

Tenants' Union of NSW Co-operative Limited

ABN 88 984 223 164

Financial Statements - 30 June 2020

Tenants' Union of NSW Co-operative Limited
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30 June 2020



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The directors present their report, together with the financial statements, on the Co-operative for the year ended 30 June 2020.

Directors

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

Julia Davis	Chairperson
Scott Hawkins	Deputy Chairperson
Maree O'Halloran	Treasurer
Aideen McGarrigle	Secretary
Charmaine Jones	
Lisa Smaljov	
Dean Price	
Brendon McKeon	(Appointed on 21 November 2019)
Jane Kenny	(Appointed on 21 November 2019)
Paula Rix	(Resigned on 21 November 2019)
Donna Brotherson	(Resigned on 21 November 2019)
Nicole Grgas	(Resigned on 21 November 2019)

Operating results

The surplus of the co-operative amounted to \$74,478 (2019: \$9,710)

Principal activities

The principal activities of the cooperative during the financial year were to operate as a community legal centre specialising in New South Wales residential tenancy law.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the co-operative during the year.

Events after the reporting period

COVID-19 continues to have significant changes on the operation of the organisation including staff working remotely, but has not adversely impacted the organisation's output or financial situation. Since the reporting date the organisation has received new time limited grants totalling \$265,000 to address increased legal need.

Proceedings on behalf of the Co-operative

No person has applied for leave of Court to bring proceedings on behalf of the Co-operative or intervene in any proceedings to which the Co-operative is a party for the purpose of taking responsibility on behalf of the Co-operative for all or any part of those proceedings.

The Co-operative was not a party to any such proceedings during the year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Julia Davis
Chairperson



Maree O'Halloran
Treasurer

22 October 2020



LBW & Partners

Chartered Accountants & Business Advisors
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Alan M Perrott

George P Rochios

Mark W Willock

Tenants' Union of NSW Co-operative Limited

ABN: 88 984 223 164

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Tenants Union of NSW Co-operative Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* 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

Dated this 22nd of October 2020

Tenants' Union of NSW Co-operative Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020



	Note	2020 \$	2019 \$
Revenue	4	1,919,562	1,911,680
Interest revenue calculated using the effective interest method		1,443	5,439
Total revenue		<u>1,921,005</u>	<u>1,917,119</u>
Expenses			
Accounting fees		(55,508)	-
Computer expenses		(17,357)	(5,135)
Consultancy fees		(33,712)	(47,444)
Employee benefits expense		(1,468,604)	(1,617,024)
Depreciation and amortisation expense		(6,546)	(4,835)
Meeting expenses		(27,836)	(28,466)
Membership fees		(15,588)	(7,050)
Postage, printing and stationery		(23,989)	(20,152)
Rent		(95,085)	(94,848)
Telephone and internet		(14,152)	(10,998)
Travel and accommodation		(10,425)	(11,156)
Other expenses		(77,725)	(60,301)
Total expenses		<u>(1,846,527)</u>	<u>(1,907,409)</u>
Surplus before income tax expense		74,478	9,710
Income tax expense		-	-
Surplus after income tax expense for the year		74,478	9,710
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u><u>74,478</u></u>	<u><u>9,710</u></u>

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

Tenants' Union of NSW Co-operative Limited
Statement of financial position
As at 30 June 2020



	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	6	1,293,300	1,141,531
Trade and other receivables	7	6,403	13,690
Other	8	20,354	30,426
Total current assets		<u>1,320,057</u>	<u>1,185,647</u>
Non-current assets			
Property, plant and equipment		<u>1,873</u>	<u>8,419</u>
Total non-current assets		<u>1,873</u>	<u>8,419</u>
Total assets		<u>1,321,930</u>	<u>1,194,066</u>
Liabilities			
Current liabilities			
Trade and other payables	9	119,002	98,013
Contract liabilities	10	391,137	411,264
Employee benefits	11	313,825	266,042
Provisions	12	56,384	2,800
Total current liabilities		<u>880,348</u>	<u>778,119</u>
Non-current liabilities			
Employee benefits	13	153,021	153,021
Provisions	14	-	48,843
Total non-current liabilities		<u>153,021</u>	<u>201,864</u>
Total liabilities		<u>1,033,369</u>	<u>979,983</u>
Net assets		<u>288,561</u>	<u>214,083</u>
Equity			
Retained surplus		<u>288,561</u>	<u>214,083</u>
Total equity		<u>288,561</u>	<u>214,083</u>

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

Tenants' Union of NSW Co-operative Limited
Statement of changes in equity
For the year ended 30 June 2020



	Retained surplus \$	Total equity \$
Balance at 1 July 2018	204,373	204,373
Surplus after income tax expense for the year	9,710	9,710
Other comprehensive income for the year, net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	9,710	9,710
	<hr/>	<hr/>
Balance at 30 June 2019	<u>214,083</u>	<u>214,083</u>
	<hr/>	<hr/>
	Retained surplus \$	Total equity \$
Balance at 1 July 2019	214,083	214,083
Surplus after income tax expense for the year	74,478	74,478
Other comprehensive income for the year, net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	74,478	74,478
	<hr/>	<hr/>
Balance at 30 June 2020	<u>288,561</u>	<u>288,561</u>

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

Tenants' Union of NSW Co-operative Limited
Statement of cash flows
For the year ended 30 June 2020



	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,098,177	1,441,222
Payments to suppliers and employees (inclusive of GST)		(1,947,851)	(2,097,466)
Interest received		1,443	5,439
		<u>151,769</u>	<u>(650,805)</u>
Net cash from/(used in) operating activities	16		
Cash flows from investing activities			
Payments for property, plant and equipment		-	(2,316)
		<u>-</u>	<u>(2,316)</u>
Net cash used in investing activities			
		<u>-</u>	<u>-</u>
Net cash from financing activities			
		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		151,769	(653,121)
Cash and cash equivalents at the beginning of the financial year		1,141,531	1,794,652
		<u>1,293,300</u>	<u>1,141,531</u>
Cash and cash equivalents at the end of the financial year	6		

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

Note 1. General information

The financial statements cover Tenants' Union of NSW Co-operative Limited as an individual entity. The financial statements are presented in Australian dollars, which is Tenants' Union of NSW Co-operative Limited's functional and presentation currency.

Tenants' Union of NSW Co-operative Limited is a not-for-profit co-operative incorporated under the Co-operatives (Adoption of National Law) Act 2012, registered and domiciled in Australia. The Co-operative is registered with Australian Charities and Not-for-profits Commission as a charity. Its registered office and principal place of business is:

201/55 Holt Street
Surry Hills NSW 2010

A description of the nature of the Co-operative'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 2020.

Note 2. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

The Co-operative 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 Co-operative.

The following Accounting Standards and Interpretations are most relevant to the Co-operative:

AASB 15 Revenue from Contracts with Customers

The Co-operative has adopted AASB 15 from 1 July 2019 using the cumulative effect method which means the comparative information has not been restated and continue to be reported under AASB 111, AASB 118 and AASB 1004.

The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Financial statement impact of adoption of AASB 15:

The table below shows for comparability purposes the balances under AASB 15 and the previous accounting standards, as if AASB 15 had not been adopted. There were no changes to income, expenses, surplus or opening retained earnings as a result of the adoption of AASB 15.

Contract liabilities represent cash received in advance prior to delivery of services on various grants and other activities.

Note 2. Significant accounting policies (continued)

	AASB 15 Carrying amount \$	Reclassificati on \$	Carrying amount prior to adoption of AASB 15 \$
Contract liabilities	391,137	391,137	-
Deferred revenue	-	(391,137)	391,137
	<u>391,137</u>	<u>-</u>	<u>391,137</u>

AASB 16 Leases

AASB 16 is applicable to the Co-operative from 1 July 2019. The Co-operative has elected to use the exception to lease accounting for short term leases and leases of low assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis. As a result there have been no impact to 30 June 2020 financial statements on adoption of AASB 16.

This standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

AASB 1058 Income of Not-for-Profit Entities

The Co-operative has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities.

The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

The adoption of this standard had no significant impact on the Co-operative's 30 June 2020 financial statements.

Basis of preparation

In the directors' opinion, the Co-operative is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012, Co-operatives (Adoption of National Law) Act 2012 and associated regulations requirements to prepare and distribute financial statements to the members of Tenants' Union of NSW Co-operative Limited. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of Tenants' Union of NSW Co-operative Limited.

Note 2. Significant accounting policies (continued)

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Co-operative's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Revenue recognition

The Co-operative recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Co-operative is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Co-operative: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Rendering of services

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

Grant revenue

For current year:

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied. The performance obligations are varied based on the agreement.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

For comparative year:

Grant revenue is recognised when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the Co-operative and the amount of the grant can be measured reliably. When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)

Income from donations, grants and bequests generally that do not have sufficiently specific performance obligations are recognised at the fair value of the asset when such asset is received. The Co-operative considers whether there are any related liabilities or equity items associated with the asset – these are recognised in accordance with the relevant accounting standard and once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Note 2. Significant accounting policies (continued)

Interest

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

Other revenue

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

Income tax

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

Current and non-current classification

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

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

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

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

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

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

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

Trade and other payables

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

Contract liabilities

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

Provisions

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

Note 2. Significant accounting policies (continued)

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 long service leave and other benefits not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Defined contribution superannuation expense

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

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Comparatives

Certain comparative figures have been reclassified to conform with the current year's presentation.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Co-operative for the annual reporting period ended 30 June 2020. The Co-operative has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

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

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Co-operative based on known information. This consideration extends to the nature of the products and services offered, customers, suppliers, staffing and geographic regions in which the Co-operative operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Co-operative unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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

Grant income

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

All grants received by the Co-operative have been accounted for under AASB 15.

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

Employee benefits provision

Provision for redundancies and other employee provision have been recorded based on management estimates using various assumptions.

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 for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Note 4. Revenue

	2020 \$	2019 \$
<i>Revenue from contracts with customers</i>		
Operating grants	1,796,534	1,847,859
Training and consulting	2,000	26,399
Membership fees	1,734	2,051
	<u>1,800,268</u>	<u>1,876,309</u>
<i>Other revenue</i>		
Donations	12,062	4,245
Government subsidy - cash flow boost	50,000	-
Other revenue	57,232	31,126
	<u>119,294</u>	<u>35,371</u>
Revenue	<u><u>1,919,562</u></u>	<u><u>1,911,680</u></u>

Disaggregation of revenue

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

	2020 \$	2019 \$
<i>Timing of revenue recognition</i>		
Services transferred at a point in time	2,000	26,399
Services transferred over time	1,798,268	1,849,910
	<u><u>1,800,268</u></u>	<u><u>1,876,309</u></u>

Note 5. Expenses

	2020 \$	2019 \$
Surplus before income tax includes the following specific expenses:		
<i>Leases</i>		
Minimum lease payments	95,085	94,848
<i>Superannuation expense</i>		
Defined contribution superannuation expense	130,578	130,061
<i>Employee benefits expense excluding superannuation</i>		
Employee benefits expense excluding superannuation	1,338,026	1,486,963

Note 6. Current assets - cash and cash equivalents

	2020 \$	2019 \$
Cash on hand	500	513
Cash at bank	1,268,837	1,117,055
Short term deposit	23,963	23,963
	<u>1,293,300</u>	<u>1,141,531</u>

Note 7. Current assets - trade and other receivables

	2020 \$	2019 \$
Trade receivables	6,235	13,690
Other receivables	168	-
	<u>6,403</u>	<u>13,690</u>

Note 8. Current assets - other

	2020 \$	2019 \$
Accrued revenue	-	23,262
Prepayments	20,354	7,164
	<u>20,354</u>	<u>30,426</u>

Note 9. Current liabilities - trade and other payables

	2020 \$	2019 \$
Trade payables	27,964	4,258
Accrued expenses	19,386	34,241
PAYG and superannuation payable	45,203	32,129
BAS payable	26,449	27,385
	<u>119,002</u>	<u>98,013</u>

Note 10. Current liabilities - contract liabilities

	2020 \$	2019 \$
Contract liabilities - grants	380,643	411,264
Contract liabilities - other	10,494	-
	<u>391,137</u>	<u>411,264</u>

Note 11. Current liabilities - employee benefits

	2020 \$	2019 \$
Annual leave	127,517	121,797
Long service leave	186,308	144,245
	<u>313,825</u>	<u>266,042</u>

Note 12. Current liabilities - provisions

	2020 \$	2019 \$
Lease make good	48,843	-
Litigation	7,541	2,800
	<u>56,384</u>	<u>2,800</u>

Note 13. Non-current liabilities - employee benefits

	2020 \$	2019 \$
Redundancy	94,214	94,214
Other	58,807	58,807
	<u>153,021</u>	<u>153,021</u>

Note 14. Non-current liabilities - provisions

	2020 \$	2019 \$
Lease make good	-	48,843
	<u>-</u>	<u>48,843</u>

Note 15. Events after the reporting period

COVID-19 continues to have significant changes on the operation of the organisation including staff working remotely, but has not adversely impacted the organisation's output or financial situation. Since the reporting date the organisation has received new time limited grants totalling \$265,000 to address increased legal need.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Co-operative's operations, the results of those operations, or the Co-operative's state of affairs in future financial years.

Note 16. Reconciliation of surplus after income tax to net cash from/(used in) operating activities

	2020	2019
	\$	\$
Surplus after income tax expense for the year	74,478	9,710
Adjustments for:		
Depreciation and amortisation	6,546	4,834
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	7,287	(25,816)
Decrease in other assets	10,072	4,156
Increase/(decrease) in trade and other payables	20,989	(30,143)
Decrease in contract liabilities	(20,127)	(649,920)
Increase in employee benefits	47,783	36,374
Increase in other provisions	4,741	-
Net cash from/(used in) operating activities	<u>151,769</u>	<u>(650,805)</u>

In the directors' opinion:

- the Co-operative is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 2 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and the Co-operatives (Adoption of National Law) Act 2012 and associated regulations requirements to prepare and distribute financial statements to the members of Tenants' Union of NSW Co-operative Limited;
- the attached financial statements and notes give a true and fair view of the Co-operative's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors



Julia Davis
Chairperson



Maree O'Halloran
Treasurer

22 October 2020



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Tenants' Union of NSW Co-operative Limited

ABN: 88 984 223 164

Independent Auditor's Report to the members of Tenants Union of NSW Co-operative Limited

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Tenants' Union of NSW Co-operative Limited (the Co-operative), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Co-operative is in accordance with the Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Co-operatives (Adoption of National Law) Act 2012*, including:

- (i) giving a true and fair view of the Co-operative's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 2, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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 Co-operative in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Co-operative's financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012* and the *Co-operatives (Adoption of National Law) Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Comparatives Figures

Comparatives were audited by a firm of Certified Practising Accountants whose report dated 17 October 2019 expressed an unqualified audit opinion.



Tenants' Union of NSW Co-operative Limited
ABN: 88 984 223 164

Independent Auditor's Report to the members of Tenants Union of NSW Co-operative Limited

Responsibilities of Directors for the Financial Report

The directors are responsible for the preparation and fair presentation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the requirements of *the Australian Charities and Not-for-profits Commission Act 2012* and the *Co-operatives (Adoption of National Law) Act 2012*. The director's responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/home.aspx>. This description forms part of our auditor's report.

Rupaninga Dharmasiri
Partner

LBW & Partners
Chartered Accountants
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Dated this 23rd of October 2020