

Tenants' Union of NSW Co-operative Limited

ABN 88 984 223 164

Financial Statements - 30 June 2021

Tenants' Union of NSW Co-operative Limited
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30 June 2021



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The directors present their report, together with the financial statements, on the Co-operative for the year ended 30 June 2021.

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 (resigned 14 July 2021)	Deputy Chairperson
Maree O'Halloran	Treasurer
Aideen Mcgarrigle	Secretary
Charmaine Jones	
Lisa Smaljov	
Dean Price	
Brendon McKeon	
Jane Kenny	

Operating results

The surplus of the Co-operative for the year ended 30 June 2021 amounted to \$181,627 (2020: \$74,478)

Principal activities

The principal activities of the Co-operative 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.

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 Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* is set out immediately after this directors' report.

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

On behalf of the directors



Julia Davis
Chairperson



Maree O'Halloran
Treasurer

28 October 2021



LBW & Partners

Chartered Accountants & Business Advisors
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Tenants' Union of NSW Co-operative Limited

ABN: 88 984 223 164

Auditor's Independence Declaration to the Directors of Tenants Union of NSW Co-operative Limited

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as auditor of Tenants Union of NSW Co-operative Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

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

Rupaninga Dharmasiri
Partner

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

Dated this 28th of October 2021

Tenants' Union of NSW Co-operative Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021



	Note	2021 \$	2020 \$
Revenue	4	2,426,679	1,919,562
Interest revenue calculated using the effective interest method		585	1,443
Total revenue		<u>2,427,264</u>	<u>1,921,005</u>
Expenses			
Accounting fees		(45,200)	(55,508)
Computer expenses		(21,368)	(17,357)
Consultancy fees		(25,309)	(33,712)
Employee benefits expense		(1,859,397)	(1,468,604)
Depreciation and amortisation expense		(83,853)	(6,546)
Meeting expenses		(8,360)	(27,836)
Membership fees		(19,092)	(15,588)
Postage, printing and stationery		(18,444)	(23,989)
Operating lease expenses		(47,542)	(95,085)
Telephone and internet		(16,046)	(14,152)
Travel and accommodation		(4,466)	(10,425)
Other expenses		(89,985)	(77,725)
Finance costs	5	(6,575)	-
Total expenses		<u>(2,245,637)</u>	<u>(1,846,527)</u>
Surplus before income tax expense		181,627	74,478
Income tax expense		-	-
Surplus after income tax expense for the year		181,627	74,478
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u><u>181,627</u></u>	<u><u>74,478</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 2021



	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	6	1,206,658	1,293,300
Trade and other receivables	7	7,190	6,403
Other	9	21,231	20,354
Total current assets		<u>1,235,079</u>	<u>1,320,057</u>
Non-current assets			
Other financial assets	10	24,750	-
Property, plant and equipment	11	126,558	1,873
Right-of-use assets	8	191,110	-
Total non-current assets		<u>342,418</u>	<u>1,873</u>
Total assets		<u>1,577,497</u>	<u>1,321,930</u>
Liabilities			
Current liabilities			
Trade and other payables	12	102,933	119,002
Contract liabilities	13	211,150	391,137
Lease liabilities	14	86,260	-
Employee benefits	15	392,303	313,825
Provisions	16	19,745	7,541
Total current liabilities		<u>812,391</u>	<u>831,505</u>
Non-current liabilities			
Lease liabilities	14	110,228	-
Employee benefits	15	159,847	153,021
Provisions	16	24,843	48,843
Total non-current liabilities		<u>294,918</u>	<u>201,864</u>
Total liabilities		<u>1,107,309</u>	<u>1,033,369</u>
Net assets		<u>470,188</u>	<u>288,561</u>
Equity			
Retained surplus		<u>470,188</u>	<u>288,561</u>
Total equity		<u>470,188</u>	<u>288,561</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 2021



	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>
	 Retained surplus \$	 Total equity \$
Balance at 1 July 2020	288,561	288,561
Surplus after income tax expense for the year	181,627	181,627
Other comprehensive income for the year, net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	181,627	181,627
	<hr/>	<hr/>
Balance at 30 June 2021	<u>470,188</u>	<u>470,188</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 2021



	Note	2021 \$	2020 \$
Cash flows from operating activities			
Grants and receipts from customers (inclusive of GST)		2,477,097	2,098,177
Payments to suppliers and employees (inclusive of GST)		(2,329,839)	(1,947,851)
Interest received		585	1,443
Interest on lease liabilities		(6,575)	-
		<u>141,268</u>	<u>151,769</u>
Net cash from operating activities	20		
Cash flows from investing activities			
Payments for property, plant and equipment		(149,735)	-
Payment for term deposit		(24,750)	-
		<u>(174,485)</u>	<u>-</u>
Net cash used in investing activities			
Cash flows from financing activities			
Repayment of lease liabilities		(53,425)	-
		<u>(53,425)</u>	<u>-</u>
Net cash used in financing activities			
Net increase/(decrease) in cash and cash equivalents		(86,642)	151,769
Cash and cash equivalents at the beginning of the financial year		<u>1,293,300</u>	<u>1,141,531</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>1,206,658</u></u>	<u><u>1,293,300</u></u>

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

Note 1. General information

The financial statements cover 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:

Level 5, 191 Thomas Street
Haymarket NSW 2000

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 28 October 2021.

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.

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.

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.

Note 2. Significant accounting policies (continued)

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

When the Co-operative receives grants, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Co-operative:

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

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Co-operative:

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

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

Interest

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

Other revenue

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

Income tax

As the 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.

Note 2. Significant accounting policies (continued)

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.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Co-operative has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

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

Impairment of financial assets

The Co-operative recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Co-operative's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

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

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

Note 2. Significant accounting policies (continued)

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Co-operative expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Co-operative has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

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.

Lease liabilities

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

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

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.

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.

Note 2. Significant accounting policies (continued)

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.

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 2021. 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.

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

	2021	2020
	\$	\$
<i>Revenue from contracts with customers</i>		
Operating grants	2,325,733	1,796,534
Training and consulting	245	2,000
Membership fees	1,035	1,734
	<u>2,327,013</u>	<u>1,800,268</u>
<i>Other revenue</i>		
Donations	8,247	12,062
Government subsidy - cash flow boost	50,000	50,000
Other revenue	41,419	57,232
	<u>99,666</u>	<u>119,294</u>
Revenue	<u>2,426,679</u>	<u>1,919,562</u>
	2021	2020
	\$	\$
Government revenue (including grants)		
Commonwealth government		
Commonwealth Funding administered by Legal Aid NSW	<u>101,821</u>	<u>93,141</u>
State government		
NSW Fair Trading	1,808,631	1,489,565
Legal Aid NSW	415,281	185,623
	<u>2,223,912</u>	<u>1,675,188</u>
Local Government		
Council of City of Sydney	<u>-</u>	<u>16,987</u>
	<u>2,325,733</u>	<u>1,785,316</u>
<i>Disaggregation of revenue</i>		
The disaggregation of revenue from contracts with customers is as follows:		
	2021	2020
	\$	\$
<i>Timing of revenue recognition</i>		
Services transferred at a point in time	245	2,000
Services transferred over time	2,326,768	1,798,268
	<u>2,327,013</u>	<u>1,800,268</u>

Note 5. Expenses

	2021 \$	2020 \$
Surplus before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Property, plant and equipment	25,050	6,546
Office premises right-of-use assets	58,803	-
	<u>83,853</u>	<u>6,546</u>
Total depreciation		
Audit fees	6,500	6,000
	<u>6,575</u>	<u>-</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	6,575	-
	<u>47,542</u>	<u>95,085</u>
<i>Leases</i>		
Minimum lease payments		
	47,542	95,085
<i>Superannuation expense</i>		
Defined contribution superannuation expense	155,908	130,578
Employee benefits expense excluding superannuation	1,703,489	1,338,026
	<u>1,703,489</u>	<u>1,338,026</u>

Note 6. Cash and cash equivalents

	2021 \$	2020 \$
<i>Current assets</i>		
Cash on hand	500	500
Cash at bank	1,182,195	1,268,837
Short term deposit	23,963	23,963
	<u>1,206,658</u>	<u>1,293,300</u>

Note 7. Trade and other receivables

	2021 \$	2020 \$
<i>Current assets</i>		
Trade receivables	5,133	6,235
Other receivables	2,057	168
	<u>7,190</u>	<u>6,403</u>

Note 8. Right-of-use assets

	2021 \$	2020 \$
<i>Non-current assets</i>		
Office premises - right-of-use	249,913	-
Less: Accumulated depreciation	(58,803)	-
	<u>191,110</u>	<u>-</u>

Note 8. Right-of-use assets (continued)

The Co-operative leases buildings for its office under an agreement of three years ending in August 2023.

Reconciliations

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

	Office premises \$	Total \$
Balance at 1 July 2019	-	-
Balance at 30 June 2020	-	-
Additions	249,913	249,913
Depreciation expense	(58,803)	(58,803)
Balance at 30 June 2021	<u>191,110</u>	<u>191,110</u>

Note 9. Other

	2021 \$	2020 \$
<i>Current assets</i>		
Prepayments	<u>21,231</u>	<u>20,354</u>

Note 10. Other financial assets

	2021 \$	2020 \$
<i>Non-current assets</i>		
Term deposit	<u>24,750</u>	<u>-</u>

The term deposit held by the bank as a security for the performance by the Co-operative under its office premises lease.

Note 11. Property, plant and equipment

	2021 \$	2020 \$
<i>Non-current assets</i>		
Leasehold improvements - at cost	253,532	108,919
Less: Accumulated depreciation	(132,244)	(108,919)
	<u>121,288</u>	<u>-</u>
Plant and equipment - at cost	80,297	80,297
Less: Accumulated depreciation	(79,955)	(79,191)
	<u>342</u>	<u>1,106</u>
Fixtures and fittings - at cost	16,287	11,165
Less: Accumulated depreciation	(11,359)	(10,398)
	<u>4,928</u>	<u>767</u>
	<u>126,558</u>	<u>1,873</u>

Note 11. Property, plant and equipment (continued)

Reconciliations

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

	Leasehold improvements \$	Plant and equipment \$	Fixtures and fittings \$	Total \$
Balance at 1 July 2019	-	5,419	3,000	8,419
Depreciation expense	-	(4,313)	(2,233)	(6,546)
Balance at 30 June 2020	-	1,106	767	1,873
Additions	144,612	-	5,122	149,734
Depreciation expense	(23,324)	(764)	(961)	(25,049)
Balance at 30 June 2021	<u>121,288</u>	<u>342</u>	<u>4,928</u>	<u>126,558</u>

Note 12. Trade and other payables

	2021 \$	2020 \$
<i>Current liabilities</i>		
Trade payables	12,628	27,964
Accrued expenses	33,160	19,386
PAYG and superannuation payable	42,408	45,203
BAS payable	14,737	26,449
	<u>102,933</u>	<u>119,002</u>

Note 13. Contract liabilities

	2021 \$	2020 \$
<i>Current liabilities</i>		
Contract liabilities - grants	206,950	380,643
Contract liabilities - other	4,200	10,494
	<u>211,150</u>	<u>391,137</u>

Note 14. Lease liabilities

	2021 \$	2020 \$
<i>Current liabilities</i>		
Lease liability - Office premises	86,260	-
<i>Non-current liabilities</i>		
Lease liability - Office premises	110,228	-
	<u>196,488</u>	<u>-</u>

Note 15. Employee benefits

	2021 \$	2020 \$
<i>Current liabilities</i>		
Annual leave	166,216	127,517
Long service leave	226,087	186,308
	<u>392,303</u>	<u>313,825</u>
<i>Non-current liabilities</i>		
Long service leave	6,826	-
Redundancy	94,214	94,214
Other	58,807	58,807
	<u>159,847</u>	<u>153,021</u>
	<u><u>552,150</u></u>	<u><u>466,846</u></u>

Note 16. Provisions

	2021 \$	2020 \$
<i>Current liabilities</i>		
Litigation	19,745	7,541
<i>Non-current liabilities</i>		
Lease make good	24,843	48,843
	<u>44,588</u>	<u>56,384</u>

Note 17. Contingent liabilities

The Co-operative has given bank guarantee of \$24,750 as at 30 June 2021 in respect of office lease.

Note 18. Economic dependency

The Co-operative is dependent on the Commonwealth and NSW State governments for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the Commonwealth and NSW State governments will not continue to support the Co-operative.

Note 19. Events after the reporting period

No matter or circumstance has arisen since 30 June 2021 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 20. Reconciliation of surplus after income tax to net cash from operating activities

	2021 \$	2020 \$
Surplus after income tax expense for the year	181,627	74,478
Adjustments for:		
Depreciation and amortisation	83,853	6,546
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(787)	7,287
Decrease in other assets	(877)	10,072
Increase/(decrease) in trade and other payables	(16,069)	20,989
Decrease in contract liabilities	(179,987)	(20,127)
Increase in employee benefits	85,304	47,783
Increase/(decrease) in other provisions	(11,796)	4,741
Net cash from operating activities	<u>141,268</u>	<u>151,769</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 2021 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


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Julia Davis
Chairperson



Maree O'Halloran
Treasurer

28 October 2021



LBW & Partners

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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 2021, 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 2021 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.



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
Level 3, 845 Pacific Highway
CHATSWOOD NSW 2067

Dated this 29th of October 2021