NATIONAL UNION OF WORKERS, NEW SOUTH WALES BRANCH
A.B.N. 89 572 801 634
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2019

Contents

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF NATIONAL UNION OF WORKERS, NEW SOUTH WALES BRANCH

ABN: 89 572 801 634

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of National Union of Workers, NSW Branch, which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 30 June 2019, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement, the subsection 255(2A) Report and the officer declaration statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of National Union of Workers, NSW Branch as at 30 June 2019, and its financial performance and its cash flows for the year ended on that date in accordance with:

a) the Australian Accounting Standards; and

b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).

The scope of our work did extend to the recovery of wages activity, However as noted in the Committee of Management Statement, no such activity was undertaken during the reporting period.

Emphasis of Matter Regarding Liquidation Valuation Basis

Without qualifying the opinion expressed above, attention is drawn to Note 1 in the financial report which states that the report of the Reporting Unit has been prepared on a liquidation basis, given the members of both the National Union of Workers and United Voice have agreed to amalgamate to form the United Workers Union. The assets and liabilities of the Branch have been measured at their estimated net realisable value and expected settlement amounts respectively.

Emphasis of Matter Description of Relationship

Without qualifying the opinion expressed above, attention is drawn to the operating report "Relationship" which describes the relationship between the National Union of Workers NSW Branch (the organisation) and an associated state body the National Union of Workers, NSW Branch (the association) pursuant to the section 202 agreement refered in to the note. The organisation includes as an asset in its financial report 50% of the value of property situated at 3-5 Bridge Street Granville NSW.

Consequently, the association has written down the value of the land and buildings disclosed in its accounts by a similar amount

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Reporting Unit 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.
If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management 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 Committee of Management is responsible for assessing the Reporting Unit'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 Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so. With regard to this matter refer Note 1 and Note 2.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 Reporting Unit's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

• Conclude on the appropriateness of the Committee of Management's 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 Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern. Refer Note 1 and Note 2.

• 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.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am a registered auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

Conroy Audit & Advisory

Principal: David Conroy FCA

Address: Level 2, 154 Elizabeth St Sydney NSW 2000

Dated :

Registration number AA2017/60 (as registered by the RO Commissioner under the RO Act).

NATIONAL UNION OF WORKERS, NEW SOUTH WALES BRANCH
A.B.N. 89 572 801 634
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

		Consolidated	
		2019	**2018**
	Note	**$**	**$**
REVENUE			
Membership Subscription		6,405,677	6,800,766
Dividends received		354	212
Interest received	3C	55,042	62,365
Rental revenue	3D	37,487	49,021
Other revenue		-	9,902
TOTAL REVENUE		6,498,560	6,922,265
TOTAL INCOME			
Net gains from sale of assets	3F	-	1,457
TOTAL OTHER INCOME		-	1,457
TOTAL INCOME		6,498,560	6,923,722
EXPENSES			
Employee expenses	4A	2,899,001	2,758,170
Capitation fees & other expenses	4B	1,404,194	1,224,058
Affiliation fees	4C	12,462	63,690
Administration expenses	4D	1,617,203	1,440,198
Grants or donations	4E	31,018	34,103
Depreciation and amortisation	4F	196,825	217,769
Finance Costs	4G	-	1,697
Legal Costs	4H	267,363	178,683
Audit Fees	14	67,750	56,066
Write down of loan to subsidiary	4J	631,594	-
TOTAL EXPENSES		7,127,410	5,974,434
SURPLUS/(DEFICIT)BEFORE TAX FOR		- 628,850	949,288
Income tax refund		-	-
SURPLUS/(DEFICIT)AFTER TAX FOR		- 628,850	949,288
Non-Controlling Interest		-	-
SURPLUS/DEFICIT FOR THE YEAR		- 628,850	949,288
OTHER COMPREHENSIVE INCOME			
Items that will be reclassified to profit or loss			
Net gain on available for sale investments			
Items that will not be reclassified to profit or loss			
Gain/(loss)on revaluation of assets		- 705	45,553
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		- 629,555	994,841
TOTAL COMPREHENSIVE INCOME			
Members of NUW (Parent Entity)		-	994,841
Non-controlling interest		-	-
TOTAL		-	994,841

The above statement should be read in conjunction with the notes

NATIONAL UNION OF WORKERS, NEW SOUTH WALES BRANCH
A.B.N. 89 572 801 634
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2019

		Consolidated	
	Note	**2019**	**2018**
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5A	4,396,708	3,989,565
Trade and other receivables	5B	552,405	630,409
Other current assets	5C	1,249	39,197
Land and buildings	6A	2,242,770	-
Property, plant & equipment	6B	214,138	-
Intangibles	6D	2,025	-
Other investments	6F	4,618	-
TOTAL CURRENT ASSETS		7,413,913	4,659,171
NON-CURRENT ASSETS			
Land and buildings	6A	-	4,530,001
Property, plant & equipment	6B	-	358,799
Intangibles	6D	-	2,701
Other investments	6F	-	5,323
TOTAL NON-CURRENT ASSETS		-	4,896,824
TOTAL ASSETS		7,413,913	9,555,995
LIABILITES			
CURRENT LIABILITIES			
Trade payables	7A	157,420	105,390
Other Payables	7B	195,109	165,256
Employee provisions	8A	900,945	423,390
TOTAL CURRENT LIABILITIES		1,253,474	694,036
NON-CURRENT LIABILITIES			
Employee provisions	8A	-	460,790
TOTAL NON-CURRENT LIABILITIES		-	460,790
TOTAL LIABILITIES		1,253,474	1,154,826
NET ASSETS		6,160,439	8,401,169
EQUITY			
General fund	10A	4,805,793	4,803,050
Distress fund	10B	163,572	163,572
Revaluation reserve	10A	1,191,074	3,434,547
TOTAL EQUITY		6,160,439	8,401,169

The above statement should be read in conjunction with the notes

NATIONAL UNION OF WORKERS, NEW SOUTH WALES BRANCH
A.B.N. 89 572 801 634
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

Consolidated	**Notes**	**General funds $**	**Revaluation reserve $**	**Members' distress funds $**	**Total equity $**
Balance as at 1 July 2017		3,853,761	3,388,995	163,572	7,406,328
Surplus/(deficit)		949,288	45,553	-	994,841
Closing balance as at 30 June 2018		4,803,049	3,434,548	163,572	8,401,169
Surplus/(deficit)		- 628,850	-	-	- 628,850
Subsidiary deficit written back upon deregistration	10A	631,594	-705		630,889
Asset devaluation	6A	-	- 2,242,770	-	- 2,242,770
Closing balance as at 30 June, 2019		4,805,793	1,191,074	163,572	6,160,439

The above statement should be read in conjunction with the notes

NATIONAL UNION OF WORKERS, NEW SOUTH WALES BRANCH
A.B.N. 89 572 801 634
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated 2019 $	2018 $
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity/s		7,231,143	6,720,008
Interest received		55,042	62,365
Other income received		37,841	61,743
		7,324,026	6,844,116
Cash used			
Employees		- 2,882,236	- 2,737,358
Suppliers		- 4,027,621	- 1,803,988
Payments to other reporting units/controlled entity/s		-	- 1,391,625
		- 6,909,857	- 5,932,971
Net cash from (used by) operating activities	**11AB**	**414,169**	**911,145**
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	20,000
Cash used			
Purchase of plant & equipment		- 7,026	- 16,499
Net cash from(used by) investing activities		**- 7,026**	**3,501**
Net increase in cash held	**11B**	**407,143**	**914,646**
Cash & cash equivalent at the beginning of the reporting year		3,989,565	3,074,919
Cash & cash equivalent at the end of the reporting year	**5A**	**4,396,708**	**3,989,565**

The above statement should be read in conjunction with the notes

Index to the Notes of the Financial Statements

1 Summary of Significant Accounting Policies

The principal place of business for the National Union of Workers - NSW Branch (the Union) is 3-5 Bridge Granville NSW. The business operates in one segment being the support of its members within NSW.

1.1 Basis of Preparation of the Financial Report

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009.* For the purpose of preparing the general purpose financial statements, the National Union of Workers (NSW Branch) is a not-for-profit entity.

Liquidated Basis of Preparation

As referred to in the Operating Report, on 30 August 2019, members of both the National Union of Workers and United Voice voted to amalgamate and create the United Workers Union
Due to the intention to amalgamate and therefore no longer operate out of the Branch, the Committee of Management have determined that the going concern basis of preparation (as applied in previous years) is no longer appropriate. Accordingly the financial statements are not prepared on a going concern basis. The Committee of Management have applied the requirements of paragraph 25 of AASB 101 Presentation of Financial Statements which states that 'when the financial report is not prepared on a going concern basis, that fact shall be disclosed, together with the basis on which the financial report is prepared and the reason why the entity is not regarded as a going concern'.

Impact of adopting the liquidation basis of preparation on measurement, classification of assets and liabilities, and disclosures in the financial report

Under the liquidation basis of preparation, assets and liabilities are measured at their liquidation value. The liquidation value of assets is their net realisable value. Net realisable value is based on the proceeds receivable on disposal less restructure and liquidation costs as detailed in the accounting policies noted below. The liquidation value of liabilities is their expected settlement amount as detailed in the accounting policies noted below. Any gains or losses resulting from measuring assets and liabilities to the liquidation value are recognised in profit or loss.

Under the liquidation basis of accounting, all assets and liabilities are classified as current. In adopting the liquidation basis, the Committee of Management have continued to apply the disclosure requirements of Australian Accounting Standards, to the extent they are relevant to the liquidation basis, and have modified them where this is considered appropriate. In particular, the financial report does not include all of the disclosures required by the following standards on the basis that the disclosures are not considered relevant for decision-making by users as described below:

- AASB 5 Non-current Assets Held for Sale and Discontinued Operations

Given that the entire reporting unit is to be discontinued, the disclosures under AASB 5 that separate between continuing and discontinuing operations are not considered relevant to users.

- AASB 7 Financial Instruments: Disclosures

The information on exposures to financial risks are not considered relevant to users given that the financial risk exposures are not representative of the risks that will exist going forward.

The accounting policies adopted are consistent with those of the previous financial year except for changes specified related to the adoption of the liquidation basis of preparation.

Comparative information has not been restated, and is measured and presented on a going concern basis.

Significant accounting estimates, judgements and assumptions

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the reporting unit'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 below:

The preparation of financial statements requires estimates and assumptions concerning the application of accounting policies to be made by the reporting unit. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Liquidation value and liquidation expenses

Under the liquidation basis of accounting, assets and liabilities are measured at liquidation value. The liquidation value of assets and liabilities is the estimated value for which assets are realised and liabilities settled.

1.2 Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1.3 Significant Accounting Judgements and Estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a meterial adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Basis of Consolidation

Where a Parent has no subsidiary at year end - refer Note 6E - accounting standards (IFRS 10.2) require that consolidated financial statements must be prepared by an entity that was a Parent during the reporting period, even if that entity is no longer a Parent at the end of the reporting period.
The financial statements for 2019 are therefore disclosed on a consolidated basis and are properly comparable with the 2018 figures presented on a consolidated basis.

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated enity have been eliminated in full for the purposes of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity.
All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 6E to the financial statements

Subsidiaries
Subsidiaries are all entities (including structured entities) over which the parent has control. Contol is established when the parent is exposed to, or has rights to varialbe returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

1.4 New Australian Accounting Standards

Adoption of the new Australian Accounting Standards requirements

New Standards and interpretations not yet adopted

AASB 16 Leases
AASB 16 Leases removes the classification of leases as either operating lease or finance leases - for the lessee - effectively treating all leases as finance leases. Short-term leases (less than 12 months) and leases of low value assets (such as computers) are exempt from the lease accounting requirements. There are also changes in accounting over the life of the lease. In particular, companies will recognise a front-loaded pattern of expenses for most leases, even when they pay constant rentals.

AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted where AASB 15 Revenue from Contracts with Customers is adopted at the same time.

The Union is assessing the potential impact on its financial statements resulting from the application of AASB 16.

New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

Impact on adoption of AASB 9

(a) Initial application

AASB 9 *Financial Instruments* (**AASB 9**) replaces AASB139 *Financial Instruments: Recognition and Measurement* (**AASB 139**) for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

National Union of Workers New South Wales Branch has applied AASB 9 retrospectively, with an initial application date of 1 July 2018. National Union of Workers New South Wales Branch has not restated the comparative information, which continues to be reported under AASB 139. Differences arising from the adoption of AASB 9 have been recognised directly in opening retained earnings and other components of equity as at 1 July 2018. The nature and effect of the changes as a result of adoption of AASB 9 are as follows:
There is no Impact on the statement of financial position.

(i) Classification and measurement

Under AASB 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the National Union of Workers New South Wales Branch business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of National Union of Workers New South Wales Branch *'s* business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact to National Union of Workers New South Wales Branch.

- Trade receivables and other non-current financial assets (i.e., Loan to a related party) previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as debt instruments at amortised cost.

- Quoted debt instruments previously classified as available-for-sale (AFS) financial assets are now classified and measured as debt instruments at fair value through OCI as they failed the SPPI test.

- Equity investments in non-listed companies previously classified as AFS financial assets are now classified and measured as equity instruments designated at FVTOCI. National Union of Workers New South Wales Branch elected to classify irrevocably its non-listed equity investments under this category as it intends to hold these investments for the foreseeable future. There were no impairment losses recognised in profit or loss for these investments in prior periods.

- Listed equity investments previously classified as AFS financial assets are now classified and measured as financial assets at fair value through profit or loss.

National Union of Workers New South Wales Branch has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for National Union of Workers New South Wales Branch*'s* financial liabilities.

In summary, upon adoption of AASB 9, National Union of Workers New South Wales Branch applied the following required or elected reclassifications:

		AASB 9 measurement category	
	Fair value through profit or loss	Amortised cost	Fair value through OCI
AASB 139 measurement category			
Receivables	552405	-	552405
	552405	-	552405

(ii) Impairment loss

The adoption of AASB 9 has fundamentally changed National Union of Workers New South Wales Branch'*s* accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking ECL approach. AASB 9 requires National Union of Workers New South Wales Branch to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets, i.e. those held at amortised cost and at FVTOCI.

Set out below is the reconciliation of the ending impairment allowances in accordance with AASB 139 to the opening loss allowances determined in accordance with AASB 9.

	Allowance for impairment under AASB 139	Re-measurement	ECL under AASB 9
Receivables	-	-	-
	-	-	-

1.5 Investments in associates and joint arrangements

An associate is an entity over which the Union has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing the joint operation.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the individual assets and obligations for the liabilites of the joint operation.

The results and assets and liabilities of associates and its joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 'Non-current Asset Held for Sale and Discontinued Operations. 'Under the equity method, an investment in an associate or joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate or joint venture exceeds the interest in that associate, the Union discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

1.6 Acquisition of assets and or liabilities that do not constitute a business combination

The Union did not acquire an asset of Liability due to an amalgamation under Part 2 of chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair work Commission under subsections 245(1) or 249 (1) of the RO Act.

1.7 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease

1.8 Government Grants

Government grants are not recognised until there is reasonable assurance that the Union will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Union recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Union should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Union with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.9 Gains

Sale of Assets
Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1.10 Capitation fees and levies

Capitation fees and levies (Sustentaion Fees) are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

1.11 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the Union in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.12 Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

1.12 Leases cont.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.13 Borrowing Costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

1.14 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the statement of financial position.

1.15 Financial instruments

Financial assets and financial liabilities are recognissed when the Union becomes a part to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.16 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the [reporting unit's] business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the [reporting unit] initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The *reporting unit's* business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the reporting unit commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

Financial assets at amortised cost

The *reporting unit* measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (**EIR**) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The *reporting unit's* financial assets at amortised cost includes trade receivables and loans to related parties.

Financial assets at fair value through other comprehensive income

The *reporting unit* measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The *reporting unit's* debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Investments in equity instruments designated at fair value through other comprehensive income

Upon initial recognition, the *reporting unit* can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the reporting unit benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The *reporting unit* elected to classify irrevocably its listed and non-listed equity investments under this category.

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The *reporting unit* has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

a) the *reporting unit* has transferred substantially all the risks and rewards of the asset, or
b) the *reporting unit* has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the *reporting unit* has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the [reporting unit] continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

1.17 Financial Liablities

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

National Union of Workers New South Wales Branch's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

1.18 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

A contingent liability exists in connection with an investigation commenced by the Registered Organisation Commission (ROC) into the events leading up to the Trade union Royal Commission as they impacted on NUW N.S.W Branch for the period up to November 2015 when the Royal Commissions finding were handed down. The ROC investigation was on going at the date of this report.

1.19 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

Purchase of land, buildings, plant & equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost if dismantling and removing the item and restoring the site on which it is located.

Revaluations - Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulation depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assests do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revaluated amount.

Depreciation

Depreciable property, plany and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2019	**2018**
Land & buildings	40 years	40 years
Plant and Equipment	3 to 20 years	3 to 20 years

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.20 Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.21 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of the Union's intangible assets are:

	2019	**2018**
Software	25%	25%

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

1.22 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be placed if the Union were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.23 Non current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

1.24 Taxation

The Union is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997, however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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

1.25 Fair Value Measurement

The Union measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

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

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

The principal or the most advantageous market must be accessible by the Union. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Union uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Union determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Union has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.26 Going concern

The Union is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.
The Union's decision to amalgamate affects the preparation of the financial report on a going concern basis (refer Note 1 and Note 2).

2 Event after the reporting period

On 30 August 2019, members of both the National Union of Workers and United Voice voted to amalgamate and create the United Workers Union. A copy of the declarations of the amalgamation ballot conducted by the Australian Electoral Commission are available at www.fwc.gov.au/cases-decisions-orders/major-cases/united-voice-national-union-workers-proposed-amalgamation. Under the proposed structure, all reporting units of the National Union of Workers (80V) and United Voice (108V) (with the exception of the National Council) are to be abolished. Under the scheme, the following is to occur:

1. All assets and liabilities of the National Union of Workers including the New South Wales Branch and United Voice will be transferred into the United Workers Union National Council.
2. United Voice – National Council is to be renamed the United Workers Union.
3. Officers of both the former National Union of Workers and United Voice will be transferred into the new offices of the United Workers Union.
4. Members of the former National Union of Workers and United Voice will become members of the United Workers Union.
5. Employees of the National Union of Workers and United Voice will become employees of the United Workers Union.

A copy of the rules of the United Workers Union which include at Schedule 5 the transitional matters is available at www.anewunion.org.au/blog/

Upon the amalgamation date the United Workers Union will commence operations, resulting in the existing National Union of Workers and United Voice reporting units to cease operations.
The committee of Management NSW branch no longer exists and the officials were made redundant.

2.1 Contingent Assets

A contingent asset exists in relation to supreme court proceedings for the recovery of misappropriated funds by a former employee of the union which is due to commence in the 2019-2020 financial year.

			CONSOLIDATED	
Note 3	**Income**		**2019**	**2018**
3C	**Interest**			
	Deposits		55,042	62,365
	Loans		-	-
	Total interest		55,042	62,365
3D	**Rental revenue**			
	Properties	3D(1)	37,487	49,021
	Other		-	-
	Total rental revenue		37,487	49,021
3D(1)	(a) Future minimum lease payments			
	Not later than one year		24,030	48,060
	Later than one year and not later than five years		-	24,030
	Later than five years		-	-
	(b) Total contingent rents recognised as income		24,030	72,090
	(c) The Union leases office space to Lucrf super			
3F	**Net gains from the sale of Assets**			
	Plant & Equipment		-	1,457
	Total net gains from the sale of Assets		-	1,457

NATIONAL UNION OF WORKERS, NEW SOUTH WALES BRANCH
A.B.N. 89 572 801 634
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

		CONSOLIDATED	
		2019	**2018**
Note 4	**Expenses**		
4A	**Employee expenses**		
	Holders of Office:		
	Wages and salaries	1,886,096	1,493,880
	Superannuation	301,775	279,360
	Leave and other entitlements	67,032	254,819
	Separation and redundancies	-	10,656
	Other employee expenses	114,646	180,288
	Subtotal employee expenses holders of office	2,369,549	2,219,003
	Employees other than office holders:		
	Wages and salaries - NUW	484,618	406,127
	Superannuation - NUW	69,935	71,813
	Leave and other entitlements	- 50,267	19,436
	Separation and redundancies	-	10,440
	Other employee expenses	25,166	31,351
	Subtotal employee expenses employee other than office holders	529,452	539,167
	Total employee expenses	2,899,001	2,758,170
4B	**Capitation fees**		
	Capitation fees payable to the National Council	1,404,194	1,224,058
	Total capitation fees	1,404,194	1,224,058
4C	**Affiliation Fees**		
	Affiliation Fees are paid to:		
	Newcastle Trades Hall	254	250
	Workers Health Centre	1344	1315
	Unions NSW	10864	3000
	Asbestos Disease Foundation of Aust	-	54
	ALP NSW	-	59,071
	Total Affiliation Fees/Subscriptions	12,462	63,690

NATIONAL UNION OF WORKERS, NEW SOUTH WALES BRANCH
A.B.N. 89 572 801 634
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

			CONSOLIDATED 2019	2018
4D	**Administration Expenses**			
	Fees/allowances-mtg and conference		93,006	79,078
	Conferences and meeting expenses		91,720	71,761
	Property Expenses		85,159	51,651
	Office Expenses		70,635	59,816
	Information communications technology		226,225	205,422
	Other	**4D(1)**	1,050,458	972,470
	Subtotal administration expense		1,617,203	1,440,198
	Operating Lease rentals		-	-
	Minimum lease payments		-	-
	Total administration expenses		1,617,203	1,440,198
4D(1)	**Other**			
	Public relations/campaigns		110,828	184,810
	Conference, meeting & delegate training & expenses		344,992	191,470
	M/V expenses		183,822	156,901
	Income protection insurance		45,966	38,978
	Member journey insurance		139,167	132,248
	Training & development		53,248	68,764
	Book-keeping		100,163	88,392
	Other		72,272	110,907
			1,050,458	972,470
4E	**Grants or donations**			
	Donations			
	Total paid that were $1,000 or less		3,800	2,243
	Total paid that exceeded $1,000		27,218	31,860
	Total grants or donations		31,018	34,103
4F	**Depreciation & amortisation**			
	Depreciation			
	Buildings & improvements		44,461	44,461
	Property, plant and equipment		151,689	155,196
	Total depreciation		196,150	199,657
	Amortisation			
	Intangibles - Software		675	18,112
	Total amortisation		675	18,112
	Total depreciation and amortisation		196,825	217,769
4G	**Finance costs**			
	Interest ATO ICA		-	1,697
	Total finance costs		-	1,697

NATIONAL UNION OF WORKERS, NEW SOUTH WALES BRANCH
A.B.N. 89 572 801 634
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

		CONSOLIDATED	
		2019	**2018**
4H	**Legal costs**		
	Litigation Expenses	90,817	70,636
	Other Legal matters	176,546	108,047
	Total Legal Expenses	267,363	178,683

4J	**NTG Training**		
	Asset write down & impairment of loan to NTG Training Grou	631,594	-
	Total net losses from asset sales	631,594	-
	Significant revenue and expenes		
	Revenue	-	-
		-	-
	Expenses		
	Asset write down of loan to NTG Training Group Pty Ltd	631,594	-
		631,594	-

NATIONAL UNION OF WORKERS, NEW SOUTH WALES BRANCH
A.B.N. 89 572 801 634
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

		CONSOLIDATED	
		2019	**2018**
		$	**$**
Note 5	**Current Assets**		
5A	**Cash & cash equivalents**		
	Cash at bank - Distress Fund (CBA CMT)	252,462	130,122
	Cash at bank (Cheque Account)	370,735	374,073
	Cash at bank (NTG)	-	16,370
	Cash at bank (Members Equity - at call)	2,869,320	729,627
	CAB- 6566	900,000	650,000
	ME Security Deposit	-	2,082,251
	Trust Account - NTG	- -	442
	Saver Account - NTG	-	1
	Cash on hand	222	64
	Bank a/c Accrued Interest	3,969	7,499
		4,396,708	3,989,565
5B	**Trade & Other Receivables**		
	Other receivables		
	Accounts Receivable	552,405	630,409
		552,405	630,409
5C	**Other current Assets**		
	Prepayments	1,249	39,197

		CONSOLIDATED 2019 $	2018 $
Note 6	**Current Assets / Non-Current Assets**		
6A	**Land & Buildings**	Current	Non-Current
	Land and buildings:		
	fair value	2,265,000	4,530,000
	accumulated depreciation	- 22,231	- 1,077,434
	revaluation increment	-	1,077,434
	Total land & buildings	2,242,770	4,530,000
	Reconcilation of the Opening and Closing Balances of Land and Buildings		
	As at 1 July		
	Gross book value	2,265,000	4,530,000
	Accumulated depreciaton and impairment	- 22,231	- 1,032,973
	Net book value 1 July	2,242,770	3,497,027
	Additions:		
	By purchase		
	Revaluations	-	1,077,435
	Depreciation expense	22,231	- 44,461
	Net book value 30 June	2,265,000	4,530,001
	Net book value as of 30 June representated by:		
	Gross book value	2,265,000	4,530,001
	Accumulated depreciation and impairment	- 22,231	-
	Net book value 30 June	2,242,770	4,530,001

The revalued land and buildings consist of 50% of $4,530,000 being the fair value of Land and Buildings situated at 3-5 Bridge St, Granville NSW. Management determined that these constitute one class of asset under AASB 13, Fair value standard based on the nature, characteristics and risks of the property. Refer operating report - Tenants in common ownership relationship.

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. As at the date of revaluation, 31 December 2016, the properties' fair values are based on valuations performed by Craig Ray AAPI/Certified Valuer.

		CONSOLIDATED			
			2019		2018
			$		$
6B	**Plant & Equipment**		Current		Non-Current
	Motor Vehicles				
	Motor vehicles, at cost		787,271		787,270
	accumulated depreciation	-	664,260	-	528,480
	Total Motor Vehicles		123,011		258,790
	Office Furniture & Fittings				
	Furniture & fittings, at cost		785,662		778,636
	accumulated depreication	-	694,535	-	678,627
	Total Office Furniture & Fittings		91,127		100,009
	Total Plant & Equipment		214,138		358,799
	Reconciliation of the Opening and Closing Balances of Plant and Equipment				
	As at 1 July				
	Gross book value		1,565,907		1,584,812
	Less: Accumulated depreciation and impairment	-	1,207,107	-	1,068,773
	Net book value 1 July		358,800		516,039
	Additions				
	By purchase		7,026		16,499
	Depreciation expense	-	151,688	-	155,196
	Disposals		-	-	18,543
	Net book value 30 June		214,138		358,799
	Net book value as of 30 June represented by:				
	Gross book value		1,572,933		1,565,906
	Accumulated depreication and impairment impairment	-	1,358,795	-	1,207,107
	Net book value 30 June		214,138		358,799
6D	**Intangibles**				
	Computer software				
	Internally developed		315,205		315,205
	accumulated amortisation	-	313,180	-	312,504
	total intangibles		2,025		2,701

	CONSOLIDATED	
	2019	2018

Reconciliation of the Opening and Closing Balances of Intangibles

As at 1 July	Current	Non-Current
Gross book value	315,205	315,205
Less: Accumulated amortisation and impairment	- 312,504	- 294,392
Net book value 1 July	2,701	20,813
Additions		
Amortisation	- 676	- 18,112
Net book value 30 June	2,025	2,701
Net book value as of 30 June represented by:		
Gross book value	315,205	315,205
Accumulatd amortisation and impairment impairment	- 313,180	- 312,504
Net book value 30 June	2,025	2,701

6F Investment in Subsidiary Companies

National Union of Workers owned 100% of interest in National Training Group Pty Ltd (NTG) until it was deregistered 14/2/2019 (A.B.N. 62 149 171 264, established on 7 February 2011). The outstanding loan by NUW to National Training Group has been written off in accordance with a resolution of the Committee of Management.

Investment in Subsidiaries		
National Training Group Pty Ltd (NTG)	-	-
Total Invesments	-	-

Details of Invesment in Subsidiary

	Ownership	
National Training Group Pty Ltd	Deregistered	100%

National Training Group Pty Ltd was deregistered on the 14/2/2019.

Other Investments

Shares, listed companies, at fair value		
Insurance Australia Group Limited	4,618	5,323
	4,618	5,323

		CONSOLIDATED 2019	2018
Note 7	**Current Liabilities**		
7A	**Trade & Other Payables**		
	Sundry Creditors & Accruals	59,976	105,390
		59,976	105,390
	Payables to other reporting units		
	Sustentation Fees - National Office	97,444	-
	Subtotal payable to other reporting unit	97,444	-
	Total trade payables	157,420	105,390
7B	**Other payables**		
	Wages and salaries	80,793	54,162
	Superannuation	29,532	17,310
	GST Payable	84,784	93,784
	Total other payables	195,109	165,256
Note 8	**Employee Provisions**		
8A	**Provisions - Current Liabilities**		
	Office Holders		
	Annual Leave	383,954	353,310
	Long service leave	390,962	354,575
	Subtotal employee proviisions - office holders	774,916	707,885
	Employee other than Office Holders		
	Annual Leave	56,578	70,080
	Long service leave	69,451	106,215
	Subtotal employee provisions-employees other than office holders	126,029	176,295
	Total employee provisions	900,945	884,180
	Current	900,945	423,390
	Non current	-	460,790
	Total Employee Provisions	900,945	884,180

		CONSOLIDATED 2019	2018
Note 9	**Non-current Liabilities**	-	-
Note 10	**Equity**		
10A	**Funds**		
	General funds		
	Balance as at start of year	4,803,049	3,853,762
	Transferred to reserve	- 628,850	949,288
	Transferred out of reserve	631,594	-
	Balance as at end of year	4,805,793	4,803,050
	Revaluation reserve fund		
	Balance as at start of year	3,434,548	3,388,994
	Transferred to reserve	- 2,242,770	-
	Transferred to reserve	- 705	45,553
	Balance as at end of year	1,191,074	3,434,547
	Distress fund		
	Balance as at start of year	163,572	163,572
	Balance as at end of year	163,572	163,572
	Total Reserves	6,160,439	8,401,169
10B	**Other Specific disclosures - Funds**		
	Distress fund		
	Balance as at start of year	163,572	163,572
	Balance as at end of year	163,572	163,572

	CONSOLIDATED	
	2019	**2018**
	$	**$**
Note 11 Cash Flows		
11A Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Cash and cash equivalents		
Cash at bank Distress Fund CMT	252,462	130,122
Cash at bank (Cheque Account)	370,735	374,073
Cash at bank (NTG)	-	16,370
Members Equity (At call Account)	2,869,320	729,627
Cash CBS CMT Account	900,000	650,000
ME Security Deposit	-	2,082,251
Trust Account - NTG	-	-442
Saver Account - NTG	-	1
Cash on hand	222	64
Accrued Interest	3,969	7,499
	4,396,708	3,989,565
Cash flow statement	- 407,143	- 914,646
Balance Sheet	- 7,026	3,501
	- 414,169	- 911,145
11A Reconciliation of surplus/(deficit) to net cash from operating activities		
Net comprehensive income	- 629,555	994,841
Adjustments for non-cash items		
Depreciation/amortisation	196,825	217,769
Net write-down of non financial assets	-	- 44,461
Fair value movements in investment property	705	- 1,092
Write down of loan to NTG Training Group Pty Ltd	631,594	-
Gain(Loss) on disposal of assets	-	- 1,457
Changes in assets/liabilities		
(Increase)/decrease in net receivables	78,004	12,862
(Increase)/decrease in prepayments/other	37,948	32,032
Increase/(decrease) in supplier payables	52,030	- 214,102
Increase/(decrease) in other payables	29,853	- 85,247
Increase/(decrease) in employee provisions	16,765	-
Net cash from/(used by) operating activities	414,169	911,145

NATIONAL UNION OF WORKERS, NEW SOUTH WALES BRANCH
A.B.N. 89 572 801 634
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	CONSOLIDATED	
	2019	2018
	$	$
11B Cash flow information		
Cash inflows		
National Union of Workers NSW	7,292,124	6,835,129
National Union of Workers - National Office	31,902	27,564
National Training Group Pty Ltd	-	1,423
	7,324,026	6,864,116
Cash outflows		
National Union of Workers NSW	- 5,479,458	- 4,443,705
National Union of Workers - National Office	- 1,437,425	- 1,496,743
National Training Group Pty Ltd	-	- 9,022
	- 6,916,883	- 5,949,470
Net increase/(decrease) in cash held	407,143	914,646

Note 12 Contingent Liabilities, Assets and Commitments

Refer Note 1.18 & 2.1

Note 13 Related Party Disclosures

13A Related Party Transactions for the Reporting Period

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members

There were no related party transactions for the Reporting Period.

Description of relationship

The financial affairs of the association are encompassed by an associated State body, as defined at s269 *Fair Work (Registered Organisations) Act 2009* (Cth) (**RO Act**) being the National Union of Workers, New South Wales Branch (**the Association**).

On 17 March 2015 the then Delegate of the General Manager of the Fair Work Commission issued a certificate [PR561980] to the reporting unit under s269(2)(a) of the RO Act.

As at 30 June 2009, the Association:

· was registered under the *Industrial Relations Act 1996* (NSW) which is a prescribed State Act; [s296(1)(a) – RO Act];
· was composed of substantially the same members of the reporting unit [s269(1)(b) – RO Act]; and
· had officers who are substantially the same as designated officers in relation to the reporting unit; [s269(1)(c) – RO Act]

In meeting its obligations, the Association has complied with the provisions of s 269(2) (b),(d) and (e) of the RO Act.

An agreement pursuant to s202 of the then *Industrial Relations Act 1988* (Cth) was executed between the Association and the National Union of Workers (D3007S of 1992). The agreement provides that all persons who are members of the Association are also entitled to membership of the New South Wales branch of the organisation;

The agreement also makes provisions in relation to the financial affairs of the Association.

Relevantly, the agreement provides that;

"*All moneys received by the union and/or the organisation by way of entrance fees,* membership contributions, levies, fines or otherwise shall vest in the union and/or the organisation pursuant to the rules of the union and/or the organisation".

For the purposes of the above reference to "union" means the Association and reference to the "organisation" means the reporting unit.

Rules 7, 13, 14, 15 of the Association's rules and Rules 33 and 71 of the reporting unit rules deal with the above matters.

The agreement also makes provision in relation to property;

"….All real property situated in NSW held in the name of the union (or any of its constituent State unions prior to amalgamation) or the organisation (or any of its previously constituent NSW Branches) shall be henceforth held by and in the name of and for the benefit of both the union and the organisation as tenants in common and in equal shares."

For the purposes of the above reference to "union" means the Association and reference to the "organisation" means the reporting unit

Accordingly, the general purpose report includes the property located at 3 -5 Bridge Street, Granville, New South Wales as an asset of both the reporting unit and the Association.

Note 14 Remuneration of Auditors

Value of the services provided		
Financial statement audit services 2019	35,000	56,066
Other services - IT systems training, support and taxation advice	32,750	-
Total remuneration of auditors	67,750	56,066

Note 15 Financial Instruments

Financial Risk Management Policies

The finance committee is responsible for, among other issues, monitoring and managing financial risk exposures of the Union. The Committee monitors the Union's transactions and reviews the effectiveness of controls relating to the credit risk and interest rate risk.

Discussions on monitoring and managing financial risk exposures are held monthly and reported to and minuted by the finance committee quarterly.

The Committee's overall risk management strategy seeks to ensure that the Union meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

Specific Financial Risk Exposures and Management

The main risks the Union is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and equity price risk.

a. Interest rate risk

The Union is not exposed to any significant interest rate risk since cash balances are maintained at variable rates and borrowings of the Union are not considered significant.

b. Liquidity risk

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Union manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid subscriptions.

c. Market risk

The Union is exposed to changes in interest rates on money held on term deposits.

The following table illustrates the sensitivity on the net result and equity with regard to the Union's exposure to interest rate movements. It assumes a +/- 2% change in interest rates.

	2019		**2018**	
	2%	-2%	2%	-2%
Impact on result	83,863	- 83,863	70,645	- 70,645

The Union has no material ISX investments and as such no exposure to movements in sharemakets.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle finance leases reflect the earliest contractual settlement dates.

The Union has no financial assets that are either past due or impaired.

The Unions financial instruments consist maily of deposits with banks, short term investments and accounts receivable.

The carrying amounts for each category of financial instruments measured in accordance with AASB 9: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financancial statements are as follows:

		2019	**2018**
Financial assets		**$**	**$**
Cash and equivalents	5A	4,396,708	3,989,565
Loans and receivables	5B	552,405	630,409
Total financial assets		4,949,113	4,619,974
Financial Liabilities			
Trade payables	7A	157,420	105,390
Other payables	7B	195,109	165,256
Total financial liabilities		352,529	270,646

Note 16 Key Mangement Personnel Compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the the entitiy, directly or indirectly, including any director(whether executive or otherwise) of that entity, is considered key management personnel (KMP).

The totals of remuneration paid to KMP of the Union during the year are as follows:

	2019	2018
	$	$
Short-term employee benefits		
Salary (including annual leave & super taken)	2,322,792	2,037,513
Entitlements accrued	16,765	- 28,376
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share based benefits	-	-
	2,339,557	2,009,137

Note 17 Fair Value Measurement

17A Financial assets and liabilities

Management of the reporting unit assessed that [cash, trade receivables, trade payables, and other current liabilities] approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

· Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at year-end date was assessed to be insignificant.

· Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.

· Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the reporting unit based on parameters such as interest rates and individual credit worthiness of the customer.

Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at year-end reporting date the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the fair values for the *reporting unit's* financial assets and liabilities:

		2019	2018
		$	$
Land and buildings	6A	2,242,770	4,530,001
Cash and cash equivalents	5A	4,396,708	3,989,565
Other investments	6F	4,618	5,323
		6,644,096	8,524,889

17B

The following table provides an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy 30 June 2019

Assets measured at fair value

	Level 1	Level 2	Level 3
Land and buildings	2,242,770	-	-
Other investments	4,618	-	-
	2,247,388	-	-

Note 18 Section 272 Fair Work (Registrered organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009* , the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

(1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specific prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under Section (1).

Note 19 Parent entity

The following has been extracted from the books and records of the parent, National Union of Workers New South Wales Branch and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, National Union of Workers New South Wales Branch has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures
Investment in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity. Dividends received from associates are recognised in the parent enitity of the profit and loss, rather than being deducted from the carrying amounts of these Investments.

	PARENT	
	2019	**2018**
BALANCE SHEET		
Assets		
Current Assets	7,413,913	5,285,420
Non-current Assets	-	4,896,829
Total Assets	7,413,913	10,182,249
Liabilities		
Current Liabilities	1,253,474	688,697
Non current Liabilities	-	460,789
Total Liabilities	1,253,474	1,149,486
Equity		
Retained Earnings	6,160,439	9,032,763
TOTAL EQUITY	6,160,439	9,032,763
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Total profit or -loss for the year	- 628,850	956,887
Other comprehensive income	- 705	45,553
Total comprehensive income	- 629,555	1,002,440

The one remaining subsidiary of National Union of Workers New South Wales Branch was deregistered on the 14/2/2019 (Note 6F) and as such no consolidation was required at 30/6/2019.