when the consolidated entity has transferred goods or services to the customer but where the consolidated entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Other Financial Assets
Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Held to Maturity Investments
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity when Melbourne City Mission has the positive intention and ability to hold the financial asset to maturity. Investments intended to be held for an undefined period are not included in this classification. Held to maturity investments such as Bank Bills are valued at face value on acquisition date. Term Deposits are valued at cost. At maturity date, interest forms part of the principal amount and is reinvested for a determined term.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Externally Fund Assets
Non-current assets which have been funded by specific purpose grants from Government Departments, and which may be required to be returned to the funding body in the event of the closure of that program, for which the funding was given, are accounted for separately from assets which are the property of Melbourne City Mission. These assets are disclosed as externally funded assets in the Statement of Financial Position. A Capital Grants Liability at an amount equal to the written down value of these assets, is classified as a liability owing to the funding provider.

Note 1. Summary of Significant Accounting Policies (continued)

Property, Plant and Equipment
Classes of Property, Plant and Equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on a straight-line basis over the estimated useful life on all tangible assets including externally funded assets as follows:

Buildings	50 years
Building Development	20 years
Improvements & Renovations	10 years
Furniture & Fittings	10 years
Plant & Machinery, Computer Equipment	5 years
Motor Vehicles	3 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year-end.

Impairment
The carrying values of Plant and Equipment are reviewed for impairment at each reporting date, with recoverable amounts being estimated when events or changes in circumstances indicate that the carrying value may be impaired. An impairment may exist when the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount of plant and equipment is the higher of fair value less costs to sell, and 'value in use'. When an impairment in value exists, the asset is then written down to its recoverable amount. For plant and equipment, impairment losses are recognised in the Statement of Profit or Loss.

Right-of-use assets
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 consolidated entity 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 remeasurement of lease liabilities.

The consolidated entity 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.

Intangible Assets
An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost less any accumulated amortisation and any accumulated impaired losses. The useful life is assessed to be either finite or indefinite.

Computer Software
Expenditure on software, being software that is not an integral part of the related hardware, is capitalised. Capitalised expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over the period of the expected benefit, which is between 3 and 7 years.

Trade payables
These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. These amounts, which are non-interest bearing, unsecured, and are generally settled in 30-day terms, are valued at cost.

Note 1. Summary of Significant Accounting Policies (continued)

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

Refund liabilities
Refund liabilities are recognised where the consolidated entity receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the consolidated entity does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

Borrowings
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.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave, when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of wages and salaries, annual leave and any other employee entitlements expected to be settled within twelve months of the reporting date are measured at the amounts expected to be paid when the liability is settled.

Provisions made in respect to long service leave, which are not expected to be settled within 12 months, are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience on employee departures and periods of service. Expected future payments are discounted using market yield at the reporting date based on government guaranteed securities, which have terms to maturity
approximating to the terms of the related liability.

Employee benefit expenses and revenues arising in respect of the wages and salaries, annual leave, long service leave and the related on-costs (superannuation and workcover premium) are charged against profits on a net basis in their respective categories.

Goods and Services Tax
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax Revenues, expenses and assets are recognised net of the amount of GST except receivables and payables, which are stated with the amount of GST included.

Note 1. Summary of Significant Accounting Policies (continued)

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from or payable to the Australian Taxation Office.

Expense Classification and Treatment

Expenses are classified in the Statement of Profit or Loss based on the programs provided by Melbourne City Mission and include details of specific support functions, which underpin the delivery of quality services. Expenses are accounted for on an accrual basis.

Note 2. Critical accounting judgements, estimates and assumptions

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

Classification and valuation of investments
The company has decided to classify investments in listed securities as Fair Value Through Other Comprehensive Income (FVTOCI) financial assets and movements in fair value are recognised directly in equity through other comprehensive income. The fair value of listed shares has been determined by reference to published price quotations in an active market.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Grant income
For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with a number of parities at the entity, review of the proposal documents prepared during the application phase and consideration of the terms and conditions.

Grants received have been accounted for under both AASB 15 and AASB 1058 depending on the terms and conditions and decisions made.

If this determination was changed, then the revenue recognition pattern could be different from that recognised in these financial statements.

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

Note 2. Critical accounting judgements, estimates and assumptions (continued)

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

Employee benefits provision
As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Revenue

	Consolidated	
	2024	**2023**
	$	**$**
Local Government	480,000	480,000
State and Federal Government	73,577,674	65,950,954
Fees from Residents and Clients	2,089,137	2,178,781
Donations	7,379,126	3,733,396
Sundry Revenue	6,095,979	7,997,968
National Disability Insurance Scheme	13,445,033	13,005,858
Revenue	103,066,949	93,346,957

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

	Consolidated	
	2024	**2023**
	$	**$**
Geographical regions		
Australia	103,066,949	93,346,957
Timing of revenue recognition		
Services transferred at a point in time	63,108,972	61,127,466
Services transferred over time	39,957,977	32,219,491
	103,066,949	93,346,957

Note 3. Revenue (continued)

	Consolidated 2024	Consolidated 2023
Other Revenue		
Insurance Claim Income	-	4,495
Capital Grants	3,830,523	270,917
Interest Revenue	1,400,986	636,637
Dividend Revenue	522,177	566,837
Bequests	387,407	360,956
Capital Appeal	500,000	520,000
Total	6,641,093	2,359,842

Note 4. Expenses

Operating (Deficit)/Surplus is arrived at after charging the following:

	Consolidated 2024 $	Consolidated 2023 $
a) Depreciation and Amortisation		
Depreciation - Freehold Buildings	154,083	137,555
Depreciation - Improvements	1,777,811	1,756,798
Depreciation - Motor Vehicles	4,469	4,469
Depreciation - Fixtures, Plant and Equipment	517,143	600,596
Amortisation - Computer Software	1,463,060	1,247,486
Right of Use Depreciation - Premises	1,833,184	1,666,829
Right of Use Depreciation - Motor Vehicles	384,058	597,651
Right of Use Depreciation - Office Equipment	32,647	-
Total Depreciation and Amortisation	6,166,455	6,011,384

	Consolidated 2024	Consolidated 2023
b) Employee Benefits Expense		
Wages and Salaries	56,194,301	49,850,397
Workers' Compensation Costs	1,182,878	1,308,254
Superannuation Costs	6,015,226	5,105,473
Annual Leave Movement	416,192	(52,002)
Long Service Leave Movement	998,702	765,129
Total Employee Benefits Expense	64,807,299	56,977,251

Note 5. Cash and cash equivalents

	Consolidated 2024 $	Consolidated 2023 $
Current assets		
Cash	8,745,543	6,148,870
Deposits at Call	13,891,195	14,246,959
	22,636,738	20,395,829

Note 6. Trade and other receivables

	Consolidated 2024 $	Consolidated 2023 $
Current assets		
Trade receivables	513,539	421,606
Less: Allowance for expected credit losses	(64,623)	(64,623)
	448,916	356,983
Sundry Debtors	1,435,657	2,805,919
Dividend Imputation Credit	420,172	362,527
	1,855,829	3,168,446
	2,304,745	3,525,429

(i) Dividend Imputation Credit is non-interest bearing and is claimed annually from the Australian Taxation Office.

(ii) Trade Receivables are non-interest bearing and are generally settled on 30-day terms. An allowance for doubtful debts is made when there is objective evidence that a trade receivable is impaired.

Note 7. Contract assets

	Consolidated 2024 $	Consolidated 2023 $
Current assets		
Contract assets	3,917,365	3,079,253

Note 8. Financial assets at fair value through other comprehensive income

	Consolidated 2024 $	Consolidated 2023 $
Current assets		
Investment Portfolio - Listed Securities	26,874,614	26,590,864

Note 9. Other assets

	Consolidated 2024 $	Consolidated 2023 $
Current assets		
Prepayments	274,617	185,419
Security deposits	156,129	25,304
	430,746	210,723
Non-current assets		
Security deposits	308,751	308,751
	739,497	519,474

Note 10. Property, Plant and Equipment

	Consolidated 2024 $	Consolidated 2023 $
Non-current assets		
Land and buildings - at cost	22,898,533	10,590,326
Less: Accumulated depreciation	(1,570,465)	(1,428,522)
	21,328,068	9,161,804
Freehold improvements - at cost	23,692,054	24,093,979
Less: Accumulated depreciation	(12,304,882)	(10,776,465)
	11,387,172	13,317,514
Fixtures, Plant and Equipment- at cost	3,474,675	3,050,145
Less: Accumulated depreciation	(2,647,148)	(2,130,004)
	827,527	920,141
Motor vehicles - at cost	32,923	32,923
Less: Accumulated depreciation	(22,089)	(17,621)
	10,834	15,302
Asset Work in Progress	16,080,291	2,348,716
	49,633,892	25,763,477

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

Consolidated	Land and Buildings $	Improvements /Developments $	Fixtures, Plant and Equipment $	Motor Vehicles $	Asset Work in Progress $	Total $
Balance at 1 July 2023	9,161,804	13,317,514	920,141	15,302	2,348,716	25,763,477
Additions	7,895,669	-	-	-	18,568,644	26,464,313
Disposals	-	(152,530)	-	-	-	(152,530)
Transfers in/(out)	4,412,539	-	424,530	-	(4,837,069)	-
Depreciation expense	(141,944)	(1,777,812)	(517,143)	(4,469)	-	(2,441,368)
Balance at 30 June 2024	21,328,068	11,387,172	827,528	10,833	16,080,291	49,633,892

Note 11. Externally Funded Property, Plant and Equipment

	Consolidated 2024 $	Consolidated 2023 $
Non-current assets		
Freehold Property - at cost	664,974	664,974
Less: Accumulated depreciation	(455,701)	(443,563)
	209,273	221,411

Note 11. Externally Funded Property, Plant and Equipment (continued)

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

Consolidated	Land $	Buildings $	Total $
Balance at 1 July 2023	58,071	163,340	221,411
Depreciation expense	-	(12,138)	(12,138)
Balance at 30 June 2024	58,071	151,202	209,273

Note 12. Right-of-use assets

	Consolidated 2024 $	Consolidated 2023 $
Non-current assets		
Land and buildings - right-of-use	17,081,204	15,145,352
Less: Accumulated depreciation	(8,494,712)	(6,661,528)
	8,586,492	8,483,824
Motor vehicles - right-of-use	2,099,676	2,076,794
Less: Accumulated depreciation	(1,882,737)	(1,739,546)
	216,939	337,248
Office equipment - right-of-use	415,282	180,223
Less: Accumulated depreciation	(212,870)	(180,223)
	202,412	-
	9,005,843	8,821,072

The consolidated entity leases land and buildings for its offices under agreements of between 2 to 10 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The consolidated entity also leases motor vehicles under agreements of between 2 to 5 years.

The consolidated entity leases premises under agreements of less than 1 year. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

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

Consolidated	Premises $	Motor Vehicles $	Office Equipment $	Total $
Balance at 1 July 2023	8,483,824	337,248	-	8,821,072
Additions	1,935,852	367,425	235,059	2,538,336
Disposals	-	(103,676)	-	(103,676)
Depreciation expense	(1,833,184)	(384,058)	(32,647)	(2,249,889)
Balance at 30 June 2024	8,586,492	216,939	202,412	9,005,843

Note 13. Intangibles

	Consolidated 2024 $	Consolidated 2023 $
Non-current assets		
Computer Software - at cost	10,711,562	9,671,329
Less: Accumulated amortisation	(5,863,001)	(4,399,940)
	4,848,561	5,271,389
Intangibles - Work in Progress	-	670,846
	4,848,561	5,942,235

Reconciliations

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

Consolidated	Computer Software $	Work in Progress $	Total $
Balance at 1 July 2023	5,271,389	670,846	5,942,235
Additions	369,386	-	369,386
Transfers in/(out)	670,846	(670,846)	-
Amortisation expense	(1,463,060)	-	(1,463,060)
Balance at 30 June 2024	4,848,561	-	4,848,561

Note 14. Trade and Other payables

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Trade Payables	1,423,432	1,144,056
Sundry Creditors	6,526,341	7,023,519
	7,949,773	8,167,575

Note 15. Contract liabilities

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Contract liabilities	2,742,027	3,943,729

Note 16. Borrowings

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Bank loans	10,224,942	-
Non-current liabilities		
Investor loans - Tranche A	931,344	931,344
Investor loans - Tranche B	2,000,000	2,000,000
	2,931,344	2,931,344
	13,156,286	2,931,344

Assets pledged as security
Tranche A is an unsecured loan.
Tranche B is an investor loan secured by MCM parent guarantee.
Bank loan is NAB debt facility secured against the MCM Property asset portfolio.

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated 2024 $	Consolidated 2023 $
Total facilities		
Bank loans	23,000,000	7,000,000
Investor loans	2,931,344	2,931,344
	25,931,344	9,931,344
Used at the reporting date		
Bank loans	10,224,942	-
Investor loans	2,931,344	2,931,344
	13,156,286	2,931,344
Unused at the reporting date		
Bank loans	12,775,058	7,000,000
Investor loans	-	-
	12,775,058	7,000,000

Note 17. Employee Benefits

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Provisions for Annual Leave	3,797,818	3,385,463
Provisions for Long Service Leave	1,595,093	1,545,283
Provisions for R.D.O	10,373	6,536
	5,403,284	4,937,282
Non-current liabilities		
Provisions for Long Service Leave	1,129,284	796,667
	6,532,568	5,733,949

Note 18. Other Current Liabilities

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Trust Fund Liability	341,448	387,128
Refund liability	1,444,040	956,381
	1,785,488	1,343,509
Non-current liabilities		
Capital Grants Liability	209,273	221,411
	1,994,761	1,564,920

Note 19. Reserves

	Consolidated 2024 $	Consolidated 2023 $
Financial assets at fair value through other comprehensive income reserve	2,832,102	1,542,679

Financial assets at fair value through other comprehensive income reserve
The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Property maintenance reserve
This reserve recognises funds allocated for maintenance on the properties.

Note 20. Key Management Personnel

	Consolidated 2024 $	Consolidated 2023 $
Total Compensation	2,124,447	2,313,112

Note 21. Contingent asset and liabilities

The consolidated entity has given bank guarantees as at 30 June 2024 of $760,724 (30 June 2023 $799,003).

National Redress Scheme
The Company is a voluntary member of the National Redress Scheme. The Redress Scheme came into effect on 1 July 2018 and whilst it is possible future claims may be made against the Company, there is no way of determining whether claims will arise and therefore it is not possible to reliably estimate the quantum of any payments that may arise as a result of the Company's participation in the Redress Scheme.

In the event that material claims are lodged in the future and it is probable that a payment will be required, it is anticipated that a provision will be raised in the financial statements based on the average Scheme claim payment rate as advised under the Scheme.

Historical Forced Adoption Redress Scheme
The Victorian Government has established the scheme to acknowledge the impact of historical forced adoption practices. The scheme provides financial redress and support to the many mothers who continue to live with the serious, complex and ongoing effects of their experience of forced separation. There is no way of determining whether future claims will arise and therefore it is not possible to reliably estimate the quantum of any payments that may arise as a result of the Company's participation in the Historical Forced Adoption Redress Scheme.

In the event that material claims are lodged in the future and it is probable that a payment will be required, it is anticipated that a provision will be raised in the financial statements based on the average Scheme claim payment rate as advised under the Scheme.

The consolidated entity had no other contingent assets or liabilities as at 30 June 2024 and 30 June 2023.

Note 22. Commitments For Expenditure

The consolidated entity had no commitments for expenditure as at 30 June 2024 and 30 June 2023.

Note 23. Related Party Disclosures

Parent entity
Melbourne City Mission is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 26.

Disclosures relating to key management personnel are set out in note 20.

Members of the Board receive no remuneration or other benefits from Melbourne City Mission (2023: Nil)

Note 24. Auditors Remuneration

	Consolidated	
	2024 $	2023 $
Amounts received or due and receivable by external auditors for:		
Auditing Accounts	89,000	85,000

Note 25. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2024 $	Parent 2023 $
Surplus/(deficit)	2,010,369	1,246,814
Total comprehensive income	2,010,369	1,246,814

Statement of financial position

	Parent 2024 $	Parent 2023 $
Total current assets	42,837,978	36,086,711
Total assets	70,731,462	67,317,254
Total current liabilities	18,798,786	15,887,237
Total liabilities	23,328,269	23,187,251
Equity		
Financial assets at fair value through other comprehensive income reserve	3,589,192	1,342,935
Retained surpluses	43,814,001	42,787,068
Total equity	47,403,193	44,130,003

Note 26. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business	Ownership interest 2024 %	Ownership interest 2023 %
Hester Hornbrook Academy	Melbourne	100%	100%
Dr John Singleton Trust	Melbourne	100%	100%
Living Learning	Melbourne	100%	100%
MCM Housing	Melbourne	100%	100%

Note 27. Events after the reporting period

The Business Sale Agreement for the sale of the Doreen early learning centre settled in July 2024. All costs of sale and the operational close down have been included in the results for the 2023/24 financial year.

In September 2024, MCM entered into a Business Sale Agreement and Lease Agreement related to the sale of the Brunswick early learning centre. These agreements are expected to come into effect in early November 2024 and MCM will formally transition these operations to the purchaser.

These agreements finalise MCM's planned exit of its early learning centre business.

In September 2024, practical completion of the construction of the Hester Hornbrook Academy Werribee campus was achieved. This is a significant milestone towards the opening of that campus. Hester Hornbrook Academy will continue to work with all stakeholders and the regulator to ensure the campus is open to new students for the 2025 school year.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 28. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into five operating segments. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources.

Types of products and services
The principal products and services of each of these operating segments are as follows:
MCM Entity
Dr John Singleton Trust
Hester Hornbrook
Living Learning
MCM Housing Limited

Operating segment information

	MCM Entity	Dr John Singleton Trust	Hester Hornbrook	Living Learning	MCM Housing Limited	Intersegment Eliminations	Total $
Revenue	78,381,672	-	29,096,703	3,686,613	483,093	(8,581,132)	103,066,949
Other Revenue	1,721,399	34,779	554,391	-	4,330,524	-	6,641,093
Expenses	(78,092,701)	(101,800)	(21,379,596)	(3,439,211)	(1,452,244)	8,647,569	(95,817,983)
Net Income(Loss)	2,010,370	(67,021)	8,271,498	247,402	3,361,373	66,437	13,890,059
Assets							
Cash and Cash Equivalents	10,918,095	109,905	8,931,328	2,307,892	369,518	-	22,636,738
Other current assets	31,919,882	395,965	181,643	3,917,365	76,381	(2,963,766)	33,527,470
Total current assets	42,837,977	505,870	9,112,971	6,225,257	445,899	(2,963,766)	56,164,208
Total Assets	70,731,462	505,870	34,757,304	6,225,257	10,123,629	(2,172,994)	120,170,528
Liabilities							
Liabilities	23,328,269	470	12,896,594	4,643,239	4,414,628	(2,317,130)	42,966,070
Total liabilities	23,328,269	470	12,896,594	4,643,239	4,414,628	(2,317,130)	42,966,070

Melbourne City Mission
Directors' declaration
30 June 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations, and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors:

On behalf of the directors

Jonathan Mortimer
Chairperson

30 October 2024

Tamara Dunne
Director (Member of FIA Committee)

Independent auditor's report to the members of Melbourne City Mission

Report on the audit of the financial report

Our opinion on the financial report

In our opinion, the accompanying financial report of Melbourne City Mission (the Company) and its subsidiaries (the Group) has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

— 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

— complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

What was audited?

We have audited the financial report of the Group, which comprises:

— the consolidated statement of financial position as at 30 June 2024,

— the consolidated statement of comprehensive income for the year then ended,

— the consolidated statement of changes in equity for the year then ended,

— the consolidated statement of cash flows for the year then ended,

— notes to the financial statements, including material accounting policy information, and

— the directors' declaration.

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.

William Buck
ACCOUNTANTS & ADVISORS

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group'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 Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*. The directors responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the 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 directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group'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 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 at:
https://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

C. L. Sweeney
Director
Melbourne, 6 November 2024