

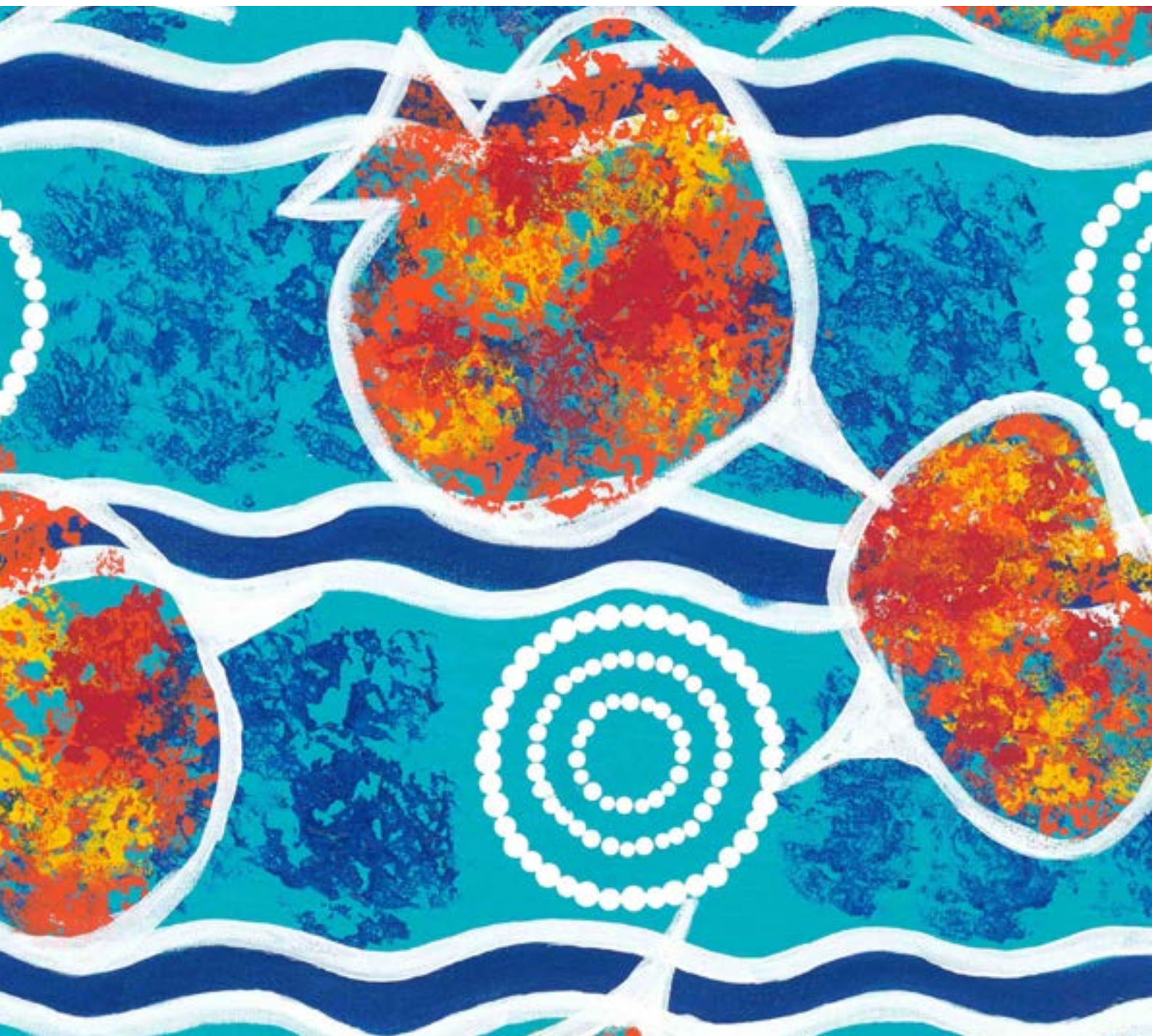


2023 FINANCIAL STATEMENTS

POSITIONING FOR GROWTH



LIVE. WORK. LOCAL.



ACKNOWLEDGEMENT OF COUNTRY

City West Housing acknowledges the Traditional Custodians of the land on which we operate and throughout Australia. We pay our respects to their Elders past, present and emerging, for they hold the memories, traditions, cultures and hopes of Aboriginal and Torres Strait Islander Australia. We acknowledge that Aboriginal and Torres Strait Islander peoples continue to live in spiritual and sacred relationships with this Country.

City West Housing resides on Gadigal Country

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Gadigal Dreaming by Graham Toomey Wurrumunga clan of the Wiradjuri nation / Wongaibon nation.

Front cover image - Young resident participant in Aspire.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The Directors present their report on City West Housing Pty Ltd (the Company) and its controlled entities (the Group or the Consolidated Entity) for the year ended 30 June 2023.

BOARD OF DIRECTORS

At 30 June 2023 there were seven Directors on the Board of City West Housing Pty Ltd.

The name of each person who has been a director during the year and up to the date of this report are:

DIANA D'AMBRA

Appointed 6 December 2018, appointed as Chair of the Board in June 2020, re-appointed November 2021.

TIM AMBLER

Appointed 3 December 2015, re-appointed December 2018 and November 2021.

MARCIA DOHENY

Appointed 4 April 2017 and re-appointed December 2019 and December 2022.

REBECCA RICHARDSON

Appointed 4 April 2017 and re-appointed December 2019 and December 2022.

MAREE WALK

Appointed 6 December 2018 and re-appointed November 2021.

JOHN CARFI

Appointed 10 August 2021. Leave of absence from 13 August to 30 November 2022.

WAYNE STOKES

Appointed 10 August 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the course of the financial year was the provision and management of affordable rental properties in Sydney. There was no significant change in the Group's activities during the year.

REVIEW OF OPERATIONS

The surplus for the year ended 30 June 2023 was \$17,081,947 (2022: \$20,817,473). The decrease in the surplus for the current financial year related to lower developer contributions however rental income, interest and investment income saw increases.

During the financial year the Group managed a portfolio of 932 apartments. At 30 June 2023 the total number of apartments in the portfolio was 932 (935 in the prior year).

DIVIDENDS

The Group is a not-for-profit organisation and is prevented by its constitutions from paying dividends.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

INFORMATION ON DIRECTORS

DIANA D'AMBRA

Director (appointed Chair from 1 July 2020)

Qualifications

FCA; FAICD; FGIA; B. Com; M.Com

Expertise

Currently non executive director or independent adviser for not for profit, listed and commercial boards in property, health services, retail consumer, technology and finance sectors. More than 15 years' non-executive director board experience.

Background

More than 25 years executive director experience in a global accounting firm delivering corporate finance and investment advice across a number of industry sectors, predominantly infrastructure, property, funds management, financial and health services.

Committee Membership

Finance, Risk & Audit and Development & Asset Management

TIM AMBLER

Director

Qualifications

B. Econ, GAICD

Expertise

More than 30 years' experience in the development, funds management and construction arenas.

Background

Executive Director, Archerfield Property Group; former Chief Operating Officer for Real Estate Development, Valad Property Group; former GM southern region, Walter Construction Group.

Committee Membership

Chair Development & Asset Management

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

MARCIA DOHENY

Director

Qualifications

BA (USyd), LLB (USyd), GAICD

Expertise

Law, Governance, Urban Planning and Development.

Background

More than 30 years' experience practising law and senior executive roles with NSW Government and City of Sydney Council. Deputy Chair of Australian Capital Territory City Renewal Authority, Chair of audit and risk committees including NSW Aboriginal Land Council, NSW Department of Premier and Cabinet and the Greater Cities Commission and chair and member of local and regional planning panels.

Committee Membership

Development & Asset Management

REBECCA RICHARDSON

Director

Qualifications

B. Town Planning (UNSW); Diploma of Law (LPAB/USyd), Grad Dip Mgmt (UTS); Financial Analysis Cert (UTS); Shared Value Cert (Harvard Business School); GAICD

Expertise

Urban planning; Housing policy, strategy and delivery; Property; Law; Management and Financial Analysis; Corporate Governance; Experienced company director.

Background

Managing Director of planning and strategy firm, Urbanista Australia Pty Ltd with experience in urban and regional communities, complex projects and financial modelling.

Other directorships: Halstead Press Pty Ltd, Fraser Coast Tourism and Events Limited and Urbanista Business Solutions Pty Ltd.

Committee Membership

Finance, Risk & Audit

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

MAREE WALK

Director

Qualifications

B. Social Work; Grad Cert Screenwriting; Ad Dip Radio Essentials; MAICD, Member AASW, AWG

Expertise

Executive experience in Government and Non-Government Organisations over twenty-five years in Family and Community Services and leading Benevolent Society. Has facilitated numerous government bodies and NGO peak bodies such as Families Australia, CAFWA, ACWA and GoodStart's Expert Advisory Group.

Background

Deputy Secretary, FACS NSW up until April 2017. Prior to that was Chief Executive, Community Services & General Manager, Operations at the Benevolent Society. Extensive experience in the area of child youth and family services, especially child protection, family violence and mental health. Other directorships: Parent Research Centre.

Committee Membership

Finance, Risk & Audit

JOHN CARFI

Director

Qualifications

BASc, GAICD

Expertise

More than 35 years' experience in the real estate development industry, managing multiple large scale, multi-staged, mixed use, high-profile developments, high level of financial, technical (engineering) and commercial knowledge.

Background

CEO of listed real estate development entities managing over 900 staff nationally and internationally with complete accountability across all disciplines and asset classes. 15 years with both Lend Lease and Mirvac and most recently as CEO with Aqualand.

Committee Membership

Development & Asset Management

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

WAYNE STOKES

Director

Qualifications

F CPA, GAICD, MBA, B. Bus (Acc), Grad. Diploma of Change Management

Expertise

More than 20 years' Executive experience across the commercial, private and not for profit sectors with particular focus on the tourism, infrastructure, accommodation and property development industries.

Background

Ex-CFO and Executive Member of subsidiary divisions of Carnival Corporation (both in AU/NZ and Asia). Prior divisional CFO and Executive positions within Toga Hospitality & Property Group (Europe & Sydney) and senior finance positions at the Lend Lease Group. Prior Board Member and Committee Chair of NFP, Be Kind Sydney and currently Member of the Finance, Risk & Audit Committee with the Australian Dental Council, CPA Australia Divisional Councillor (NSW) and Committee Member for the CPA Australia Ethics and Professional Standards CoE.

Committee Membership

Chair Finance, Risk and Audit

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

MEETING OF DIRECTORS OF CITY WEST HOUSING PTY LTD

During the financial year eleven Board meetings were held. Attendances by each director was as follows:

	BOARD MEETINGS		FINANCE, RISK & AUDIT COMMITTEE		DEVELOPMENT & ASSET MANAGEMENT COMMITTEE	
Diana D'Ambra	11	11	5	5	6	6
Tim Ambler	11	11			6	6
Marcia Doheny	11	11			6	6
Rebecca Richardson	11	11	5	5		
Diana D'Ambra	11	11				
Maree Walk	11	10	5	5		
John Carfi	5	5			3	3
Wayne Stokes	11	11	5	5		

 Eligible to attend

 Number attended

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

SHAREHOLDERS

The Directors acknowledge and appreciate the support of our Ordinary and Preference Shareholders.

ORDINARY SHAREHOLDERS

- » NSW Minister Families and Communities; Minister for Disability Services
- » NSW Treasurer

PREFERENCE SHAREHOLDERS

- » Australian Chinese Community Association of NSW
- » Faith Housing Alliance Incorporated
- » Council of the City of Sydney
- » Shelter NSW Incorporated
- » The Star Pty Ltd
- » St George Bank Ltd
- » The Uniting Church in Australia Property Trust (NSW)
- » Australand Corporation (NSW) Pty Ltd.

ENVIRONMENTAL REGULATION

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or a state or territory of Australia.

CHANGE IN STATE OF AFFAIRS

There was no significant change in the state of affairs of the Group during the financial year.

SUBSEQUENT EVENTS

There has not been any matter or circumstance, other than that referred to in the accounts or notes, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs in financial years after the financial year ended 30 June 2023.



DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS IN FUTURE YEARS

Likely developments in the Group's operations in future financial years are not expected to significantly affect the expected results of the Group.

INDEMNITIES

The Group has paid premiums to insure Directors under a Directors and Officers policy.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration for the year ended 30 June 2023 has been received and can be found on page 13 of the financial report.

This report is signed in accordance with a resolution of the Directors of City West Housing Pty Ltd.



Diana D'Ambra

Chair

28 September 2023

AUDITOR'S INDEPENDENCE DECLARATION

FOR THE YEAR ENDED 30 JUNE 2023



To the Directors

City West Housing Pty Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of City West Housing Pty Limited for the year ended 30 June 2023, I declare, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read "Cathy Wu".

Cathy Wu
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

26 September 2023
SYDNEY

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$'000	2022 \$'000
REVENUE AND EXPENSES			
Revenue	2	28,144	38,724
Other income	2	6,356	2,397
Interest & Investment Income	2	4,910	749
Dividend Income	2	836	-
Rental management expenses	3	(5,048)	(4,251)
Employee benefits expense	3	(5,196)	(4,242)
Depreciation and amortisation expense	3	(9,362)	(9,477)
Sundry expenses	3	(3,676)	(2,885)
(Loss)/Gain on sale of property, plant & equipment	3	117	(198)
PROFIT FOR THE YEAR		17,081	20,817
OTHER COMPREHENSIVE INCOME			
Net surplus for the year		17,081	20,817
Gain/(Loss) on revaluation or devaluation of property, plant & equipment	6	64,467	34,471
Gain/(Loss) on revaluation or devaluation of investments		2	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		81,550	55,288

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$'000	2022 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	4	74,152	211,335
Receivables	5	9,613	21,222
Other receivables	5	344	15,974
Investments – Current	7	133,356	-
Total current assets		217,465	248,531
Non current assets			
Property, plant and equipment	6	615,773	520,302
Investments – Non-Current	7	17,960	-
Right-of-Use Asset	6	1,021	1,331
Total non current assets		634,754	521,633
TOTAL ASSETS		852,219	770,164
LIABILITIES			
Current Liabilities			
Trade and other payables	8	3,157	2,488
Employee provisions	9	484	352
Borrowings	10	327	305
Total current liabilities		3,968	3,145
Non Current Liabilities			
Borrowings	10	781	1,099
Debt Facility	10	15,700	15,700
Total non current liabilities		16,481	16,799
TOTAL LIABILITIES		20,449	19,944
NET ASSETS		831,770	750,220
EQUITY			
Retained surplus		511,414	494,333
Asset revaluation reserve		320,354	255,887
Investment revaluation reserve		2	-
TOTAL EQUITY		831,770	750,220

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	<i>Note</i>	RETAINED SURPLUS \$'000	REVALUATION SURPLUS \$'000	INVESTMENT REVALUATION SURPLUS \$'000	TOTAL \$'000
Balance as at 30 June 2021		473,516	221,416	-	694,932
Comprehensive Income					
Surplus for the year		20,817			20,817
Other comprehensive income for the year					
Revaluation of land & buildings	<i>6</i>		34,471		34,471
Total other comprehensive income		-	34,471	-	34,471
Total comprehensive income		20,817	34,471	-	55,288
Balance as at 30 June 2022		494,333	255,887	-	750,220
Balance as at 30 June 2022		494,333	255,887	-	750,220
Comprehensive Income					
Surplus for the year		17,081			17,081
Other comprehensive income for the year					
Revaluation of land & buildings	<i>6</i>		64,467		64,467
Revaluation of investments				2	2
Total other comprehensive income		-	64,467	2	64,469
Total comprehensive income		17,081	64,467	2	81,550
Balance as at 30 June 2023		511,414	320,354	2	831,770

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$ '000	2022 \$ '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from contributions, rental and other		46,798	37,953
Payments to suppliers		(12,683)	(10,842)
Interest & dividends received		5,210	972
Establishment Fees		(94)	(8)
Interest paid on NHFIC loan		(742)	-
Net cash flows from operating activities	16	38,489	28,075
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(41,874)	(40,194)
Proceeds from disposal of property, plant and equipment		1,998	-
Payments for investment		(151,064)	-
Net cash flows from investing activities		(190,940)	(40,194)
CASH FLOWS FROM FINANCING ACTIVITIES			
Debt Facility NHFIC		15,700	-
Lease payments		(406)	(403)
Lease interest payments		(26)	(32)
Net cash flows from financing activities		15,268	(435)
Net increase/(decrease) in cash and cash equivalents		(137,183)	(12,554)
Cash and cash equivalents at beginning of the year		211,335	223,889
Cash and cash equivalents at end of the year	4	74,152	211,335

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

INTRODUCTION

The consolidated financial statements include City West Housing Pty Limited and its subsidiaries (City West Housing, the Group or the Consolidated Entity) for the year ended 30 June 2023. City West Housing Pty Limited is a company incorporated and domiciled in Australia. City West Housing is a not-for-profit entity for the purposes of preparing the financial statements.

The Group's operations and principal activities comprise of the provision and management of affordable rental properties in Sydney.

The registered office of the Company is Suite G01, Building B, 35 Saunders Street, Pyrmont NSW 2009.

The consolidated financial statements were authorised for issue by the Directors 28 September 2023.

NOTE 1 SUMMARY OF ACCOUNTING POLICIES

a) Basis of preparation

The principal accounting policies adopted by the Group are stated in order to assist in the general understanding of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements are a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (which include Australian interpretations), *Government Sector Audit Act 1983 and Regulation and the Australian Charities and Not-for-profits Commission Act 2012*.

Compliance with IFRS

The consolidated financial statements of the Group comply with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

New, revised and amended Accounting Standards adopted by the Company

Several amendments and interpretations apply for the first time for the year but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued or which are not yet effective.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1 SUMMARY OF ACCOUNTING POLICIES CONTINUED

Other new accounting standards, amendments to accounting standards, and interpretations have been published that are not mandatory for the current reporting period and are not expected to have a material impact on the Group's future financial reporting.

The Financial Statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars unless otherwise stated.

Property, plant and equipment and financial assets at "fair value through profit or loss" are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations that management has made are disclosed in the relevant notes to the financial statements.

b) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group. A list of controlled entity (subsidiary) at year-end is contained in note 18.

The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profits and losses resulting from intragroup transactions have been eliminated.

The subsidiary is consolidated from the date on which control is obtained to the date on which control is disposed. The acquisition of a subsidiary is accounted for using the acquisition method of accounting.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1 SUMMARY OF ACCOUNTING POLICIES CONTINUED

c) Statement of Compliance

The Financial Statements have been prepared on an accruals basis and are based on historical costs, modified where applicable by the measurement at fair value of selected non current assets. The Financial Statements and notes comply with Australian Accounting Standards which include Australian Accounting Interpretations, some of which contain requirements specific for not-for-profit entities that are inconsistent with IFRS requirements. Accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

d) Income Tax

The Company and its subsidiary have each been endorsed as an Income Tax Exempt Charitable Entity under Subdivision 50-B of the *Income Tax Assessment Act 1997*.

e) Property, Plant and Equipment

i) Acquisition of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Group. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted at an asset-specific rate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1 SUMMARY OF ACCOUNTING POLICIES CONTINUED

ii) Depreciation of property, plant and equipment

Land is not a depreciable asset. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- » Buildings – from 40 to 50 years
- » Fixtures and Fittings related to buildings – from 3 to 25 years
- » Office Equipment – from 3 to 7 years

iii) Capitalisation thresholds

Property, plant and equipment and intangible assets costing \$1,000 and above individually are capitalised.

iv) Revaluation of property plant and equipment

Physical non-current assets are valued at fair value in accordance with AASB 13 Fair Value Measurement and AASB 116 Property, Plant and Equipment.

Property plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of land and buildings is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no

available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The Group is required to revalue land and buildings at least every three years or with sufficient regularity to ensure that the carrying amount of each asset in the classes does not differ materially from its fair value at the reporting date. The Group values one third of its portfolio each year.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1 SUMMARY OF ACCOUNTING POLICIES CONTINUED

e) Property, Plant and Equipment continued

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the surplus/deficit, the increment is recognised immediately as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

v) Property under construction

Land to be developed is included in the land & buildings asset class at acquisition. On the date the land receives development approval and is vacant it will be transferred at fair value to the property under construction asset class for the duration of the development. Development costs are capitalised into the properties under construction asset class. At the date of the issuance of an occupation certificate the completed asset will be transferred to the land & buildings asset class at fair value.

vi) Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, the Group is effectively exempted from AASB 136 Impairment of Assets and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

vii) Maintenance

Day to day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1 SUMMARY OF ACCOUNTING POLICIES CONTINUED

f) Leases

The Group applies AASB 16 Leases which requires the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets.

AASB 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. Applying AASB 16, for all leases (except as noted below), the Group recognises right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments, recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss and separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cash flows. The incremental borrowing rate applied to the lease liabilities was 4.43% (prior year 3.78%).

For short-term leases (lease term of 12 months or less) and leases of low-value assets, the Company has opted to recognise a lease expense on a straight-line basis as permitted by AASB 16. This expense is presented within 'other expenses' in profit or loss.

g) Employee Benefits and Other Provisions

i) Salaries and wages, annual leave and on costs

Liabilities for salaries and wages (including non-monetary benefits) and annual leave that are due to be settled within 12 months of the reporting date are recognised and measured in respect of employees' services up to the end of the period in which the employees render the service at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled. Consideration is given to expected future salary levels and periods of service.

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 Employee Benefits. Market yields on government bonds at reporting date are used to discount long-term annual leave. These obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to delay settlement for at least twelve months after reporting date regardless of when settlement is expected to occur.

The outstanding amounts of workers' compensation, insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. Termination benefits are payable within 12 months of the termination benefits.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1 SUMMARY OF ACCOUNTING POLICIES CONTINUED

ii) Long service leave and superannuation

Provisions made in respect of long service leave and other employee entitlements, which are not expected to be settled within 12 months, are measured at the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date. Rates used to calculate the present value are Reserve Bank indicator mid-rates for Commonwealth Bonds as at year end. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

The Company has no unfunded superannuation liability and has no employees in defined benefit schemes.

h) Revenue

Revenue is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

i) Rental revenue

Rental revenue is recognised on an accruals basis on the first day of the rental period.

ii) Grants and contributions

Income from grants without sufficiently specific performance obligations is recognised in the profit or loss when the Company obtains control of the granted asset.

Revenue from grants with sufficiently specific performance obligations is recognised when the performance obligation is satisfied.

Developer contributions are recognised when either received or receivable by the Group or trustee government intermediary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1 SUMMARY OF ACCOUNTING POLICIES CONTINUED

City West Housing Pty Ltd receives contributions of assets from other parties for zero or a nominal value without sufficiently specific performance obligations. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

iii) Investment revenue

Interest revenue is recognised using the effective interest method as set out in AASB 9 Financial Instruments.

i) Receivables

Accounts receivable comprise rents owing from tenants. These amounts are due within 14 days and no interest is applicable to outstanding amounts. Bad debts are assessed annually and written off. An allowance for impairment is recognised where there is evidence the receivable is not recoverable.

Development contributions received on behalf of City West Housing by the City of Sydney Council or the Department of Planning and Environment are also included. All affordable housing development contributions are taken up as income when the monies are received by the Council or the Department in a trust account. Funds are regularly requested to be paid across to the Group.

These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Changes are recognised in the statement of comprehensive income when impaired, derecognised or through the amortisation process. Short term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1 SUMMARY OF ACCOUNTING POLICIES CONTINUED

j) Payables

These amounts represent liabilities for goods and services provided to the Group and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at original invoice amount where the effect of discounting is immaterial. Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

k) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less.

l) Insurance

The Company's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The contribution (premium) is determined by the Fund Manager based on past claims experience.

m) Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that the amount of GST incurred by the Company as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense and receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

n) Intangible Assets

The Company recognises intangible assets only if it is probable that future economic benefits will flow to the Group and the cost of the asset can be measured reliably. The useful lives of intangible assets are assessed to be finite. Intangible assets are measured at cost and are amortised using the straight line method over a period of 2 to 3 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1 SUMMARY OF ACCOUNTING POLICIES CONTINUED

o) Investments: Recognition and derecognition

Classification and initial measurement of Investments

Investments are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of investments (other than those carried at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition.

The Group derecognises an investment only when the contractual rights to the cash flows from the asset expire, or when it transfers the investment and substantially all the risks and rewards of ownership of the asset to another entity.

Investments are classified into one of the following categories:

- » amortised cost
- » fair value through profit or loss (FVTPL), or
- » fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- » the Group's business model for managing the investment, and
- » the contractual cash flow characteristics of the investment.

Subsequent measurement of investments

Investments at amortised cost

Investments are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- » they are held within a business model whose objective is to hold and collect its contractual cash flows, and
- » the contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such investments are subsequently measured at amortised cost using the effective interest rate (EIR) method and such investment are also subject to impairment test. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is recognised in finance income in profit or loss. The losses arising from impairment are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1 SUMMARY OF ACCOUNTING POLICIES CONTINUED

o) Investments: Recognition and derecognition continued

Investments at fair value through profit or loss (FVTPL)

Investments measured at fair value through profit or loss (FVTPL) are investments held within a different business model i.e., other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL. Further, irrespective of the business model used, investments whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

All revenue and expenses relating to investments that are recognised in profit or loss are presented within finance income, finance costs or other financial items.

The fair values of investments in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Investments at fair value through other comprehensive income (FVOCI)

An entity may irrevocably designate an equity instrument as measured at fair value through other comprehensive income on initial recognition. This is allowed when the asset is not held for trading or contingent consideration in a business combination. Under this option, only qualifying dividends are recognised in net results. Changes in fair value are recognised in other comprehensive income and never reclassified to net results, even if the asset is impaired, sold or otherwise derecognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1 SUMMARY OF ACCOUNTING POLICIES CONTINUED

p) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- » In the principal market for the asset or liability, or
- » In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising

the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- » **Level 1** – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- » **Level 2** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- » **Level 3** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1 SUMMARY OF ACCOUNTING POLICIES CONTINUED

q) Impairment of Financial Assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

r) Equity and Reserves

i) Asset revaluation surplus

The revaluation surplus is used to record increments and decrements on the revaluation of property, plant & equipment. This accords with the Group's policy on the revaluation of property, plant and equipment as discussed in note 1 (e) (iv).

ii) Retained surplus

The category 'Retained Surplus' includes all current and prior period retained funds.

s) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1 SUMMARY OF ACCOUNTING POLICIES CONTINUED

t) Critical Accounting Estimates and Judgements

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

At the end of each reporting period, the Directors update their assessment of the fair value of each property, taking into account the most recent independent valuations and analysis of land and buildings by suburb. Independent valuations are performed by independent valuers who hold recognised and relevant professional qualifications.

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease will be exercised when ascertaining the periods to be included in the lease term. All facts and circumstances that create and economical incentive to exercise an extension option or not are considered at the lease commencement date. Factors considered include the importance of the asset to the Group's operations, existence of leasehold improvements, costs of disruption to replace the lease. The Group reassesses whether it is reasonably certain to exercise an extension option or not if there is a significant event or significant change in circumstances.

No other key estimates and judgements are made in the financial report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 2 REVENUE AND OTHER INCOME

	<i>Note</i>	2023	2022
REVENUE		\$ '000	\$ '000
Residential and commercial developer contributions in City of Sydney		12,350	24,753
Rental income		15,794	13,971
Total revenue		28,144	38,724
OTHER INCOME			
Other income		28	613
National Rental Affordability Scheme Incentives		1,369	1,606
Community Housing Innovation Fund Grant		4,768	-
Water usage revenue		191	178
Total other income		6,356	2,397
INVESTMENT & INTEREST INCOME			
Interest revenue		4,025	749
Investment revenue		885	-
Total investment & interest income		4,910	749
DIVIDEND INCOME			
Dividend Income		836	-
		836	-
TOTAL REVENUE AND OTHER INCOME		40,246	41,870

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 3 EXPENSES

	<i>Note</i>	2023 \$ '000	2022 \$ '000
RENTAL MANAGEMENT EXPENSES			
Repairs and maintenance		2,132	2,102
Council and water rates		1,494	1,183
Other		1,422	966
Total rental management expenses		5,048	4,251
EMPLOYEE BENEFITS EXPENSE			
Employee related expenses		5,196	4,242
Total employee related expense		5,196	4,242
DEPRECIATION AND AMORTISATION			
Land and buildings		7,024	7,235
Furniture and fittings		1,784	1,694
Office equipment		33	38
Lease Asset-Depreciation		319	319
Leasehold amortisation		202	191
Total depreciation and amortisation		9,362	9,477

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 3 EXPENSES CONTINUED

	<i>Note</i>	2023 \$ '000	2022 \$ '000
SUNDRY EXPENSES			
Bad debts		45	122
Credit Loss Allowance		1	17
NHFIC Finance costs		834	9
Administration		2,796	2,737
Total other expenses		3,676	2,885
TOTAL EXPENSES		23,282	20,855
LOSS/(GAIN) ON SALE OF PROPERTY, PLANT & EQUIPMENT			
Loss on disposal of property, plant & equipment		36	188
Loss/(Gain) on sale of property, plant & equipment		(153)	10
		(117)	198

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NOTE 4 CASH AND CASH EQUIVALENTS

Cash at bank and in hand	54,509	26,755
At call deposit	1,643	1,600
Term deposits	18,000	182,980
TOTAL CASH AND CASH EQUIVALENTS	74,152	211,335

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 5 TRADE AND OTHER RECEIVABLES

	Note	2023 \$ '000	2022 \$ '000
CURRENT			
Accounts receivable		9,689	21,297
Allowance for credit losses		(76)	(75)
Total current receivables		9,613	21,222
OTHER RECEIVABLES			
NHFIC Debt Receivable	10	-	15,700
Prepayments		212	159
Goods & Services Tax (GST) recoverable		132	115
Total other receivables		344	15,974
TOTAL CURRENT AND OTHER RECEIVABLES		9,957	37,196

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 15.

ALLOWANCE FOR CREDIT LOSSES

Movement in the allowance for credit losses is as follows:

Provision for doubtful debts as at 1 July 2021	58
Increase in allowance for credit losses	17
Written off	-
Provision for doubtful debts as at 30 June 2022	75
Increase in allowance for credit losses	1
Written off	-
ALLOWANCE FOR CREDIT LOSSES AS AT 30 JUNE 2023	76

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 6 PROPERTY, PLANT & EQUIPMENT

	2023 \$ '000	2022 \$ '000
LAND & BUILDINGS		
Land and buildings at fair value	576,415	483,227
FIXTURES & FITTINGS		
Fixtures & fittings	27,370	26,698
Less accumulated depreciation	(12,735)	(11,510)
Total fixtures & fittings	14,635	15,188
PROPERTIES UNDER CONSTRUCTION		
Properties under construction	24,087	21,034
Total properties under construction	24,087	21,034
LEASEHOLD IMPROVEMENTS		
Leasehold improvements	1,130	1,130
Less accumulated depreciation	(547)	(345)
Total leasehold improvements	583	785
OFFICE EQUIPMENT		
Office equipment	224	208
Less accumulated depreciation	(171)	(140)
Total office equipment	53	68
TOTAL PROPERTY, PLANT AND EQUIPMENT	615,773	520,302

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 6 PROPERTY, PLANT & EQUIPMENT CONTINUED

- a) The Group practice is to engage an independent valuation of land and buildings at least every three years.
- b) For the 2023 financial year the Directors requested updated valuations by an external valuer for one third of all properties in the portfolio other than properties under construction. For all other properties an external valuer used a desktop valuation method applying annual valuation changes by postcode. These updated valuations were reviewed against the properties in the portfolio.
- c) The assessment of fair value resulted in a revaluation of \$64.467m being recognised in the revaluation reserve for the year ended 30 June 2023.
- d) During the current or prior year no land was transferred from the asset class of land and buildings to properties under construction.
- e) Buildings are depreciated throughout the year. At year end, as part of the revaluation, the depreciation is reversed in the balance sheet to the asset and credited to the asset revaluation reserve.
- f) A first ranking security relating to the loan facility has been taken over all assets of the subsidiary including properties under construction by the National Housing Finance and Investment Corporation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 6 PROPERTY, PLANT & EQUIPMENT CONTINUED

	LAND & BUILDINGS	FIXTURE & FITTINGS	PROPERTIES UNDER CONSTRUCTION
2022			
Balance at the beginning of the year	421,154	14,347	18,229
Additions at cost	34,837	2,536	2,805
Transfers	-	-	-
Disposals	-	(1)	-
Revaluations	34,471	-	-
Depreciation expense	(7,235)	(1,694)	-
Carrying amount at the end of the year	483,227	15,188	21,034
2023			
Balance at the beginning of the year	483,227	15,188	21,034
Additions at cost	37,537	1,267	3,053
Transfers	-	-	-
Disposals	(1,792)	(36)	-
Revaluations	64,467	-	-
Depreciation expense	(7,024)	(1,784)	-
Carrying amount at the end of the year	576,415	14,635	24,087

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 6 PROPERTY, PLANT & EQUIPMENT CONTINUED

	OFFICE EQUIPMENT	LEASEHOLD IMPROVEMENT	TOTAL \$'000
2022			
Balance at the beginning of the year	90	941	454,761
Additions at cost	20	35	40,233
Transfers	-	-	-
Disposals	(4)	-	(5)
Revaluations	-	-	34,471
Depreciation expense	(38)	(191)	(9,158)
Carrying amount at the end of the year	68	785	520,302
2023			
Balance at the beginning of the year	68	785	520,302
Additions at cost	18	-	41,875
Transfers	-	-	-
Disposals	-	-	(1,828)
Revaluations	-	-	64,467
Depreciation expense	(33)	(202)	(9,043)
Carrying amount at the end of the year	53	583	615,773

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 6 PROPERTY, PLANT & EQUIPMENT CONTINUED

	2023 \$ '000	2022 \$ '000
RIGHT-OF-USE ASSETS		
Office & Equipment Lease		
Gross carrying amount – at cost	1,919	1,919
Accumulated depreciation and impairment	(898)	(588)
Net carrying amount	1,021	1,331
Movement		
Net carrying amount at the beginning of the year	1,331	1,652
Net additions	9	-
Depreciation expense	(319)	(321)
Net carrying amount at the end of the year	1,021	1,331

FAIR VALUE MEASUREMENT

a) Fair value hierarchy

The following tables detail the assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, detailed in AASB 13, based on the lowest level of input that is significant to the entire fair value measurement being:

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

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

Level 3 – Inputs that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 6 PROPERTY, PLANT & EQUIPMENT CONTINUED

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
2022				
Assets				
Land and Buildings	-	-	483,227	483,227
TOTAL ASSETS	-	-	483,227	483,227
2023				
Assets				
Land and Buildings	-	-	576,415	576,415
TOTAL ASSETS	-	-	576,415	576,415

There were no transfers between levels during the financial year. There are no liabilities held at fair value in either financial year.

b) Valuation technique

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

The unobservable inputs applied in the valuation methods used included rental market data, rental levels, rental demands, and other observable inputs. Land and buildings valuations are based on highest and best use. There is no change to the valuation technique.

c) Level 3 assets

Movements in level 3 assets during the current and previous financial years is detailed in Note 6(d).

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 7 INVESTMENTS

Description	Note	2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
		Current		Non Current	
INVESTMENTS					
Investments carried at FVTPL					
a) Fund units (Quoted)		5,020	-	-	-
b) Fund units (Unquoted)		58,740	-	-	-
Investments carried at FVOCI					
a) Over the counter bonds		-		2,543	
Investments carried at amortised cost*					
a) Over the counter bonds		5,758	-	15,417	-
b) Term deposits - External		3,059	-	-	-
c) Term deposits - Internal		60,779			
Less: Impairment		-	-	-	-
TOTAL		133,356	-	17,960	-

* These investments carry interest which ranges between 1.55% - 6.56% p.a. and the term ranges between 0.42-9.51 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 7 INVESTMENTS CONTINUED

Investments at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss include investments in exchange traded funds (ETFs), fixed interest funds and corporate bond funds. Fair values of these equity shares are determined by reference to published price quotations in an active market.

Investments at fair value through Other Comprehensive Income (FVOCI)

Financial assets at fair value through Other Comprehensive Income includes investment in quoted corporate bonds with floating rate notes (FRNs). Fair values of these debt instruments are determined by reference to published price quotations in an active market.

Investments carried at amortised cost

Financial assets at amortised cost includes corporate bonds (FRNs) and fixed rate bank deposits.

Effective Rate of Interest

The effective interest rate is the rate that exactly discounts estimated future cash received through the expected life of a financial asset to its amortised cost and is used as a method of calculating the amortised cost of a financial asset, and of allocating the interest income in profit or loss over the term of the financial asset.

All revenue and expenses relating to investments that are recognised in profit or loss are presented within finance income, finance costs or other financial items.

The fair values of investments in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

FAIR VALUE MEASUREMENT

DESCRIPTION	FAIR VALUE HIERARCHY (LEVEL)	30 JUNE 2023		30 JUNE 2022	
		CARRYING VALUE \$'000	FAIR VALUE \$'000	CARRYING VALUE \$'000	FAIR VALUE \$'000
Investment in Fund units (Quoted)	Level 1	5,020	5,020	-	-
Investment in Fund units (Unquoted)	Level 2	58,740	58,740	-	-
Investment in over the counter bonds	Level 1	23,717	23,663	-	-
Investment in term deposits	Level 2	3,059	3,059	-	-

There were no transfers between Level 1 and Level 2 during 2023.

The financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described below

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

Level 3 – Inputs based on unobservable market data.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Valuation methodology:

Investment in quoted fund units – The fair value of investments in quoted fund units has been determined by reference to quoted bid prices in active markets at the reporting date and are categorised within Level 1 of the fair value hierarchy.

Investment in unquoted fund units – The fair value of investments in unquoted fund units have been estimated by reference to net asset value (NAV) of the underlying securities. As the net asset value of the underlying securities are observable inputs, these investments are categorised within Level 2 of the fair value hierarchy.

Investment in over the counter bonds and term deposits – The fair values of investments in over the counter bonds and term deposits carrying either a fixed or floating rate of interest has been determined by discounting the expected cash flows to their present values using a discount rate. Such investments are categorised within Level 2 of the fair value hierarchy as the fair value is determined based on observable inputs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 8 TRADE AND OTHER PAYABLES

	<i>Note</i>	2023	2022
		\$ '000	\$ '000
Trade creditors and operating accruals		2,017	1,341
Rent received in advance		980	1,020
Accrued salaries, wages and on-costs		160	127
TOTAL TRADE AND OTHER PAYABLES		3,157	2,488

Refer to Note 15 for details regarding credit risk, liquidity risk and market risk.

NOTE 9 PROVISIONS

Provision for employee benefits: annual leave	309	295
Provision for employee benefits: long service leave	175	57
Total current provisions	484	352
TOTAL PROVISIONS	484	352

Employee Provisions

Employee provisions represent amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 10 BORROWINGS

	<i>Note</i>	2023 \$ '000	2022 \$ '000
Set out below are the carrying amounts of the lease liabilities			
Current	17	327	305
Non-Current	17	781	1,099
Total Lease Liability		1,108	1,404
Set out below are the carrying amounts of the debt facility			
Current		-	-
Non-Current		15,700	15,700
Total Debt Facility		15,700	15,700
Total Borrowings			
Current		327	305
Non-Current		16,481	16,799
TOTAL BORROWINGS		16,808	17,104

On 21 June 2022 CWH Sydney South Limited (the Borrower) and City West Housing Pty Ltd (the parent) signed an indemnity deed with the National Housing Finance and Investment Corporation (NHFIC) to receive proceeds from a bond tap under one of NHFIC's existing bond issuances under the Affordable Housing Bond Aggregator. This bond tap was settled on 30 June 2022 and NHFIC placed \$15.7m into a term deposit on behalf of the Borrower with the term deposit to mature on 28 June 2023. As funds for the loan facility were not transferred to the Borrower at 30 June 2022, a current receivable from NHFIC was included in the Group accounts at that time. The full loan is effectively drawn down at 30 June 2022 and has a 14 year term and matures on 30 June

2036. The funds were transferred from NHFIC on 30 June 2023. The interest on the loan facility is fixed at 4.725% plus margins depending on status of construction (1.75%) or operation (0.8%). The loan is secured by a mortgage of the Borrower's property under construction.

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, including interest on long term borrowings. The establishment fee was be paid at the time of transfer of the funds to the Borrower following maturity of the term deposit on 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 11 CONTRIBUTED EQUITY

	2023 \$ '000	2022 \$ '000
a) Authorised capital		
100,000,000 shares @ \$1.00 each	100,000	100,000
	100,000	100,000
b) Issued Capital		
2 Ordinary shares of \$1.00 each fully paid	\$ 2	\$ 2
8 Redeemable Preference shares of \$1.00 each fully paid	8	8

The redeemable preference shares are redeemable at the option of the shareholder or the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 12 RELATED PARTY TRANSACTIONS

a) Parent entity

The Group is controlled by the following entity:

NAME	TYPE	PLACE OF INCORPORATION	OWNERSHIP INTEREST	
			2023	2022
City West Housing Pty Limited	Immediate and ultimate Australian parent entity	Australia	100%	100%

City West Housing Pty Limited is the only member of CWH Sydney South Limited, a company limited by guarantee.

b) Subsidiary

Interests in subsidiary are set out in note 18.

c) Key management personnel compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) is considered key management personnel. The subsidiary does not have any employees and all Directors fees are paid by City West Housing Pty Ltd.

	2023 \$ '000	2022 \$ '000
Key Management Personnel compensation:		
Short-term employee benefits	796	785
	796	785

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 12 RELATED PARTY TRANSACTIONS CONTINUED

d) Other transactions with related parties

i) Sales and purchases of services

The following table shows the income earned, expenses incurred and balances arising from related party transactions during the year:

	SALES TO RELATED PARTIES		AMOUNTS OWED BY RELATED PARTIES	
	2023 \$ '000	2022 \$ '000	2023 \$ '000	2022 \$ '000
Subsidiary				
Management Fees	15	-	15	-

Amounts owed by related parties are classified as trade receivables.

All transactions were made on commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

ii) Loans from related parties

Loans from City West Housing Pty Limited (Parent entity)

	2023 \$ '000	2022 \$ '000
Beginning of the year	17,639	-
Loans advanced	35,149	17,639
Loan repayments made	-	-
Interest charged	369	-
Interest paid	-	-
	53,157	17,639

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 12 RELATED PARTY TRANSACTIONS CONTINUED

A Parent Loan Agreement was entered into during FY2022 and varied during FY2023. The Agreement includes a facility limit of \$52.787m and interest of 1% per annum. The parent is providing the Facility to the subsidiary. The agreement is to provide funding for a 74 apartment affordable housing project in Waterloo. The maturity date of the loan is the later of a date agreed between the lender and

the borrower and six months after the maturity date of the National Housing Finance and Investment Corporation (NHFIC) facility. A Subordination Agreement has also been entered into with NHFIC relating to this facility and any repayment of interest or principal is subject to this agreement.

The facility advanced at 30 June 2023 relates to all funds required for the completion of the project.

NOTE 13 AUDITOR'S REMUNERATION

The auditor of the Group is the Audit Office of NSW

Audit of the financial statements

2023	2022
\$ '000	\$ '000

61	64
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No other benefits were received by the auditors during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 14 COMMITMENTS

	2023 \$ '000	2022 \$ '000
CAPITAL EXPENDITURE COMMITMENTS		
Aggregate capital expenditure for the acquisition of property, plant & equipment contracted for at balance date and not provided for.		
No later than one year	41,218	1,750
More than one year	12,198	1,317
TOTAL CAPITAL EXPENDITURE COMMITMENTS	53,416	3,067
OPERATING LEASE COMMITMENTS RECEIVABLE		
The company owns 17 commercial spaces. Lease terms are generally for periods of 2 to 7 years with options for further terms.		
No later than one year	1,488	821
More than one year	3,778	1,049
TOTAL OPERATING LEASE COMMITMENTS RECEIVABLE	5,266	1,870

GST payable to the ATO for Operating Leases of \$135,302 is included in the above figure (\$74,599 in 2022)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 15 FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments are outlined below. These financial instruments arise directly from the Group's operations or are required to finance those operations. The Group does not enter into or trade financial instruments for speculative purposes.

The Group's main risks arising from financial instruments are outlined below, together with the Group's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout the financial statements.

The Board and Finance, Risk & Audit Committee have overall responsibility for the establishment and oversight of risk management and review and agree policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Group to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Group through reporting to the Board.

a) Financial instrument categories

CATEGORY		Note	2023 \$'000	2022 \$'000
FINANCIAL ASSETS				
Cash and cash equivalents	Not applicable	4	74,152	211,335
Receivables ¹	Loans and receivables (at cost)	5	9,613	36,922
Investments	Investments carried at FVTPL	7	63,760	-
Investments	Investments carried at FVOCI	7	2,543	-
Investments	Investments carried at amortised cost	7	85,013	-
FINANCIAL LIABILITIES				
Payables ²	Financial liabilities measured at amortised cost	8	2,177	1,468
Borrowings	Financial liabilities measured at amortised cost	10	15,700	15,700

1. Excludes statutory receivables and prepayments (i.e. not within the scope of AASB 7), but includes NHFIC Debt Receivable.

2. Excludes statutory payables and unearned revenue (i.e. not within the scope of AASB 7).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 15 FINANCIAL RISK MANAGEMENT CONTINUED

Financial Risk Management Policies

The Finance, Risk & Audit Committee is responsible for monitoring and managing the Group's compliance with its risk management strategy and consists of four Board members. The Finance, Risk & Audit Committee's overall risk management strategy is to assist the Group in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Finance, Risk & Audit Committee on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group are exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

b) Credit Risk

Credit risk arises when there is the possibility of the Group's debtors defaulting on their contractual obligations resulting in a financial loss to the Group. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Group, including cash, receivables and deposits. No collateral is held by the Group. The Group has not granted any financial guarantees.

Credit risk associated with the Group's financial assets, other than receivables, is managed through the careful selection of counterparties and the establishment of minimum credit rating standards. The loss allowance for accounts receivable as at 30 June 2023 and 2022 was determined by applying the expected credit loss rate based on the average bad debts since the 2016 financial year. The credit loss rate for 30 June 2023 was 0.31% and for 30 June 2022 was 0.92% of income relating to residential rental income.

Cash

Cash comprises cash on hand and bank balances with the Commonwealth Bank, Westpac Banking Corporation and National Australia Bank. Interest is earned on monthly bank balances at the average cash rate and on term deposits at the interest rate on settlement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 15 FINANCIAL RISK MANAGEMENT CONTINUED

Receivables – Accounts receivable

Accounts receivable (rental debtors) become due on the first day of the fortnight for which they are billed. The Group has a collection procedure which is reviewed and assessed annually. The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses. A specific provision is raised for debts. This loss allowance for accounts receivable as at 30 June 2023 and 2022 was determined by applying the expected credit loss rate based on the average bad debts since the 2016 financial year. The credit loss rate for 30 June 2023 was 0.31% and for 30 June 2022 was 0.92% of income relating to residential rental income. Debts are written off when deemed not recoverable. Accordingly, other than the debts provided for as doubtful, no other allowance for impairment is deemed necessary nor is there any evidence that the Group will not be able to collect all other amounts due. No interest is earned on outstanding debtors.

Receivable – Sundry debtors

In 2023, a significant debt of \$3,361,910 (2022 \$18,171,847) is owed by the NSW Department of Planning and Environment and \$2,588,394 (2022: Nil) is owed by the Council of the City of Sydney in respect of Affordable Housing Developer Contributions which they hold as trustee for City West Housing Pty Limited. The Group are not materially exposed to concentrations of credit risk to any other single debtor or group of debtors.

	2023 \$ '000	2022 \$ '000
Sundry Debtors	8,056	20,264

The sundry debtors are not considered impaired and are not past due.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 15 FINANCIAL RISK MANAGEMENT CONTINUED

c) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due. The Group continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets and available borrowings. The Group now have borrowings of \$15.7m since 30 June 2022. Other than the borrowings its liquidity risk relates to the management of operational and capital trade creditors. During periods of construction, capital creditors can be relatively high in relation to operating creditors and these are managed through careful placement of investments whose maturities are timed to coincide with the payment of capital creditors. With respect to the borrowings the liquidity risk is managed through a 14 year loan term with fixed interest and a covenant relating to forecast cashflow of the development project once completed and operational.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers in 2023 were \$480,640 (2022 \$518,142), (which are unsecured) are settled in accordance with the supplier's terms of trade and the Group avails of early payment discounts

where appropriate. All payables at 30 June 2023 mature within 30 days. There is no interest applicable to these payables. The debt facility of \$15.7m was settled on 30 June 2023. The facility is secured by a mortgage over an affordable housing development.

d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to market risk through its use of financial instruments and specifically to interest rate risk and price risk.

Price Risk

The Group's exposure to price risk arises from investments held and classified in the financial statements as fair value through profit and loss. These include exchange traded funds (ETFs), fixed interest funds and corporate bond funds which are susceptible to uncertainties about future values of the investment securities. The Group manages the price risk through diversification and by placing limits on individual and total investments.

The information below summarises the impact of increase/decrease of the market index on the Group's equity and profit for the period (there are no comparatives for 2022):

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 15 FINANCIAL RISK MANAGEMENT CONTINUED

	Carrying Amount \$ '000	FAIR VALUE INCREASE BY 1%		FAIR VALUE DECREASE BY 1%	
		PROFIT \$ '000	EQUITY \$ '000	PROFIT \$ '000	EQUITY \$ '000
2023					
Financial Assets					
Fund units (Quoted and unquoted)	63,760	638	638	(638)	(638)

e) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates ("Bank Bill Swap Rate" or "BBSW"). The company's exposure to the risk of changes in market interest rates relates primarily to the Company's investment in over the counter bonds with floating interest rates. Bonds and term deposits with a fixed rate of interest are not subject to interest rate risk since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 15 FINANCIAL RISK MANAGEMENT CONTINUED

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below:

	Carrying Amount \$ '000	CHANGE IN INTEREST INCOME AS A RESULT OF + 1% IN INTEREST RATE		CHANGE IN INTEREST INCOME AS A RESULT OF - 1% IN INTEREST RATE	
		SURPLUS \$ '000	EQUITY \$ '000	SURPLUS \$ '000	EQUITY \$ '000
2023					
Financial Assets					
Cash	54,511	545	545	(545)	(545)
At call deposit	1,643	16	16	(16)	(16)
Term Deposits > 3 months	77,593	776	776	(776)	(776)
Receivables*	-	-	-	-	-
Over the counter bonds (fixed interest rates)	3,592	n/a	n/a	n/a	n/a
Term deposits (fixed interest rates)	3,059	n/a	n/a	n/a	n/a
Over the counter bonds (floating interest rates)	20,125	201	201	(201)	(201)
Financial Liabilities					
Payables	n/a	n/a	n/a	n/a	n/a
Borrowings**	(15,700)	(157)	(157)	157	157
2022					
Financial Assets					
Cash	26,755	268	268	(268)	(268)
At call deposit	1,600	16	16	(16)	(16)
Term Deposits	182,980	1,830	1,830	(1,830)	(1,830)
Receivables*	15,700	157	157	(157)	(157)
Financial Liabilities					
Payables	n/a	n/a	n/a	n/a	n/a
Borrowings	(15,700)	(157)	(157)	157	157

As at 30 June 2023 and 2022, the Group has a loan facility with the National Housing Finance and Investment Corporation (NHFIC) for \$15.7m.

* The Receivable from NHFIC of \$15.7m is in term deposit with Westpac Corporation until 28 June 2023 at a fixed rate of 3.85%.

** The Borrowings from NHFIC are long term fixed interest bonds for 14 Years from 30 June 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 15 FINANCIAL RISK MANAGEMENT CONTINUED

f) Fair value estimation

The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value because of the short term nature of many of the financial instruments. Financial instruments are classified under the revised AASB 7 measurement Tier 1 structure i.e. those derived from quoted prices (unadjusted) in active markets for identical assets. There has been no movement between Tiers.

The carrying value of trade receivables and payables approximate their fair values due to their short term nature.

FINANCIAL ASSETS AND LIABILITIES MATURITY ANALYSIS

	WITHIN 1 YEAR	1-5 YEARS	> 5YEARS	TOTAL 2023	TOTAL 2022
ASSETS DUE FOR RECEIPT					
Cash	74,152	-	-	74,152	211,335
Accounts receivable	9,613	-	-	9,613	21,222
NHFIC Debt Receivable	-	-	-	-	15,700
Other Financial Assets	-	-	-	-	-
FINANCIAL LIABILITIES DUE FOR PAYMENT					
Payables	(2,177)	-	-	(2,177)	(1,468)
Borrowings	-	-	(15,700)	(15,700)	(15,700)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 16 CASH FLOW INFORMATION

	2023 \$ '000	2022 \$ '000
RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES WITH NET CURRENT YEAR SURPLUS		
Net surplus for the year	17,081	20,817
Gain on disposal of property, plant & equipment	(208)	-
Depreciation and amortisation	9,362	9,477
Loss on disposal of property, plant & equipment	36	188
Doubtful debts expense	1	17
Bad debts written off	45	122
Unrealised gain on investments	(250)	-
(Increase)/ decrease in receivables	11,881	(3,185)
Increase/(decrease) in payables	411	562
Increase/(decrease) in provisions	130	85
CASH FLOWS FROM OPERATING ACTIVITIES	38,489	28,083

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 17 LEASES

Set out below are the carrying amounts of the lease liabilities and the movements during the year.

	2023 \$ '000	2022 \$ '000
Current	327	305
Non-Current	781	1,099
	1,108	1,404

MOVEMENT

Net carrying amount at the beginning of the year	1,404	1,691
Net additions	8	(2)
Acquisition of controlled entities	-	-
Accretion of interest	26	32
Lease payments	(330)	(317)
Net carrying amount at the end of the year	1,108	1,404

The Group has a number of lease contracts that include extension options. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised. Further details on this key judgement are provided on the following page.

The Group has several assets on lease including office building and equipment.

The average lease term is 4 years (2022: 4 years)

	2023 \$ '000	2022 \$ '000
Depreciation expense on right-of-use assets	319	319
Interest expense on lease liabilities	26	32
Expense relating to short-term leases	330	317
Expense relating to leases of low value assets	2	2

The total cash outflow for leases amount to \$330,453 (2022: \$ 317,475)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 18 INVESTMENT IN SUBSIDIARIES

Details of the Group's material subsidiaries at the end of the reporting period are as follows.

NAME OF SUBSIDIARY	PRINCIPAL ACTIVITY	PLACE OF INCORPORATION AND OPERATION	2023	2022
CWH Sydney South Limited	Provision of affordable housing for very low to moderate income earners	Incorporated in New South Wales and operates in Sydney, NSW Australia	100%	100%

The subsidiary was incorporated on 31 March 2022.

NOTE 19 CONTINGENT LIABILITIES

Several development properties owned by the Group contain contamination which will require remediation prior to construction works. There is no present obligation for the Group to undertake remediation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 20 EVENTS AFTER BALANCE SHEET DATE

The Group has not identified any events or transactions which would give rise to a material impact on the reported results or financial position of the Group as at 30 June 2023.

NOTE 21 CONTINGENT RECEIVABLES

The City West Affordable Housing Program and the Green Square Affordable Housing Scheme both allow developers to provide bank guarantees in lieu of development contributions in order to receive a construction certificate. Payment of the development contribution is then paid in order to receive an occupation certificate. There is no certainty that the projects with Bank Guarantees at 30 June 2023 will be completed and payment of the development contribution made. Bank guarantees and insurance bonds at 30 June 2023 total \$3,311,645 (30 June 2022 \$10,509,525).

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2023

In the Directors' opinion:

- 1) The financial statements and notes, as set out on pages 14 to 63 are in accordance with the Australian Charities and *Not for-profits Commission Act 2012* and:
 - a) Comply with *Australian Accounting Standards*, *Government Sector Audit Act 1983*, *Government Sector Audit Regulation 2021* and other mandatory professional reporting requirements, and
 - b) Give a true and fair view of the financial position of the Group as at 30 June 2023 and of the performance for the financial year ended on that date.
- 2) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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



Diana D'Ambra

Chair

Thursday, 28 September 2023

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2023



City West Housing Pty Limited

To the Treasurer, Minister for Families and Communities, and Disability Inclusion, and Directors of City West Housing Pty Limited

Opinion

I have audited the accompanying financial statements of City West Housing Pty Limited (the Company), which comprise the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the director's declaration for the Company and the consolidated entity. The consolidated entity comprises the Company and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards
- present fairly the financial position, financial performance and cash flows of the Company and consolidated entity
- have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and Division 60 of the Australian Charities and Not-for-profits Commission Regulations 2022.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Company and the consolidated entity in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2023



Other Information

The Company's annual report for the year ended 30 June 2023 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The directors of the Company are responsible for the other information. At the date of this independent Auditor's Report, the other information I have received comprise the Directors' Report.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Directors' Responsibilities for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012*. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar3.pdf. The description forms part of my auditor's report.

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2023



The scope of my audit does not include, nor provide assurance:

- that the Company or the consolidated entity carried out their activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

A handwritten signature in black ink, appearing to read 'Cathy Wu'.

Cathy Wu
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

5 October 2023
SYDNEY



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HOUSING

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