



COMMON EQUITY
CO-OPERATIVE
HOUSING



2024 Financial Statement



Common Equity NSW Ltd

ABN 39 861 993 468

Financial Report - 30 June 2024

Common Equity NSW Ltd
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30 June 2024



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The directors present their report, together with the financial statements, on the company for the year ended 30 June 2024.

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:

Lisa Danker - Chairperson (appointed Chair December 2023)
Dennis Vaccher - Treasurer
Elspeth Cameron
Lakshmi Vankatasubramanian
Bruce Tosello (appointed November 2023)
Robert Bakewell (appointed November 2023)
Magdalena Tausch (appointed March 2024)
Annabelle Lewis (appointed August 2024)
Elizabeth Mackdacy (leave of absence beginning August 2024)
Laura Anthony (resigned August 2024)
Carmen Osborne - Chair (resigned November 2023)
Kate Olgers (resigned November 2023)
Jill Martin (resigned 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 524 properties. The company owns 45 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: Lisa Danker
Title: Technical Director - Chairperson
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: Member of Development and Growth Committee

Name: Dennis Vaccher
Title: Technical Director – Treasurer; Acting Chairperson Compliance, Audit, Risk and Governance Committee
Qualifications: BCom (Accounting, Finance and Systems) (UNSW), Chartered Accountant, Graduate of the 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: Elspeth Cameron
Title: Member Director – Chairperson, Development and Growth Committee
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: Chairperson of Development and Growth Committee

Name: Lakshmi Venkatasubramanian
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: Bruce Tosello
Title: Technical Director
Qualifications: Bachelor of Design, Master of Business Administration
Experience and expertise: For 25-years Bruce created strategies, developed businesses and held senior leadership roles in consumer goods, building products and financial services sectors. He then moved to the for-purpose sector in 2015 and leads client engagement, commercial management and strategy development for a disability sector provider. Bruce is passionate about listening to and learning from clients and customers, while supporting for-purpose organisations to live their values and be strategic and commercially astute.
Special responsibilities: Member of Development and Growth Committee



Name: Robert Bakewell
Title: Technical Director
Qualifications: Bachelor of Commerce, Chartered Accountant
Experience and expertise: ASX listed company CFO with extensive international experience across a range of industries and geographies. Robert is a highly skilled professional in all aspects of financial management and control including balance sheet and capital management, treasury, liquidity management and equity raising. Broad experience in Investor Relations and key stakeholder engagement including all levels of Government.
Special responsibilities: Member of Compliance, Audit, Risk and Governance Committee

Name: Magdalena Tausch
Title: Member Director
Experience and expertise: Magdalena has a long history of 'giving back' from her father's influence when she was a child in Romania to her current life living at Alpha House Artists Co-op. She currently runs her own graphic design, photography and consultancy business in Sydney. Magda is very active in the co-op and broader community, having organised community forums and co-founding YEmpower, a nonprofit organisation whose purpose it is to empower the next generation.
Special responsibilities: Member of Compliance, Audit, Risk and Governance Committee

Name: Annabelle Lewis
Title: Technical Director
Qualifications: Graduate of the Australian Institute of Company Directors (GAICD); FCA (Fellow Chartered Accountant); Grad Diploma in Behavioural Economics and BA (hons.) in Accounting, Finance and Economics
Experience and expertise: Annabelle combines 25+ years' strategic, risk management and governance experience with robust research to help create positive impact through both practice and academia. As a practitioner, Annabelle provides consulting services to organisations aligned to her purpose and has served on the board of a Youth charity. As an academic, Annabelle's areas of interest are behaviour change, creative problem-solving and social impact.
Special responsibilities: Member of Compliance, Audit, Risk and Governance Committee

Name: Elizabeth Mackdacy (leave of absence beginning August 2024)
Title: Technical Director
Qualifications: Master of Business Administration, Master of Counselling, Graduate Diplomas in Rehabilitation Counselling and Secondary Teaching, BA, Graduate of the 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: Laura Anthony (resigned August 2024)
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: Member of Compliance, Audit, Risk and Governance Committee

Name: Carmen Osborne (Resigned in November 2023)
Title: Technical Director
Qualifications: Master of Planning, Bachelor of Town Planning (Hons), PGD Land Economy, Graduate 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: Kate Olgers (Resigned November 2023)
 Title: Technical Director
 Qualifications: Bachelor of Economics and Bachelor of Law, University of Sydney, Graduate 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: Chairperson of 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 2024, 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
Lisa Danker	5	6	8	10	4	4
Dennis Vaccher	5	6	-	-	5	5
Elspeth Cameron	6	6	10	10	-	-
Lakshmi Vankatasubramanian	5	6	7	10	-	-
Bruce Tosello	4	4	4	4	-	-
Robert Bakewell	3	4	-	-	3	3
Magdalena Tausch	2	2	1	2	1	1
Elizabeth Mackdacy	5	6	-	-	3	5
Laura Anthony	4	6	-	-	4	5
Carmen Osborne	3	3	5	6	1	2
Kate Olgers	1	2	-	-	2	2
Jill Martin	-	-	-	-	-	-

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.

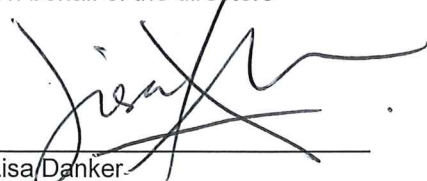
The total amount that members of the company are liable to contribute if the company is wound up is \$31, based on 31 current ordinary members.

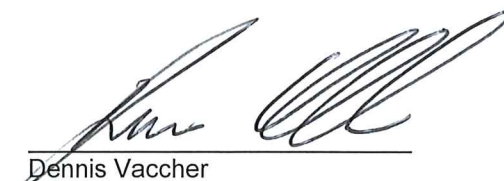
Auditor's independence declaration

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


 Lisa Danker
 Chairperson


 Dennis Vaccher
 Director

22 October 2024



LBW & Partners

Chartered Accountants & Business Advisors
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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 2024, 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 : 22 October 2024

Common Equity NSW Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024



	Note	2024 \$	2023 \$
Revenue	3	9,533,102	5,266,155
Expenses			
Property and tenant expenses	4	(1,176,377)	(904,359)
Employee expenses		(1,936,554)	(1,867,349)
Depreciation and amortisation expense	5	(814,990)	(1,058,125)
Loss on disposal of assets		(1,268)	-
Impairment of receivables		(7,179)	(68,014)
Subscriptions		(33,658)	(33,370)
Consulting and strategic development expenses		(96,986)	(29,550)
Operating lease expenses		(10,718)	(26,301)
Computer and IT expenses		(243,265)	(248,290)
Other expenses		(239,321)	(287,762)
Finance costs	5	(59,378)	(4,074)
Total expenses		<u>(4,619,694)</u>	<u>(4,527,194)</u>
Surplus before income tax expense		4,913,408	738,961
Income tax expense		-	-
Surplus after income tax expense for the year		4,913,408	738,961
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u><u>4,913,408</u></u>	<u><u>738,961</u></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 2024



	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	6	3,896,257	6,486,035
Trade and other receivables	7	44,964	90,982
Financial assets	8	8,310,691	3,639,005
Other	9	500,757	389,003
Total current assets		<u>12,752,669</u>	<u>10,605,025</u>
Non-current assets			
Property, plant and equipment	10	25,200,746	22,353,715
Right-of-use assets	11	280,562	37,386
Other	9	69,185	-
Total non-current assets		<u>25,550,493</u>	<u>22,391,101</u>
Total assets		<u>38,303,162</u>	<u>32,996,126</u>
Liabilities			
Current liabilities			
Trade and other payables	12	214,809	473,410
Borrowings	13	3,829	-
Lease liabilities	14	93,435	36,610
Employee benefits	15	199,562	249,937
Other	17	7,397,256	4,347,100
Total current liabilities		<u>7,908,891</u>	<u>5,107,057</u>
Non-current liabilities			
Borrowings	13	3,717,508	2,602,562
Lease liabilities	14	198,145	-
Employee benefits	15	53,693	31,779
Provisions	16	3,000	150,000
Other	17	781,507	-
Total non-current liabilities		<u>4,753,853</u>	<u>2,784,341</u>
Total liabilities		<u>12,662,744</u>	<u>7,891,398</u>
Net assets		<u>25,640,418</u>	<u>25,104,728</u>
Equity			
Reserves	18	8,432,647	12,576,522
Retained surpluses		<u>17,207,771</u>	<u>12,528,206</u>
Total equity		<u>25,640,418</u>	<u>25,104,728</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 2024



	Reserves \$	Retained surpluses \$	Total equity \$
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	256,928	(256,928)	-
Balance at 30 June 2023	<u>12,576,522</u>	<u>12,528,206</u>	<u>25,104,728</u>
	Reserves \$	Retained surpluses \$	Total equity \$
Balance at 1 July 2023	12,576,522	12,528,206	25,104,728
Surplus after income tax expense for the year	-	4,913,408	4,913,408
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	4,913,408	4,913,408
Transfer to Building and Growth Fund	233,843	(233,843)	-
Revaluation decrements	(4,377,718)	-	(4,377,718)
Balance at 30 June 2024	<u>8,432,647</u>	<u>17,207,771</u>	<u>25,640,418</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 2024



	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from government agencies (inclusive of GST)		8,207,207	4,295,500
Receipts from non-government customers and funders (inclusive of GST)		5,576,520	4,853,457
Payments to suppliers and employees (inclusive of GST)		<u>(5,246,887)</u>	<u>(3,561,359)</u>
		8,536,840	5,587,598
Interest and other finance costs paid		(92,169)	(4,074)
Interest received		<u>284,070</u>	<u>24,004</u>
Net cash from operating activities		<u>8,728,741</u>	<u>5,607,528</u>
Cash flows from investing activities			
Payments for property, plant and equipment	10	(7,897,206)	(1,667,824)
Proceeds from disposal of property, plant and equipment		208	-
Term deposits placed		(9,629,511)	-
Term deposits withdrawn		<u>5,188,639</u>	<u>-</u>
Net cash used in investing activities		<u>(12,337,870)</u>	<u>(1,667,824)</u>
Cash flows from financing activities			
Proceeds from borrowings		1,118,775	521,662
Repayment of lease liabilities		<u>(99,424)</u>	<u>(214,451)</u>
Net cash from financing activities		<u>1,019,351</u>	<u>307,211</u>
Net increase/(decrease) in cash and cash equivalents		(2,589,778)	4,246,915
Cash and cash equivalents at the beginning of the financial year		<u>6,486,035</u>	<u>2,239,120</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>3,896,257</u></u>	<u><u>6,486,035</u></u>

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 22 October 2024.

Note 2. Material accounting policy information

The accounting policies that are material to the company are set out either in the respective notes or 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 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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following amendments to Accounting Standards is most relevant to the company:

The company has adopted the amendments to AASB 101 *Presentation of Financial Statements* which require only the disclosure of material accounting policy information rather than significant accounting policies and therefore policy information which does not satisfy one of the following requirements has been removed from these financial statements:

- Relates to change in accounting policy
- Policy has been developed in the absence of an explicit accounting standard requirement
- Documents an accounting policy choice
- Relates to an area of significant judgement or assumption
- Relates to a complex transaction and is required to explain the treatment to the user

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 regulations, 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 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 to 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 within the next financial year have been described in relevant notes.



Note 2. Material accounting policy information (continued)

Comparative figures

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

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.

Income tax

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

Note 3. Revenue

	2024 \$	2023 \$
<i>Rental revenue</i>		
Co-operative rental income	3,165,315	3,069,139
Direct managed properties rental income	1,539,095	1,243,995
	<u>4,704,410</u>	<u>4,313,134</u>
<i>Other revenue</i>		
Co-operative contribution to building and growth fund (See note 18)	233,843	256,928
Contribution from Co-ops for Cabramatta project	350,000	473,302
Interest income	514,884	112,626
Grants to acquire/construct property	3,583,399	-
Other grants	50,000	50,000
Reversal of make good provision	60,175	-
Other revenue	36,391	60,165
	<u>4,828,692</u>	<u>953,021</u>
Revenue	<u>9,533,102</u>	<u>5,266,155</u>

Revenue includes the following funding from government sources:

	2024 \$	2023 \$
State government		
Department of Communities and Justice	<u>3,633,399</u>	<u>50,000</u>

Accounting policy for revenue recognition

The company recognises revenue as follows:

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

Rental income arising from CENSW and Co-operatives Agreements (CCA) is 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. Accumulated funds received from co-operatives are transferred to building and growth fund reserve (See note 18).



Note 3. Revenue (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.

When the company receives a grant to acquire or construct a recognisable non-financial asset that it will control, as outlined in an agreement where the asset is to be used primarily to support the company in achieving its objectives, the grant funding is recognised in accordance with AASB 1058. Grants received for the construction or acquisition of non-financial assets are recorded as a liability under grants received in advance at the time of receipt. Income from these grants is recognised in an amount equal to the expenses incurred for the purchase or construction of the specific non-financial asset.

Interest

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

Other revenue

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

Critical accounting judgements, estimates and assumptions applied in recognition of co-operative rental income

The company estimates rent revenue for each member co-operative to determine the rent to be charged for the financial year. These estimates are based on the prior year's financial reports, anticipated rent increases for tenants within the co-operative who are eligible for government support, and other relevant information. Should there be material variances between the estimated rent and the actual rent subsequently determined, an adjustment is made in the following financial year to reflect the accurate amounts.

Critical accounting judgements, estimates and assumptions applied in recognition of grant and other funding 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 parties at the company, review of the proposal documents prepared during the grant application phase and consideration of terms and conditions.

Grants received by the company have been accounted under AASB 15 or AASB 1058 depending on the terms and conditions and decisions made.

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



Note 3. Revenue (continued)

Expenses incurred by the company are apportioned among different grants or other funding, are subject to management's judgement. As expenses are allocated to individual grants and other funding, revenue from each grant or funding is recognised as income, while the residual grant or other funding funds are maintained within the statement of financial position under contract liabilities/grants received in advance. Consequently, the recognition of revenue and the unutilised portion of each grant are contingent upon estimates and judgments.

Note 4. Property and tenant expenses

	2024 \$	2023 \$
Insurance	373,404	331,658
Strata, rates, water and electricity	282,672	245,801
Maintenance expense	491,274	278,794
Pest control	26,333	11,040
Other property expenses	2,694	37,066
	<u>1,176,377</u>	<u>904,359</u>

Note 5. Expenses

	2024 \$	2023 \$
Surplus before income tax includes the following specific expenses:		
<i>Depreciation and amortisation for non-current assets</i>		
Property, plant and equipment	703,772	797,843
Intangibles	-	35,963
Right-of-use assets	111,218	224,319
	<u>814,990</u>	<u>1,058,125</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	80,352	1,416
Interest and finance charges paid/payable on lease liabilities	11,817	4,074
	<u>92,169</u>	<u>5,490</u>
Amount capitalised	(32,791)	(1,416)
Finance costs expensed	<u>59,378</u>	<u>4,074</u>
<i>Leases</i>		
Short-term and low-value assets lease payments	9,210	14,215
	<u>9,210</u>	<u>14,215</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	183,441	176,823
	<u>183,441</u>	<u>176,823</u>
<i>Employee benefits expense excluding superannuation</i>		
Employee benefits expense excluding superannuation	1,641,367	1,672,154
	<u>1,641,367</u>	<u>1,672,154</u>



Note 6. Cash and cash equivalents

	2024 \$	2023 \$
<i>Current assets</i>		
Cash at bank	964,448	5,385,149
Short-term bank deposits	2,931,809	1,100,886
	<u>3,896,257</u>	<u>6,486,035</u>

Cash at bank as at 30 June 2024 includes \$755,864 (2023: \$522,021) 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.

Accounting policy for 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.

Note 7. Trade and other receivables

	2024 \$	2023 \$
<i>Current assets</i>		
Trade receivables	58,708	147,918
Other receivables	-	1,978
Less: Allowance for expected credit losses	(13,744)	(58,914)
	<u>44,964</u>	<u>90,982</u>

Note 8. Financial assets

	2024 \$	2023 \$
<i>Current assets</i>		
Term deposits	<u>8,310,691</u>	<u>3,639,005</u>

Term deposits includes a deposit of \$NIL (2023: \$131,985) held by the bank as security deposits for the performance on the lease of previous office premises. The value of the guarantee provided was \$NIL (2023: \$130,773).

Note 9. Other

	2024 \$	2023 \$
<i>Current assets</i>		
Prepayments	449,092	347,099
Tenant bonds	51,665	41,904
	<u>500,757</u>	<u>389,003</u>
<i>Non-current assets</i>		
Security deposits	69,185	-
	<u>569,942</u>	<u>389,003</u>



Note 10. Property, plant and equipment

	2024 \$	2023 \$
<i>Non-current assets</i>		
Land and buildings - at independent valuation	22,802,638	16,802,638
Less: Accumulated depreciation	(1,026,550)	(715,286)
	<u>21,776,088</u>	<u>16,087,352</u>
Leasehold improvements - office building - at cost	-	266,713
Less: Accumulated depreciation	-	(256,978)
	<u>-</u>	<u>9,735</u>
Furniture, fittings and office equipment- at cost	15,913	4,483
Less: Accumulated depreciation	(5,630)	(2,989)
	<u>10,283</u>	<u>1,494</u>
Motor vehicle - at cost	28,558	28,558
Less: Accumulated depreciation	(28,558)	(28,558)
	<u>-</u>	<u>-</u>
Computer equipment - at cost	33,890	27,526
Less: Accumulated depreciation	(20,172)	(10,583)
	<u>13,718</u>	<u>16,943</u>
Capital work-in-progress	2,929,812	5,500,091
Improvements - Co-ops	3,004,890	2,964,020
Less: Accumulated depreciation	(2,534,045)	(2,225,920)
	<u>470,845</u>	<u>738,100</u>
	<u>25,200,746</u>	<u>22,353,715</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 \$	Computer equipment \$	Capital work-in- progress \$	Improvements - Co-ops \$	Total \$
Balance at 1 July 2023	16,087,352	9,735	1,494	16,943	5,500,091	738,100	22,353,715
Additions	7,896,030	-	11,430	6,363	7,838,543	40,870	15,793,236
Capitalised interest charges	-	-	-	-	32,791	-	32,791
Disposals	-	(1,476)	-	-	-	-	(1,476)
Revaluation increments/(decrements)	(1,832,135)	-	-	-	(2,545,583)	-	(4,377,718)
Transferred to land and buildings	-	-	-	-	(7,896,030)	-	(7,896,030)
Depreciation expense	(375,159)	(8,259)	(2,641)	(9,588)	-	(308,125)	(703,772)
Balance at 30 June 2024	<u>21,776,088</u>	<u>-</u>	<u>10,283</u>	<u>13,718</u>	<u>2,929,812</u>	<u>470,845</u>	<u>25,200,746</u>



Note 10. 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 and adjustments were recorded in the books 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. Further valuations of the properties were conducted in March 2022 and no adjustments were made to the books as the directors believed that there had been no material movement in fair value since the June 2021 revaluation date. Adjustments were also recorded to reflect the fair value of Cabramatta Site A which was completed during the year, and Cabramatta Site B which was completed subsequent to the yearend based on valuations performed subsequent to the yearend (See note 27). 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 - see note 13

Critical accounting judgements, estimates and assumptions applied in valuation of land and buildings

The valuations of the land and buildings are subject to various estimates and assumptions. The directors have reviewed the key assumptions adopted by the valuers and do not believe there has been a significant change in assumptions since June 2021. The directors therefore believe the carrying amount of the land and buildings as of June 2024 reflects the fair value at 30 June 2024.

Accounting policy for 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 class of 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
Furniture, fittings and office equipment	3 years
Computer equipment	3 years
Improvements - Co-ops	5 years

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.

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.



Note 10. Property, plant and equipment (continued)

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 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.

Note 11. Right-of-use assets

	2024 \$	2023 \$
<i>Non-current assets</i>		
Office building - right-of-use	354,394	929,661
Less: Accumulated depreciation	(73,832)	(892,275)
	280,562	37,386

The company leases its corporate office in Sydney CBD for four years which expires in August 2027 and there are no options to extend the lease. The rentals are subject to a fixed increase of 3.75% annually.

The company leases office equipment under agreements of less than 5 years. These leases are either short-term or low-value leases and have been expensed as incurred.

Reconciliations

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

	Office building \$	Total \$
Balance at 1 July 2023	37,386	37,386
Additions	354,394	354,394
Depreciation expense	(111,218)	(111,218)
Balance at 30 June 2024	280,562	280,562

Accounting policy for 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 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. 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.



Note 12. Trade and other payables

	2024 \$	2023 \$
<i>Current liabilities</i>		
Trade payables	23,949	77,623
Accrued expenses	103,748	95,025
Superannuation payables	45,208	8,657
GST Payable	15,224	263,763
PAYG payable	26,680	28,342
	<u>214,809</u>	<u>473,410</u>

Accounting policy for 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.

Note 13. Borrowings

	2024 \$	2023 \$
<i>Current liabilities</i>		
Bank loans*	<u>3,829</u>	<u>-</u>
<i>Non-current liabilities</i>		
Bank loans*	1,636,608	521,662
Mortgage loans**	<u>2,080,900</u>	<u>2,080,900</u>
	<u>3,717,508</u>	<u>2,602,562</u>
	<u>3,721,337</u>	<u>2,602,562</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% (6.84% as at 30 June 2024).

** - 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.

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.

Assets pledged as security

The carrying amounts of assets pledged as security for borrowings are:

	2024 \$	2023 \$
Land and buildings	<u>17,807,263</u>	<u>11,967,803</u>



Note 13. Borrowings (continued)

Financing facilities for Cabramatta Site A construction as at 30 June 2024:

	2024 \$	2023 \$
Total facilities		
Bank loans	4,300,000	4,300,000
Used at the reporting date		
Bank loans	1,640,437	521,662
Unused at the reporting date		
Bank loans	2,659,563	3,778,338

Future loan payments

Future loan payments are due as follows:

	2024 \$	2023 \$
Within one year	191,483	34,534
One to five years	608,117	176,930
More than five years	2,419,799	797,041
	<u>3,219,399</u>	<u>1,008,505</u>

Accounting policy for 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.

Note 14. Lease liabilities

	2024 \$	2023 \$
<i>Current liabilities</i>		
Lease liability - Office building	93,435	36,610
<i>Non-current liabilities</i>		
Lease liability - Office building	198,145	-
	<u>291,580</u>	<u>36,610</u>

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

	1 year \$	1 - 5 years \$	Total undiscounted lease liabilities \$	Lease liabilities included in the statement of financial position \$
30 June 2024 - Lease liabilities	93,434	219,009	312,443	291,580
30 June 2023 - Lease liabilities	36,655	-	36,655	36,610



Note 14. Lease liabilities (continued)

Accounting policy for 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 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 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.

Note 15. Employee benefits

	2024 \$	2023 \$
<i>Current liabilities</i>		
Annual leave	170,662	197,714
Long service leave	<u>28,900</u>	<u>52,223</u>
	<u>199,562</u>	<u>249,937</u>
<i>Non-current liabilities</i>		
Long service leave	<u>53,693</u>	<u>31,779</u>
	<u><u>253,255</u></u>	<u><u>281,716</u></u>

Accounting policy for 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.

Defined contribution superannuation expense

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

Note 16. Provisions

	2024 \$	2023 \$
<i>Non-current liabilities</i>		
Lease make good	<u>3,000</u>	<u>150,000</u>

Accounting policy for 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.



Note 16. Provisions (continued)

Critical accounting judgements, estimates and assumptions applied in recognition of 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 17. Other

	2024 \$	2023 \$
<i>Current liabilities</i>		
Grants received in advance (See note 3)	7,301,341	4,255,150
Rent received in advance	41,015	46,090
Tenant bonds	54,900	45,860
	<u>7,397,256</u>	<u>4,347,100</u>
<i>Non-current liabilities</i>		
Grants received in advance (See note 3)	781,507	-
	<u>8,178,763</u>	<u>4,347,100</u>

Grants received in advance includes amounts received from the following government sources:

	2024 \$	2023 \$
State government		
Department of Communities and Justice (NSW)	8,082,848	4,255,150

Note 18. Reserves

	2024 \$	2023 \$
Revaluation surplus reserve	789,287	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	755,864	522,021
	<u>8,432,647</u>	<u>12,576,522</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.



Note 18. Reserves (continued)

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 2023	5,167,005	522,021	5,887,496	1,000,000	12,576,522
Funds contributed by co-operatives during the year	-	233,843	-	-	233,843
Revaluation decrements	-	-	(4,377,718)	-	(4,377,718)
Balance at 30 June 2024	<u>5,167,005</u>	<u>755,864</u>	<u>1,509,778</u>	<u>1,000,000</u>	<u>8,432,647</u>

Note 19. Contingent liabilities

The company had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Note 20. Commitments

Capital commitments

Committed at the reporting date but not recognised as liabilities, payable:

	2024 \$	2023 \$
Cabramatta project	1,042,833	4,042,000
Schedule 3 works	<u>88,048</u>	<u>390,000</u>

Note 21. 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:

	2024 \$	2023 \$
Aggregate compensation	<u>729,802</u>	<u>538,964</u>

Note 22. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 21.

Transactions with related parties

Member directors are tenants and members of the individual co-operatives they belong to. These directors pay rents on similar terms as the other co-operative members to the respective co-operatives. There were no other material 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.



Note 22. Related party transactions (continued)

Loans to/from related parties

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

Note 23. Financial instruments

	2024 \$	2023 \$
Financial assets		
Held at amortised cost:		
Cash and cash equivalents	3,896,257	6,486,035
Trade and other receivables	44,964	90,982
Term deposits	8,310,691	3,639,005
	<u>12,251,912</u>	<u>10,216,022</u>
Financial liabilities		
Financial liabilities measured at amortised cost :		
Trade and other payables	214,809	473,410
Lease liabilities	291,580	36,610
Borrowings	3,721,337	2,602,562
	<u>4,227,726</u>	<u>3,112,582</u>

Accounting policy for financial instruments

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.

Financial assets

Classification

On initial recognition, the company classifies its financial assets as measured at amortised cost.

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.



Note 24. 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 operations. 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 25. 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 2024 the total amount that members of the company are liable to contribute if the company is wound up is \$31 (2023: \$31).

Note 26. Remuneration of auditors

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

	2024 \$	2023 \$
<i>Audit services - LBW & Partners</i>		
Audit of the financial statements	15,000	14,250
<i>Other services - LBW & Partners</i>		
Preparation of financial statements	1,650	1,600
	<u>16,650</u>	<u>15,850</u>

Note 27. Events after the reporting period

Cabramatta Site A was completed during the financial year, and a valuation was obtained subsequent to the year-end, with an effective date of 17 July 2024. Cabramatta Site B was completed after the year-end, with a valuation conducted as at 13 August 2024. The fair values of both properties have been adjusted as at 30 June 2024, based on these valuations obtained after the reporting period – See note 10.

No other matter or circumstance 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.

Common Equity NSW Ltd
Directors' declaration
30 June 2024



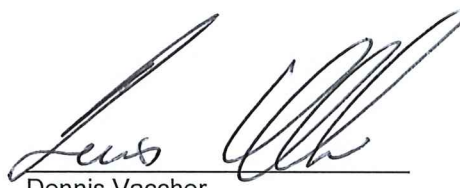
In the directors' opinion:

- 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 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.

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

On behalf of the directors



Lisa Danker
Chairperson

Dennis Vaccher
Director

22 October 2024



LBW & Partners

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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 2024, 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 material accounting policy information, 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 2024 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 Regulations 2022*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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 : 23 October 2024



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