

# **Tenants' Union of NSW Co-operative Limited**

**ABN 88 984 223 164**

**Financial Statements - 30 June 2023**

**Tenants' Union of NSW Co-operative Limited**  
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**30 June 2023**



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

### **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:

Melissa Brooks (Chairperson)	
Hayley Winchcombe (Treasurer)	
Julia Davis (Secretary)	
Maree O'Halloran	
Brendon McKeon	
Olivier Gonfond	
Giancarlo de Vera	(Appointed: November 2022)
Linda Przhedetsky	(Appointed: November 2022)
Lauren Stubbs	(Appointed: August 2023)
Mauro di Nicola	(Resigned: November 2022)
Lisa Smaljov	(Resigned: November 2022)
Chris Hartley	(Resigned: June 2023)

### **Operating results**

The surplus of the Co-operative for the year ended 30 June 2023 amounted to \$40,404 (2022: Deficit \$29,331).

### **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.

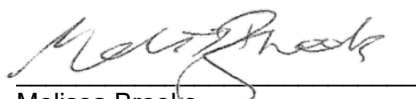
The Co-operative was not a party to any such proceedings during the year.

### **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.

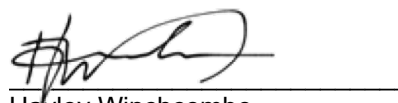
This report is made in accordance with a resolution of the board of directors.

On behalf of the directors



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Melissa Brooks  
Chairperson



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Hayley Winchcombe  
Treasurer

30 October 2023



#### LBW & Partners

Chartered Accountants & Business Advisors  
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#### Partners

Elias Y Bader

Rupa Dharmasiri

George P Rochios

Mark W Willock

## 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 2023, I declare that, to the best of my knowledge and belief, there have been:

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

Rupaninga Dharmasiri

Partner

LBW & Partners

Chartered Accountants

Level 3, 845 Pacific Highway

CHATSWOOD NSW 2067

Date: 30 October 2023

**Tenants' Union of NSW Co-operative Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2023**



	Note	2023 \$	2022 \$
<b>Revenue</b>	4	2,457,077	2,415,319
Interest income		35,592	3,667
Total revenue		<u>2,492,669</u>	<u>2,418,986</u>
<b>Expenses</b>			
Accounting fees		(48,204)	(46,800)
Client support costs		(18,331)	(38,092)
Computer expenses		(21,849)	(21,795)
Consultancy fees		(15,945)	(47,157)
Depreciation and amortisation expense	5	(147,043)	(145,419)
Employee benefits expense		(2,011,954)	(1,980,087)
Finance costs	5	(2,686)	(6,740)
Meeting expenses		(40,379)	(37,323)
Membership fees		(20,130)	(18,143)
Postage, printing and stationery		(13,327)	(9,409)
Telephone and internet		(11,201)	(14,670)
Travel and accommodation		(18,544)	(3,511)
Other expenses		(82,672)	(79,171)
Total expenses		<u>(2,452,265)</u>	<u>(2,448,317)</u>
<b>Surplus/(deficit) for the year</b>	18	40,404	(29,331)
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<u><u>40,404</u></u>	<u><u>(29,331)</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 2023**



	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	531,135	792,509
Trade and other receivables	8	172,639	29,731
Other financial assets	7	1,024,750	524,750
Other assets	9	38,848	8,491
Total current assets		<u>1,767,372</u>	<u>1,355,481</u>
<b>Non-current assets</b>			
Property, plant and equipment	10	21,386	71,179
Right-of-use assets	11	14,701	102,905
Total non-current assets		<u>36,087</u>	<u>174,084</u>
<b>Total assets</b>		<u>1,803,459</u>	<u>1,529,565</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	268,707	105,091
Contract liabilities	13	343,663	193,788
Lease liabilities	14	16,194	94,034
Employee benefits	15	494,175	453,654
Provisions	16	33,898	20,290
Total current liabilities		<u>1,156,637</u>	<u>866,857</u>
<b>Non-current liabilities</b>			
Lease liabilities	14	-	16,194
Employee benefits	15	165,561	165,662
Provisions	16	-	39,995
Total non-current liabilities		<u>165,561</u>	<u>221,851</u>
<b>Total liabilities</b>		<u>1,322,198</u>	<u>1,088,708</u>
<b>Net assets</b>		<u>481,261</u>	<u>440,857</u>
<b>Equity</b>			
Reserves	17	9,330	65,309
Retained surplus	18	471,931	375,548
<b>Total equity</b>		<u>481,261</u>	<u>440,857</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 2023**



	<b>Reserves</b>	<b>Retained surplus</b>	<b>Total equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2021	-	470,188	470,188
Deficit for the year	-	(29,331)	(29,331)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(29,331)	(29,331)
Transfer to reserve	65,309	(65,309)	-
Balance at 30 June 2022	<u>65,309</u>	<u>375,548</u>	<u>440,857</u>
	<b>Reserves</b>	<b>Retained surplus</b>	<b>Total equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2022	65,309	375,548	440,857
Surplus for the year	-	40,404	40,404
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	40,404	40,404
Transfer to retained surplus	(55,979)	55,979	-
Balance at 30 June 2023	<u>9,330</u>	<u>471,931</u>	<u>481,261</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 2023**



	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from government (inclusive of GST)		2,270,431	2,544,650
Receipts in the course of operations (except government grants) (inclusive of GST)		38,479	62,641
Interest received		35,592	3,667
Payments to suppliers and employees (inclusive of GST)		(2,000,110)	(2,430,272)
Interest on lease liabilities		(2,686)	(6,740)
		<u>341,706</u>	<u>173,946</u>
Net cash from operating activities	20		
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(9,046)	(1,835)
Payment for term deposits		(500,000)	(500,000)
		<u>(509,046)</u>	<u>(501,835)</u>
Net cash used in investing activities			
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities		(94,034)	(86,260)
		<u>(94,034)</u>	<u>(86,260)</u>
Net cash used in financing activities			
Net decrease in cash and cash equivalents		(261,374)	(414,149)
Cash and cash equivalents at the beginning of the financial year		792,509	1,206,658
		<u>792,509</u>	<u>1,206,658</u>
Cash and cash equivalents at the end of the financial year	6	<u>531,135</u>	<u>792,509</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 5/257 Clarence Street  
SYDNEY 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 30 October 2023.

## **Note 2. Significant accounting policies**

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

### **New or amended Accounting Standards and Interpretations adopted**

The 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*

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised services to customers at an amount that reflects the consideration the Co-operative expects to receive in exchange for those goods or services.

Generally the timing of the payment for rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Co-operative have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

### Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Co-operative are:

#### *Grant income*

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.

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.

### Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations

#### *Grant income*

Revenue in the scope of AASB 1058 is recognised on receipt unless it relates to a capital grant which satisfies certain criteria, in this case the grant is recognised as the asset is acquired or constructed.

#### *Donations*

Donations are recognised on receipt of cash or at the time a receivable is recorded, if earlier.

#### *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.

### 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.

## 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 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.

## **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 2023. 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.

### *Revenue from contracts with customers involving grants*

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 both AASB 15 and no grants have been accounted for under AASB 1058 based on the terms and conditions and decisions made.

If this determination was changed then the revenue recognition pattern would be different from that recognised in 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**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Revenue from contracts with customers</i>		
Operating grants	2,368,646	2,324,153
Membership fees	3,864	3,383
Service fees	14,557	20,100
Training and consulting	3,455	8,666
Events income	1,137	-
	<u>2,391,659</u>	<u>2,356,302</u>
<i>Other revenue</i>		
Costs recovered	8,059	47,992
Donations	17,107	10,945
Other/sundry	40,252	80
	<u>65,418</u>	<u>59,017</u>
Revenue	<u>2,457,077</u>	<u>2,415,319</u>

<b>2023</b>	<b>2022</b>
<b>\$</b>	<b>\$</b>

The details of government revenue by level of government and department are as follows:

**Government revenue (including grants)**

**Commonwealth government**

Commonwealth Funding administered by Legal Aid NSW	<u>225,036</u>	<u>97,503</u>
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**State government**

NSW Fair Trading	1,904,230	1,780,984
Legal Aid NSW	198,751	285,556
Department of Communities and Justice	30,449	153,000
	<u>2,133,430</u>	<u>2,219,540</u>

**Local government**

Council of City of Sydney	<u>10,180</u>	<u>7,110</u>
	<u>2,368,646</u>	<u>2,324,153</u>

*Disaggregation of revenue*

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

<b>2023</b>	<b>2022</b>
<b>\$</b>	<b>\$</b>

*Timing of revenue recognition*

Services transferred at a point in time	4,592	28,766
Services transferred over time	2,387,067	2,327,536
	<u>2,391,659</u>	<u>2,356,302</u>

### Note 5. Expenses

	2023 \$	2022 \$
Surplus/(deficit) includes the following specific expenses:		
<i>Depreciation</i>		
Property, plant and equipment	58,839	57,214
Office premises right-of-use assets	88,204	88,205
Total depreciation	<u>147,043</u>	<u>145,419</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	<u>2,686</u>	<u>6,740</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	183,781	169,800
<i>Employee benefits expense excluding superannuation</i>		
Employee benefits expense excluding superannuation	<u>1,828,173</u>	<u>1,810,287</u>

### Note 6. Cash and cash equivalents

	2023 \$	2022 \$
<i>Current assets</i>		
Cash on hand	516	500
Cash at bank	506,656	268,046
Short term deposit	23,963	523,963
	<u>531,135</u>	<u>792,509</u>

### Note 7. Other financial assets

	2023 \$	2022 \$
<i>Current assets</i>		
Term deposits	<u>1,024,750</u>	<u>524,750</u>

The balance includes term deposits amounting to \$24,750 (2022: \$24,750) held by the bank as a security for the performance by the Co-operative under its office premises lease.

### Note 8. Trade and other receivables

	2023 \$	2022 \$
<i>Current assets</i>		
Trade receivables	144,303	5,316
Other receivables	28,336	24,415
	<u>172,639</u>	<u>29,731</u>

**Note 9. Other assets**

	2023 \$	2022 \$
<i>Current assets</i>		
Prepayments	38,848	8,491

**Note 10. Property, plant and equipment**

	2023 \$	2022 \$
<i>Non-current assets</i>		
Leasehold improvements - at cost	253,532	253,532
Less: Accumulated depreciation	(244,202)	(188,223)
	9,330	65,309
Plant and equipment - at cost	90,674	82,132
Less: Accumulated depreciation	(81,759)	(79,955)
	8,915	2,177
Fixtures and fittings - at cost	16,791	16,287
Less: Accumulated depreciation	(13,650)	(12,594)
	3,141	3,693
	21,386	71,179

*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 2021	121,288	342	4,928	126,558
Additions	-	1,835	-	1,835
Depreciation expense	(55,979)	-	(1,235)	(57,214)
Balance at 30 June 2022	65,309	2,177	3,693	71,179
Additions	-	8,542	504	9,046
Depreciation expense	(55,979)	(1,804)	(1,056)	(58,839)
Balance at 30 June 2023	9,330	8,915	3,141	21,386

**Note 11. Right-of-use assets**

	2023 \$	2022 \$
<i>Non-current assets</i>		
Office premises - right-of-use	249,913	249,913
Less: Accumulated depreciation	(235,212)	(147,008)
	14,701	102,905

The Co-operative leases buildings for its office under an agreement of three years ending in August 2023 with no options to renew. The rentals are subject to a fixed annual increase of 4%.

**Note 11. Right-of-use assets (continued)**

*Reconciliations*

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

	Office premises \$	Total \$
Balance at 1 July 2022	102,905	102,905
Depreciation expense	(88,204)	(88,204)
	<u>14,701</u>	<u>14,701</u>
Balance at 30 June 2023	<u>14,701</u>	<u>14,701</u>

**Note 12. Trade and other payables**

	2023 \$	2022 \$
<i>Current liabilities</i>		
Trade payables	144,518	20,116
Accrued expenses	52,084	41,268
PAYG and superannuation payable	48,284	42,461
GST payable	23,821	1,246
	<u>268,707</u>	<u>105,091</u>

**Note 13. Contract liabilities**

	2023 \$	2022 \$
<i>Current liabilities</i>		
Grants - NSW Fair Trading	343,663	137,870
Grants - Legal Aid NSW	-	21,290
Grants - Department of Communities and Justice	-	30,448
Other	-	4,180
	<u>343,663</u>	<u>193,788</u>

**Note 14. Lease liabilities**

	2023 \$	2022 \$
<i>Current liabilities</i>		
Lease liability - Office premises	<u>16,194</u>	<u>94,034</u>
<i>Non-current liabilities</i>		
Lease liability - Office premises	<u>-</u>	<u>16,194</u>
	<u>16,194</u>	<u>110,228</u>



### Note 15. Employee benefits

	2023 \$	2022 \$
<i>Current liabilities</i>		
Annual leave	241,770	206,279
Long service leave	252,405	247,375
	<u>494,175</u>	<u>453,654</u>
<i>Non-current liabilities</i>		
Long service leave	48,934	26,524
Redundancy	88,321	88,321
Other	28,306	50,817
	<u>165,561</u>	<u>165,662</u>
	<u><u>659,736</u></u>	<u><u>619,316</u></u>

### Note 16. Provisions

	2023 \$	2022 \$
<i>Current liabilities</i>		
Litigation	33,898	20,290
<i>Non-current liabilities</i>		
Lease make good	-	39,995
	<u>33,898</u>	<u>60,285</u>

#### Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	Litigation \$	Lease make good \$
<b>2023</b>		
Carrying amount at the start of the year	20,290	39,995
Additional provisions recognised	27,120	-
Amounts used	(13,512)	-
Unused amounts reversed	-	(39,995)
	<u>33,898</u>	<u>-</u>

### Note 17. Reserves

	2023 \$	2022 \$
Leasehold improvements reserve	<u>9,330</u>	<u>65,309</u>

Leasehold improvement reserve represents funds set aside for leasehold improvements.

**Note 17. Reserves (continued)**

*Movements in reserve*

	Leasehold improvements reserve \$	Total \$
Balance at 1 July 2022	65,309	65,309
Transferred to retained earnings	(55,979)	(55,979)
Balance at 30 June 2023	<u>9,330</u>	<u>9,330</u>

**Note 18. Retained surplus**

	2023 \$	2022 \$
Retained surplus at the beginning of the financial year	375,548	404,879
Surplus/(deficit) for the year	40,404	(29,331)
Transfer from leasehold improvements reserve	55,979	-
Retained surplus at the end of the financial year	<u>471,931</u>	<u>375,548</u>

**Note 19. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by LBW & Partners, the auditor of the Co-operative:

	2023 \$	2022 \$
<i>Audit services - LBW &amp; Partners</i>		
Audit of the financial statements	<u>7,350</u>	<u>7,000</u>

**Note 20. Reconciliation of surplus/(deficit) to net cash from operating activities**

	2023 \$	2022 \$
Surplus/(deficit) for the year	40,404	(29,331)
Adjustments for:		
Depreciation and amortisation	147,043	145,419
Change in operating assets and liabilities:		
Increase in trade and other receivables	(142,908)	(22,541)
Decrease in other assets	(30,357)	12,740
Increase in trade and other payables	163,616	2,158
Increase/(decrease) in contract liabilities	149,875	(17,362)
Increase in employee benefits	40,420	67,166
Increase/(decrease) in other provisions	(26,387)	15,697
Net cash from operating activities	<u>341,706</u>	<u>173,946</u>

#### **Note 21. 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 22. Contingent liabilities**

The Co-operative had no contingent liabilities as at 30 June 2023 and 30 June 2022.

#### **Note 23. Events after the reporting period**

On 27th September 2023 the Co-operative signed a new lease agreement at a different location for its office space after expiry of its existing lease in August 2023. The new lease is for a period of 5 years commencing 1 October 2023 with an option to extend the term for further 5 years. The monthly lease payment for the new lease is \$10,750 with annual increase of 5%. The Co-operative has recognised the related lease liability and right-of-use asset in connection with this lease agreement on commencement of the lease.

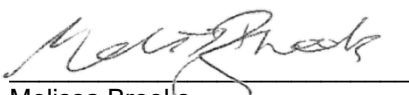
No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Co-operative's operations, the results of those operations, or the Co-operative's state of affairs in future financial years.

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 2023 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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Melissa Brooks  
Chairperson



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Hayley Winchcombe  
Treasurer

30 October 2023



#### LBW & Partners

Chartered Accountants & Business Advisors  
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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 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 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Co-operative is in accordance with the Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) 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 2023 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 2022*.

## Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Co-operative in accordance with the ethical requirements of the ACNC Act and Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including independence standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## 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 ACNC Act 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 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 ACNC Act and the *Co-operatives (Adoption of National Law) Act 2012*. The directors' 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.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Co-operative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



**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**

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Co-operative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Co-operative to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

Rupaninga Dharmasiri  
Partner

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

Date: 30 October 2023