



**COMMON EQUITY**  
CO-OPERATIVE  
HOUSING



# 2023 Financial Report



# **Common Equity NSW Ltd**

**ABN 39 861 993 468**

**Annual Report - 30 June 2023**



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The directors present their report, together with the financial statements, on the company for the year ended 30 June 2023.

### **Directors**

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Carmen Osborne - Chair  
Dennis Vaccher - Treasurer  
Kate Olgers  
Lakshmi Vankat  
Lisa Danker  
Elizabeth Mackdacy  
Elspeth Cameron - Appointed on 28 February 2023  
Laura Anthony - Appointed on 28 February 2023  
Christopher Ryan - Resigned on 9 December 2022  
Jillian Martin - Resigned on 17 July 2023

### **Principal activities**

The principal activities of Common Equity NSW Ltd during the financial year were to create, develop and support a viable and sustainable Co-operative Housing Sector within New South Wales.

No significant changes in the nature of the company's activity occurred during the financial year.

### **Objectives**

#### *Short and long term objectives*

The company's objectives are to develop and support a viable and sustainable Co-operative Housing Sector in New South Wales.

To this end, the company manages a total of 517 properties. The company owns 38 properties and leases 479 from NSW Land & Housing Corporation throughout NSW. Approximately twenty percent of the properties are currently directly managed and the rest are leased to 31 Co-operatives who are members of the company.

The terms of the leases with the individual co-operatives are that co-operatives pay to the company annually a rental calculated based on a percentage of their expected rental income and provide a percentage of their accumulated funds under certain conditions to the Building and Growth fund. The Building and Growth fund will contribute to ongoing sector growth projects and assist Co-operatives with maintenance costs where required.

The income and property of the company must be applied solely towards the promotion of the aims and objectives of the company, as set out above, and no part therefore shall be paid or transferred to a member as dividend or bonus, other than amounts paid as remuneration for services rendered to the company by the member whilst carrying out normal activities in running the company.

#### *Principal activities assisted in achieving the objectives*

The principal activities assisted the company in achieving its objectives by:

- Providing social housing to those in need.
- Supporting and enhancing the co-operative housing sector.

### **Performance measures**

The following measures are used within the company to monitor performance:

Growth ratios, viability ratios, profitability ratios and liquidity ratios. The Board monitors monthly expenditure against major maintenance and maintenance projects.

### **Company secretary**

Nicholas John Sabel was appointed as the company secretary on 29 July 2019.



### Information on directors

Name:	Carmen Osborne
Title:	Technical Director - Chairperson
Qualifications:	Master of Planning, Bachelor of Town Planning (Hons), PGD Land Economy, Graduate Member of Australian Institute of Company Directors (GAICD)
Experience and expertise:	Carmen has over 30 years' experience in planning and property development. She brings financial management, governance and management expertise and experience to the Board. She is currently a Senior Development Manager at Allam Property Group. She is passionate about creating secure social and affordable housing in NSW and promoting more Cooperative housing opportunities.
Special responsibilities:	Member of Development and Growth Committee
Name:	Christopher Ryan
Title:	Member Director - Deputy Chair
Qualifications:	Bachelor of Communications, University of Technology, Sydney
Experience and expertise:	Christopher has been a tenant and Board member of Planet X Co-operative since 2000. He was the Director of the Pact Theatre Co-operative, Sydney and has worked at the Queensland AIDS Council (QuAC). Christopher has produced, directed and taught performance and acting at the University of Wollongong
Special responsibilities:	Member of Development and Growth Committee
Name:	Dennis Vaccher
Title:	Technical Director - Treasurer
Qualifications:	BCom (Accounting, Finance and Systems) (UNSW), Chartered Accountant, Graduate Member of Australian Institute of Company Directors (GAICD)
Experience and expertise:	Dennis has 30 years' experience as a chartered accountant in internal and external audit, financial management, corporate governance and risk management.
Special responsibilities:	Member of Compliance, Audit, Risk and Governance Committee
Name:	Jill Martin
Title:	Member Director
Experience and expertise:	Jillian has been a tenant member of Albury Co-operative Housing Tenants Ltd since 1994. Since 1994 she has served almost continuously in the capacity as a Board member and/or in the capacity of President, Secretary, and Treasurer.
Special responsibilities:	Member of Compliance, Audit, Risk and Governance Committee
Name:	Kate Olgers
Title:	Technical Director
Qualifications:	Bachelor of Economics and Bachelor of Law, University of Sydney, Graduate Member of the Australian Institute of Company Directors (GAICD)
Experience and expertise:	Kate has over 25 years' experience in legal and financial services, corporate governance and risk management, including as a partner of a top-tier law firm, chief legal officer of an ASX20 financial services organisation, and a director of a range of operating companies.
Special responsibilities:	Chair of Compliance, Audit, Risk and Governance Committee
Name:	Lakshmi Vankat
Title:	Member Director
Experience and expertise:	Lakshmi has been an active member of Emoh Ruo since 2015, attending meetings regularly and CENSW forums and sector meetings. This experience provided her with the foundational knowledge about co-operative housing visions and goals and motivated Lakshmi to become a Member Director. She is a teacher by profession. Lakshmi is particularly interested in the opportunity that being a Member Director will bring to further engage with the Co-op life, visions and goals of affordable housing for people in need.
Special responsibilities:	Member of Development and Growth Committee



**Name:** Lisa Danker  
**Title:** Technical Director  
**Qualifications:** Bachelor of Science (Architecture) and Master of Urban and Regional Planning, Graduate of the Australian Institute of Company Directors (GAICD)  
**Experience and expertise:** Lisa has 20 years experience in planning and property development. She has particular expertise in master-planning large communities and building governance frameworks to manage complex projects. Lisa has a passion for creating memorable places and believes that sustainability should be the foundation for everything we do.  
**Special responsibilities:** Chair of Development and Growth Committee

**Name:** Elizabeth Mackdacy  
**Title:** Technical Director  
**Qualifications:** Master of Business Administration, Master of Counselling, Graduate Diplomas in Rehabilitation Counselling and Secondary Teaching, BA, Member Australian Institutes of Company Directors (GAICD)  
**Experience and expertise:** Liz has been involved in the social housing sector for over 20 years. She has worked in state housing authorities in both NSW and Queensland running policy, programs and operations. After leaving the public sector Liz established a consulting business which included research into a range of social housing issues and strategies across Australia.  
**Special responsibilities:** Member of Compliance, Audit, Risk and Governance Committee

**Name:** Elspeth Cameron  
**Title:** Member Director  
**Experience and expertise:** Elspeth has been a member of Palace Women's Housing Co-op since 2013, inspiring a deep commitment to the co-operative model of housing. She brings to the Board the voice of lived tenant experience of the difference the co-operative housing model can make to a life.  
**Special responsibilities:** Development and Growth Committee

**Name:** Laura Anthony  
**Title:** Member Director  
**Experience and expertise:** Laura is an artist, doctor and passionate supporter of co-operative housing. She has been involved in this sector since 2007 as tenant and board member. She is currently also serving on the board of the Co-op Federation.  
**Special responsibilities:** Compliance, Audit, Risk and Governance Committee

### 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 2023, and the number of meetings attended by each director were:

	Full Board		Development and Growth Committee		Compliance, Audit, Risk and Governance Committee	
	Attended	Held	Attended	Held	Attended	Held
Carmen Osborne	6	6	6	9	6	6
Dennis Vaccher	6	6	1	1	6	6
Kate Olgers	5	6	1	1	6	6
Lakshmi Vankat	4	6	5	9	-	-
Lisa Danker	5	6	9	9	-	-
Elizabeth Mackdacy	5	6	6	9	5	6
Elspeth Cameron	2	2	3	3	-	-
Laura Anthony	2	2	-	-	2	2
Christopher Ryan	1	2	2	4	-	-
Jillian Martin	3	6	1	1	6	6

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



**Contributions on winding up**

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$1 each.

The total amount that members of the company are liable to contribute if the company is wound up is \$31, based on 31 current ordinary members.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors.

On behalf of the directors

Carmen Osborne  
Chairperson

Dennis Vaccher  
Director

25 October 2023

**LBW & Partners**

Chartered Accountants & Business Advisors  
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Rupa Dharmasiri

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Mark W Willock

**Common Equity NSW Ltd**

ABN: 39 861 993 468

**Auditor's Independence Declaration to the Directors of Common Equity NSW Ltd**

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as auditor of Common Equity NSW Ltd during the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Rupaninga Dharmasiri  
Partner

LBW & Partners  
Chartered Accountants  
Level 3, 845 Pacific Highway  
CHATSWOOD NSW 2067

Date : 24 October 2023



**Common Equity NSW Ltd**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2023**



	<b>Note</b>	<b>2023</b> <b>\$</b>	<b>2022</b> <b>\$</b>
<b>Revenue</b>	4	5,153,529	4,626,185
Interest received		112,626	5,243
<b>Expenses</b>			
Property and tenant expenses	5	(916,991)	(868,650)
Employee expenses		(1,867,349)	(1,664,375)
Depreciation and amortisation expense	6	(1,058,125)	(1,129,104)
Impairment of receivables		(68,014)	(12,225)
Subscriptions		(33,370)	(58,870)
Consulting and strategic development expenses		(29,550)	(117,717)
Operating lease expenses		(26,301)	(22,627)
Computer and IT expenses		(248,290)	(237,324)
Other expenses		(275,130)	(212,628)
Finance costs	6	(4,074)	(10,286)
<b>Surplus before income tax expense</b>		738,961	297,622
Income tax expense		-	-
<b>Surplus after income tax expense for the year</b>		738,961	297,622
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<u>738,961</u>	<u>297,622</u>

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

**Common Equity NSW Ltd**  
**Statement of financial position**  
**As at 30 June 2023**



	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	6,486,035	2,239,120
Trade and other receivables	8	90,982	403,761
Financial assets	9	3,639,005	3,550,383
Other	10	389,003	359,159
Total current assets		<u>10,605,025</u>	<u>6,552,423</u>
<b>Non-current assets</b>			
Property, plant and equipment	11	22,353,715	21,483,734
Right-of-use assets	12	37,386	261,704
Intangibles	13	-	35,963
Total non-current assets		<u>22,391,101</u>	<u>21,781,401</u>
<b>Total assets</b>		<u>32,996,126</u>	<u>28,333,824</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	473,410	221,088
Contract liabilities	15	4,255,150	873,452
Lease liabilities	16	36,610	214,451
Employee benefits	17	249,937	211,226
Other	18	91,950	124,516
Total current liabilities		<u>5,107,057</u>	<u>1,644,733</u>
<b>Non-current liabilities</b>			
Borrowings	19	2,602,562	2,080,900
Lease liabilities	21	-	36,610
Employee benefits	22	31,779	55,814
Provisions	20	150,000	150,000
Total non-current liabilities		<u>2,784,341</u>	<u>2,323,324</u>
<b>Total liabilities</b>		<u>7,891,398</u>	<u>3,968,057</u>
<b>Net assets</b>		<u>25,104,728</u>	<u>24,365,767</u>
<b>Equity</b>			
Reserves	23	12,576,522	12,319,594
Retained surpluses		<u>12,528,206</u>	<u>12,046,173</u>
<b>Total equity</b>		<u>25,104,728</u>	<u>24,365,767</u>

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

**Common Equity NSW Ltd**  
**Statement of changes in equity**  
**For the year ended 30 June 2023**



	<b>Reserves</b> <b>\$</b>	<b>Retained surpluses</b> <b>\$</b>	<b>Total equity</b> <b>\$</b>
Balance at 1 July 2021	12,054,501	12,013,644	24,068,145
Surplus after income tax expense for the year	-	297,622	297,622
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	297,622	297,622
Transfer to Building and Growth Fund	265,093	(265,093)	-
Balance at 30 June 2022	<u>12,319,594</u>	<u>12,046,173</u>	<u>24,365,767</u>
	<b>Reserves</b> <b>\$</b>	<b>Retained surpluses</b> <b>\$</b>	<b>Total equity</b> <b>\$</b>
Balance at 1 July 2022	12,319,594	12,046,173	24,365,767
Surplus after income tax expense for the year	-	738,961	738,961
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	738,961	738,961
Transfer to Building and Growth Fund	256,528	(256,528)	-
Balance at 30 June 2023	<u>12,576,122</u>	<u>12,528,606</u>	<u>25,104,728</u>

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

**Common Equity NSW Ltd**  
**Statement of cash flows**  
**For the year ended 30 June 2023**



	<b>Note</b>	<b>2023</b> \$	<b>2022</b> \$
<b>Cash flows from operating activities</b>			
Receipts from government agencies (inclusive of GST)		4,295,500	312,019
Receipts from non-government customers and funders (inclusive of GST)		4,853,457	5,047,037
Payments to suppliers and employees (inclusive of GST)		(3,561,359)	(3,533,118)
		5,587,598	1,825,938
Interest and other finance costs paid		(4,074)	(10,286)
Interest received		24,004	5,692
Net cash from operating activities		5,607,528	1,821,344
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	11	(1,667,824)	(260,865)
Net term deposits placed		-	(1,859,097)
Net cash used in investing activities		(1,667,824)	(2,119,962)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		521,662	-
Repayment of lease liabilities		(214,451)	(199,831)
Net cash from/(used in) financing activities		307,211	(199,831)
Net increase/(decrease) in cash and cash equivalents		4,246,915	(498,449)
Cash and cash equivalents at the beginning of the financial year		2,239,120	2,737,569
Cash and cash equivalents at the end of the financial year	7	6,486,035	2,239,120

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



## Note 1. General information

The financial statements cover Common Equity NSW Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Common Equity NSW Ltd's functional and presentation currency.

Common Equity NSW Ltd is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. The company is registered as a charity with Australian Charities and Not-for-profits Commission. Its registered office and principal place of business is:

Suite 11.01 46 Market St  
Sydney NSW 2000

A description of the nature of the company'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 25 October 2023.

## Note 2. 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.

### New or amended Accounting Standards and Interpretations adopted

The company 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 associated regulation, 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, by the measurement at fair value of certain classes of property, plant and equipment.

### 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 company'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 3.

### Comparative figures

Certain comparative figures have been reclassified to conform to the financial statements presentation adopted for the current year.

### Revenue recognition

The company recognises revenue as follows:

#### Rental income

##### Co-operative rental income and contribution to building and growth fund

Rental income arising from CENSW and Co-operatives Agreements (CCA) are recognised on a straight-line basis over the terms of ongoing agreements. Annually, rent is calculated based on a percentage of the co-operative's expected rental income for the current financial year.

In addition to the rent calculated based on expected income, co-operatives provide a percentage of their accumulated funds under certain conditions to the Building and Growth Fund. This fund contributes to ongoing sector growth projects and assist co-operatives with maintenance costs where required.



## Note 2. Significant accounting policies (continued)

### *Direct managed properties rental income*

Rental income of Direct managed properties is determined in accordance with the requirements of the Governments Community Housing Rent Policy, with maximum rent being determined as the lower of Market rent or Subsidised Rent for the household. Rent is invoiced weekly in advance and recognised as income in the period to which the rent payment relates.

### *Grants and other funding*

When the company receives grants or other funding, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the company:

- identifies each performance obligation relating to the grant/other funding;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the company:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the company recognises income in profit or loss when or as it satisfies its obligations under the contract.

### *Interest*

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

### *Other revenue*

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

### **Income tax**

As the company is a charity registered with Australian Charities and Not-for-profits Commission, it is exempt from paying income tax.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original 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.

### **Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

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

### **Financial instruments**

Financial instruments are recognised initially on the date that the company becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs.



## Note 2. Significant accounting policies (continued)

### **Financial assets**

#### *Classification*

On initial recognition, the company classifies its financial assets as measured at amortised cost. A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets.

#### *Recognition and measurement*

The company's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and term deposits.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

#### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis.

Impairment of trade and other receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

### **Financial liabilities**

The company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the company comprise trade and other payables lease liabilities and borrowings.

### **Property, plant and equipment**

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers or directors, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. 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. Thereafter the decrements are taken to profit or loss.

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.

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	40 years
Leasehold improvements	5 years
Furniture, fittings and office equipment	3 years
Motor vehicle	3 years
Computer equipment	3 years
Improvements - Co-ops	5 years



## Note 2. Significant accounting policies (continued)

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised 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 surplus.

### 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 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 remeasurement 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.

### Impairment of non-financial assets

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 for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### Contract liabilities

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

### 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 company'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.





## Note 2. Significant accounting policies (continued)

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.

### Borrowings

Bank loans 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.

Mortgage loans are interest free and only repayable if the company defaults under the conditions of use of the properties before the expiry date of the mortgage. In the event of default under the mortgage the amount repayable would be increased by any surplus on disposal.

### Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

### Provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

### Employee benefits

#### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

#### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high-quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### *Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

## Note 3. 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.



### Note 3. Critical accounting judgements, estimates and assumptions (continued)

#### Co-operative rental income

The company estimates the rent revenue of each co-operative when calculating the rent to be charged from each co-operative. These estimates are based on the previous financial statements, the expected increases for persons who are entitled to government support in the co-operative and other information available to the company. If there are major variances in the estimated revenue and the actual revenue of the co-operative, adjustments to the rent will be made in subsequent periods.

#### Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

### Note 4. Revenue

	2023 \$	2022 \$
<b>Rental revenue</b>		
Co-operative rental income	3,069,139	3,006,249
Co-operative contribution to building and growth fund	256,928	265,093
Direct managed properties rental income	1,243,995	1,056,104
	<u>4,570,062</u>	<u>4,327,446</u>
<b>Other revenue</b>		
Contribution from Co-ops for Cabramatta project	473,302	126,698
Other grants	50,000	106,911
Other revenue	60,165	65,130
	<u>583,467</u>	<u>298,739</u>
<b>Revenue</b>	<u>5,153,529</u>	<u>4,626,185</u>

Funding from government sources:

	2023 \$	2022 \$
<b>State government</b>		
Multicultural NSW	-	65,000
Department of Planning and Environment	-	41,911
Department of Communities and Justice	50,000	-
	<u>50,000</u>	<u>106,911</u>
	<u>50,000</u>	<u>106,911</u>



#### Note 5. Property and tenant expenses

	2023 \$	2022 \$
Insurance	331,658	323,544
Strata, rates, water and electricity	258,433	244,393
Maintenance expense	278,794	288,127
Pest control	11,040	12,586
Other property expenses	37,066	-
	<u>916,991</u>	<u>868,650</u>

#### Note 6. Expenses

	2023 \$	2022 \$
Surplus before income tax includes the following specific expenses:		
<i>Depreciation and amortisation for non-current assets</i>		
Property, plant and equipment	797,843	854,212
Intangibles	35,963	50,573
Right-of-use assets	224,319	224,319
	<u>1,058,125</u>	<u>1,129,104</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	4,074	10,286
<i>Superannuation expense</i>		
Defined contribution superannuation expense	176,823	138,531
<i>Employee benefits expense excluding superannuation</i>		
Employee benefits expense excluding superannuation	1,672,154	1,467,333

#### Note 7. Current assets - cash and cash equivalents

	2023 \$	2022 \$
Cash at bank	5,385,149	2,239,120
Short-term bank deposit	1,100,886	-
	<u>6,486,035</u>	<u>2,239,120</u>

Cash at bank as at 30 June 2023 includes \$522,021 (2022: \$265,093) received from co-operatives under Building and Growth fund arrangement which can only be used for on-going sector growth projects initiated by Co-operatives and CENSW, and to assist smaller and unviable Co-operatives with maintenance costs where required.



**Note 8. Current assets - trade and other receivables**

	2023 \$	2022 \$
Trade receivables	147,918	352,432
Other receivables	1,978	14,858
Less: Allowance for expected credit losses	(58,914)	(15,656)
	<u>90,982</u>	<u>351,634</u>
 GST receivable	 -	 52,127
	<u>90,982</u>	<u>403,761</u>

**Note 9. Current assets - financial assets**

	2023 \$	2022 \$
Term deposit	<u>3,639,005</u>	<u>3,550,383</u>

Term deposits include a deposit of \$131,985 (2022: \$131,985) held by the bank as security deposits for the performance on the lease of office premises. The value of the guarantee is \$130,773.

**Note 10. Current assets - other**

	2023 \$	2022 \$
Prepayments	347,099	318,998
Security deposits	-	2,455
Tenant bonds	<u>41,904</u>	<u>37,706</u>
	<u>389,003</u>	<u>359,159</u>



**Note 11. Non-current assets - property, plant and equipment**

	2023 \$	2022 \$
Land and buildings - at independent valuation	16,802,638	16,801,813
Less: Accumulated depreciation	(715,286)	(404,023)
	<u>16,087,352</u>	<u>16,397,790</u>
Leasehold improvements - office building - at cost	266,713	266,713
Less: Accumulated depreciation	(256,978)	(203,635)
	<u>9,735</u>	<u>63,078</u>
Furniture, fittings and office equipment- at cost	4,483	4,418
Less: Accumulated depreciation	(2,989)	(4,418)
	<u>1,494</u>	<u>-</u>
Motor vehicle - at cost	28,558	28,558
Less: Accumulated depreciation	(28,558)	(27,050)
	<u>-</u>	<u>1,508</u>
Computer equipment - at cost	27,526	11,915
Less: Accumulated depreciation	(10,583)	(9,550)
	<u>16,943</u>	<u>2,365</u>
Capital work-in-progress	5,500,091	4,028,855
Improvements - Co-ops	2,964,020	2,789,108
Less: Accumulated depreciation	(2,225,920)	(1,798,970)
	<u>738,100</u>	<u>990,138</u>
	<u>22,353,715</u>	<u>21,483,734</u>

**Reconciliations**

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

	Land and buildings \$	Leasehold improvements - office building \$	Furniture, fittings and office equipment \$	Motor vehicle \$	Computer equipment \$	Capital work-in- progress \$	Improvements - Co-ops \$	Total \$
Balance at 1 July 2022	16,397,790	63,078	-	1,508	2,365	4,028,855	990,138	21,483,734
Additions	825	-	2,241	-	22,389	1,466,041	174,912	1,666,408
Capitalised interest charges	-	-	-	-	-	1,416	-	1,416
Depreciation adjustments	-	-	-	-	-	3,779	-	3,779
Depreciation expense	(311,263)	(53,343)	(747)	(1,508)	(7,811)	-	(426,950)	(801,622)
Balance at 30 June 2023	<u>16,087,352</u>	<u>9,735</u>	<u>1,494</u>	<u>-</u>	<u>16,943</u>	<u>5,500,091</u>	<u>738,100</u>	<u>22,353,715</u>



#### Note 11. Non-current assets - property, plant and equipment (continued)

##### *Valuations of land and buildings*

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued in June 2021 based on independent assessments by Valuation Group (Australia) Pty Ltd and First State Property Valuers Pty Ltd who are members of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

Certain properties which have been partially funded by NSW Land and Housing Corporation are subject to restrictions on usage. Such properties are required to be used only for affordable housing.

##### *Mortgages on properties*

In obtaining bank loan from Bank Australia for the Cabramatta project Site A, the company has provided first registered mortgages over some of the properties held by the company. Please refer note 19 for further details.

#### Note 12. Non-current assets - right-of-use assets

	2023 \$	2022 \$
Office building - right-of-use	929,661	929,661
Less: Accumulated depreciation	(892,275)	(667,957)
	<u>37,386</u>	<u>261,704</u>

##### *Reconciliations*

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

	Office building Right-of-use \$	Total \$
Balance at 1 July 2022	261,704	261,704
Depreciation expense	(224,318)	(224,318)
Balance at 30 June 2023	<u>37,386</u>	<u>37,386</u>

The company leases its corporate office in Sydney CBD which expires in August 2023 and there are no options to extend the lease. The rentals are subject to a fixed increase of 4% annually.

#### Note 13. Non-current assets - intangibles

	2023 \$	2022 \$
Computer software	252,867	252,867
Less: Accumulated amortisation	(252,867)	(216,904)
	<u>-</u>	<u>35,963</u>



### Note 13. Non-current assets - intangibles (continued)

#### Reconciliations

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

	Computer software \$
Balance at 1 July 2022	35,963
Amortisation expense	(35,963)
Balance at 30 June 2023	-

### Note 14. Current liabilities - trade and other payables

	2023 \$	2022 \$
Trade payables	77,623	102,188
Accrued expenses	95,025	83,360
Superannuation payables	8,657	13,780
GST Payable	263,763	-
PAYG payable	28,342	21,760
	<u>473,410</u>	<u>221,088</u>

### Note 15. Current liabilities - contract liabilities

	2023 \$	2022 \$
Contract liabilities - grants	4,255,150	400,150
Contract liabilities - contributions to Cabramatta project	-	473,302
	<u>4,255,150</u>	<u>873,452</u>

Contract liabilities include unspent grants received from the following government sources.

	2023 \$	2022 \$
<b>New South Wales Government</b>		
Department of Communities and Justice	<u>4,255,150</u>	<u>400,150</u>

### Note 16. Current liabilities - lease liabilities

	2023 \$	2022 \$
Lease liability - Office building	<u>36,610</u>	<u>214,451</u>

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:



**Note 16. Current liabilities - lease liabilities (continued)**

	1 year \$	1 - 5 years \$	Total undiscounted lease liabilities \$	Lease liabilities included in the statement of financial position \$
2023 - Lease liabilities	36,655	-	-	36,610
2022 - Lease liabilities	218,521	36,655	255,176	251,061

**Note 17. Current liabilities - employee benefits**

	2023 \$	2022 \$
Annual leave	197,714	208,143
Long service leave	52,223	3,083
	<u>249,937</u>	<u>211,226</u>

**Note 18. Current liabilities - other**

	2023 \$	2022 \$
Rent received in advance	46,090	79,647
Tenant bonds	45,860	44,869
	<u>91,950</u>	<u>124,516</u>

**Note 19. Non-current liabilities - borrowings**

	2023 \$	2022 \$
Bank loans*	521,662	-
Mortgage loans**	2,080,900	2,080,900
	<u>2,602,562</u>	<u>2,080,900</u>

\* - The company has obtained a commercial loan facility for \$4,300,000 from Bank Australia for the development Cabramatta project Site A. The facility is to be paid off in 240 months from the date of initial advance of the facility. The facility has 2 years interest only period(starting on 16 June 2023). After the expiry of the interest only period the facility will be interest and principal repayment. The facility interest rate is Bank Bill Swap Rates (BBSW) plus a margin of 2.6%(6.2% as at 30 June 2023). The facility is secured by first registered mortgages over 8 properties of the company.

\*\* - NSW Land and Housing Corporation has registered mortgages on the freehold properties in respect of the interest free loan facility provided pursuant to an agreement dated 5 April 2011. The company has completed the development project and undertakes to hold and manage the properties for affordable housing purposes. The loan facility would only require repayment should the company dispose of the properties or cease to use them for affordable housing purposes. The agreement covering the loan facility extends to July 2051.

**Note 20. Non-current liabilities - provisions**

	2023 \$	2022 \$
Lease make good	150,000	150,000





#### Note 21. Non-current liabilities - lease liabilities

	2023 \$	2022 \$
Lease liability - Office building	-	36,610

#### Note 22. Non-current liabilities - employee benefits

	2023 \$	2022 \$
Long service leave	31,779	55,814

#### Note 23. Equity - reserves

	2023 \$	2022 \$
Revaluation surplus reserve	5,167,005	5,167,005
Property development reserve	5,887,496	5,887,496
Planned maintenance reserve	1,000,000	1,000,000
Building and growth fund	522,021	265,093
	<u>12,576,522</u>	<u>12,319,594</u>

##### Revaluation surplus reserve

The reserve is used to recognise increments and decrements in the fair value of land and buildings.

##### Property development reserve

The reserve is used to recognise funds set aside for property development projects including that committed for under the Community Housing Assistance Agreement.

##### Planned maintenance reserve

The reserve is used to recognise the funds set aside for maintenance and repairs for properties to meet the requirements and standards under the Community Housing Asset Management Policy.

##### Building and growth fund

Building and growth fund represents funds contributed by Co-operatives to this fund from 1 July 2021. This fund was established for on-going sector growth projects initiated by Co-operatives and the Company, and to assist smaller and unviable Co-operatives with maintenance costs where required.

##### Movements in reserves

Movements in each class of reserve during the current financial year are set out below:

	Revaluation surplus reserve \$	Building and growth fund \$	Property development reserve \$	Planned maintenance reserve \$	Total \$
Balance at 1 July 2022	5,167,005	265,093	5,887,496	1,000,000	12,319,594
Funds contributed by Co-operatives during the year	-	256,928	-	-	256,928
Balance at 30 June 2023	<u>5,167,005</u>	<u>522,021</u>	<u>5,887,496</u>	<u>1,000,000</u>	<u>12,576,522</u>

#### Note 24. Contingent liabilities

The Company had no contingent liabilities as at 30 June 2023 and 30 June 2022.



## Note 25. Commitments

	2023 \$	2022 \$
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Cabramatta project	4,042,000	6,286,406
Schedule 3 works	390,000	500,000

## Note 26. Key management personnel disclosures

### Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2023 \$	2022 \$
Aggregate compensation	538,964	350,163

## Note 27. Related party transactions

### Key management personnel

Disclosures relating to key management personnel are set out in note 26.

### Transactions with related parties

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

### 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 28. Financial risk management

	2023 \$	2022 \$
<b>Financial assets</b>		
Held at amortised cost:		
Cash and cash equivalents	6,486,035	2,239,120
Trade and other receivables	90,982	403,761
Term deposits	3,639,005	3,550,383
	10,216,022	6,193,264

### Financial liabilities

Financial liabilities measured at amortised cost :

Trade and other payables	473,410	221,088
Lease liabilities	36,610	251,061
Loans	2,602,562	2,080,900
	3,112,582	2,553,049

## Note 29. Economic dependency

The company is dependent on the New South Wales Land and Housing Corporation for provision of the majority of properties for conducting its business. At the date of this report, the directors have no reason to believe that New South Wales Land and Housing Corporation will cease providing these properties.



#### Note 30. Members guarantee

Common Equity NSW Ltd is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$1 towards meeting any outstanding obligations of the entity. At 30 June 2023 the total amount that members of the company are liable to contribute if the company is wound up is \$31 (2022: \$32).

#### Note 31. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the company:

	2023 \$	2022 \$
<i>Audit services - LBW &amp; Partners</i>		
Audit of the financial statements	14,250	13,500
<i>Other services - LBW &amp; Partners</i>		
Preparation of financial statements	1,600	1,500
	<u>15,850</u>	<u>15,000</u>

#### Note 32. Events after the reporting period

##### *Lease Facility*

Subsequent to the year end, the company entered into a new lease agreement for a new office building in Sydney for a term of 4 years starting from 1 September 2023.

##### *New grant facility for Foster*

Subsequent to the year end, the company received a new grant facility to develop Foster property on 1 August 2023(\$4,986,000).

No other matter or circumstance has arisen since 30 June 2023 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.



In the directors' opinion:

- the attached financial statements and notes comply with the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Accounting Standards - Simplified Disclosures and other mandatory professional reporting requirements
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2023 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.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

On behalf of the directors

Carmen Osborne  
Chairperson

Dennis Vaccher  
Director

25 October 2023

**LBW & Partners**

Chartered Accountants & Business Advisors  
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**Common Equity NSW Ltd**

ABN: 39 861 993 468

## Independent Auditor's Report to the Members of Common Equity NSW Ltd

### Opinion

We have audited the accompanying financial report of Common Equity NSW Ltd (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 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 Company in accordance with the auditor independence requirements of the 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 Directors for the Financial Report

The directors of the Company 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 ACNC Act.

The directors' responsibility also includes for such internal control as the directors determine necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.



**Common Equity NSW Ltd**  
ABN: 39 861 993 468

## **Independent Auditor's Report to the Members of Common Equity NSW Ltd**

### **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 the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



**Common Equity NSW Ltd**  
ABN: 39 861 993 468

## **Independent Auditor's Report to the Members of Common Equity NSW Ltd**

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Rupaninga Dharmasiri  
Partner

LBW & Partners  
Chartered Accountants  
Level 3, 845 Pacific Highway  
CHATSWOOD NSW 2067

Date : 26 October 2023



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