

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**FINANCIAL STATEMENTS
FOR THE PERIOD 1ST JULY 2019
TO 10TH NOVEMBER 2019**

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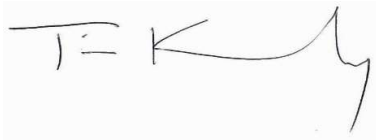
**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE PERIOD 1ST JULY 2019 TO 10TH NOVEMBER 2019**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the period ended 10th November 2019.

Categories of expenditures	10/11/2019	30/6/2019
	\$	\$
Remuneration and other employment-related costs and expenses - employees	3,198,101	6,573,849
Advertising	0	1,644
Operating costs	2,119,846	5,162,150
Donations to political parties	0	10,000
Legal costs	244,734	212,845

Signature of designated officer:



Name and title of designated officer: Timothy John Kennedy
Former General Secretary – National Union of Workers
National Secretary – United Workers' Union

Dated: 12 August 2020

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**OPERATING REPORT
FOR THE PERIOD 1ST JULY 2019 TO 10TH NOVEMBER 2019**

The Committee of Management presents its report on the operation of the Branch for the period ended 10th November 2019.

Review of principal activities and the results of those activities

The principal activities of the Branch during the financial period ended 10 November 2019 were to improve the wages and working conditions of its members. This was undertaken through bargaining with employers, maintaining the content of modern awards and by appearing before industrial tribunals, principally the Fair Work Commission.

During the reporting period the Branch continued to campaign on issues of importance to its members and working men and women generally.

The Branch continued to commit significant resources to organising workers employed in the farms sector who are part of the supermarket supply chain. The Branch advocates for decent permanent employment for working men and women through “Jobs You Can Count On”.

Decisions of the Branch Committee of Management were implemented in furtherance of the above during the reporting period.

Significant changes in state of affairs

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 decision of the amalgamation ballot conducted by the Australian Electoral Commission is available at www.fwc.gov.au/cases-decisions-orders/major-cases/united-voice-national-union-workers-proposed-amalgamation.

The Fair Work Commission (FWC) at the conclusion of a hearing on 1 October 2019 to determine an amalgamation date for the United Workers Union pursuant to s73 of the Fair Work (Registered Organisations) Act 2009 fixed the date as 11 November 2019. [2019 FWC 6756].

As a result, these financial statements have been prepared on a modified liquidated basis, as the reporting unit ceased to exist after 10 November 2019 as all assets and liabilities transferred to the United Workers Union.

No other significant changes in the financial affairs of the Branch occurred during the period.

Operating Result

The operating result of the Branch for the period ended 10th November 2019 was a deficit of (\$718,241) [2019: surplus \$2,816,337]. No provision for tax was necessary as the Branch is considered exempt.

After Balance Date Events

As detailed in Note 2, the members of both the National Union of Workers and United Voice voted to amalgamate and create the United Workers Union from 11 November 2019.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**OPERATING REPORT
FOR THE PERIOD 1ST JULY 2019 TO 10TH NOVEMBER 2019**

Right of members to resign

All members have the right to resign from the Union in accordance with Rule 59 of the Union Rules (and Section 174 of the Act); namely, by providing written notice addressed and delivered to the Secretary of the Branch, including via email.

Number of members

In accordance with Regulation 159 of the Fair Work (Registered Organisations) Regulations 2009:

The number of persons that were at the end of the financial period recorded in the register of members for sec. 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the Branch under sec. 244 of the Fair Work (Registered Organisations) Act 2009 was 25,963.

Number of employees

The number of persons who were at the end of the financial period employees of the Branch including both full-time and part-time employees measured on a full-time equivalent basis was 53;

Names of Committee of Management members and period positions held during the financial year

The names of those who have been members of the Committee of Management of the Branch at any time during the financial year and the periods for which he or she held office were:

Name:	Position:	Period:
Belinda Jacobi	Branch President	1/7/2019 to 10/11/2019
David Clements	Vice President	1/7/2019 to 10/11/2019
Susie Allison	Branch Secretary	1/7/2019 to 10/11/2019
Dario Mujkic	Assistant Branch Secretary	1/7/2019 to 10/11/2019
Alycia Economidis	Organiser	1/7/2019 to 10/11/2019
Heath Lamaro	Organiser	1/7/2019 to 10/11/2019
Neil Smith	Organiser	1/7/2019 to 10/11/2019
Andrew Giles	Organiser	1/7/2019 to 10/11/2019
Andreas Wittmann	Committee Member	1/7/2019 to 10/11/2019
Elizabeth McEwan	Committee Member	1/7/2019 to 10/11/2019
Paul Payne	Committee Member	1/7/2019 to 10/11/2019
Lemmuel Leech	Committee Member	1/7/2019 to 10/11/2019
Evalyn Clow	Committee Member	1/7/2019 to 10/11/2019
Julie Kamber	Committee Member	1/7/2019 to 10/11/2019
Narorn Leung	Committee Member	1/7/2019 to 10/11/2019
Nicholas Gordon	Committee Member	1/7/2019 to 10/11/2019
Agnes Galiza-Pua	Committee Member	1/7/2019 to 10/11/2019
Tracey Lidsey	Committee Member	1/7/2019 to 10/11/2019

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**OPERATING REPORT
FOR THE PERIOD 1ST JULY 2019 TO 10TH NOVEMBER 2019**

Remuneration and Disclosures

The following represents obligations upon the Union under the **Fair Work (Registered Organisations) Act 2009** (the Act) and the Union's Rules.

The Union's Rules were altered with effect from 3 July 2017 to reflect the new reporting and disclosure obligations arising from the operation of the **Fair Work (Registered Organisations) Amendment Act 2016**. ([2017] FWCD 3231). (the Amendment Act)

As required under the Amendment Act, the Union will file an Officers Disclosure Statement with Registered Organisations Commission by 31 December 2020. The statement will also be posted on the new Union's website (www.unitedworkers.org.au). This replaces the previous disclosures on remuneration that otherwise would be contained in the annual financial report.

The following officers and employees are superannuation fund trustees or directors of a company that is a superannuation fund trustee. In each case the officer or employee was nominated for the position by the reporting unit.

A superannuation contribution of the amount specified by legislation of LUCRF director's fees is paid to the officers nominated superannuation fund. For the reporting period the contribution was as appears in the table below.

Officer or Employee	Position	Trustee Company	Name of Fund	SGC Contribution
Susie Allison	Director	LUCRF Pty Ltd	LUCRF Super	\$1,805

During the reporting period officers held directorships of the following boards and/or entities

Name	Board	Principal Activity	Reason
Susie Allison	McKell Institute	Policy Development	Because they are an officer of the reporting unit
Dario Mujkic	Co-operative Power Australia	Energy Co-operative	Nominated for position by the reporting unit

None of the above officers received any remuneration associated with their membership or directorship of any board of which they are a member.

No officer received any remuneration from a related third party of the Union in connection with the performance of their duties. Rule 68(c) prohibits officers undertaking external or secondary employment without the permission of the Branch Committee of Management. On 9 April 2019 the committee of management approved the secondment of Assistant Branch Secretary Dario Mujkic to United Voice – Victorian Branch for the purposes of assisting with bargaining. This arrangement ceased upon the commencement of the United Workers Union on 11 November 2019.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**OPERATING REPORT
FOR THE PERIOD 1ST JULY 2019 TO 10TH NOVEMBER 2019**

Remuneration and Disclosures (continued)

The Union maintains a register of interests of all officers and observes procedures for dealing with conflicts of interests in accordance with the provisions of the Amendment Act.

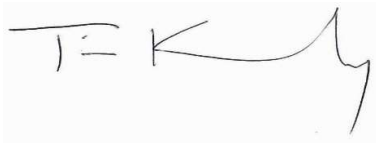
The salary, classifications and pay scale of all appointed officers and staff of the Union is as determined from time to time by Union's National Council in accordance with the Rules.

All officers in accordance with Rule 14D are required to undertake approved training within six months of assuming office. In accordance with the guidelines issued by the Registered Organisations Commission, officers who are re-elected to the same office are not required to undertake approved training (FS018). A register of participation in approved training is maintained by the Union.

Costs associated with the delivery of the training and attendance are met by the Union.

Members wishing to obtain additional information or detail on any of these matters may do so by contacting the Union on 1300 275 689.

Signature of designated officer:

A handwritten signature in black ink, appearing to read 'T. Kennedy', written on a light-colored background.

Name and title of designated officer: Timothy John Kennedy

Former General Secretary – National Union of Workers

National Secretary – United Workers' Union

Dated: 12 August 2020

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE PERIOD 1ST JULY 2019 TO 10TH NOVEMBER 2019**

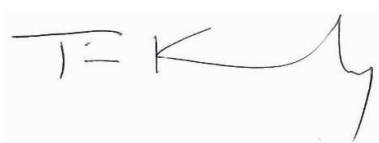
On 12 August 2020 the Committee of Management of the United Workers Union passed the following resolution in relation to the general purpose financial report (GPRF) for the period ended 10th November 2019:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with 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);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial period to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial period to which the GPRF relates and since the end of that period:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act, it has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of designated officer:



Name and title of designated officer: Timothy John Kennedy

Former General Secretary – National Union of Workers

National Secretary – United Workers' Union

Dated: 12 August 2020

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD 1ST JULY 2019 TO 10TH NOVEMBER 2019**

		1/7/2019 - 10/11/2019	1/7/2018 - 30/6/2019
	Note	\$	\$
Revenue			
Membership subscriptions		4,687,919	12,302,509
Interest		83,899	281,386
Profit on disposal of assets		-	659
Revenue Recovery of wages activity	3	9,078	-
Other revenue	3	539,624	2,760,923
Total revenue		5,320,520	15,345,477
Expenses			
Employee expenses	4	3,198,101	6,573,849
Sustentation fees	4	934,305	2,339,518
Affiliation fees	4	90,500	253,714
Administration expenses	4	415,667	939,849
Donations paid	4	34,500	106,241
Depreciation	4	99,690	252,038
Legal costs	4	244,734	212,845
Audit fees	4	20,400	22,350
Motor vehicle expenses		134,250	322,896
Delegates expenses		94,243	168,371
Occupancy expenses		249,416	767,906
Communication expenses		25,038	99,077
Officials expenses		89,805	126,228
Training & staff education expenses		66,222	123,885
Impairment losses		341,050	148,006
Losses on disposal of assets		840	72,367
Total expenses		6,038,761	12,529,140
Surplus (deficit) for the year		(718,241)	2,816,337
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss		-	-
Total comprehensive income for the year		(718,241)	2,816,337

The accompanying notes form part of the financial statements.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 10TH NOVEMBER 2019**

	Notes	10/11/2019 \$	30/6/2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	2,768,285	3,461,069
Trade and other receivables	6	2,332,114	1,294,548
Financial assets	7	7,910,736	9,240,322
Other current assets	8	215,175	218,398
Plant and equipment	9	1,507,952	1,423,236
Investments in associates	10	7,863,550	8,204,600
Other investments	11	17,841,364	17,535,829
Total current assets		40,439,176	41,378,002
Non-Current Assets			
Trade and other receivables	6	-	-
Plant and equipment	9	-	-
Investments in associates	10	-	-
Other investments	11	-	-
Total non-current assets		-	-
Total assets		40,439,176	41,378,002
LIABILITIES			
Current Liabilities			
Trade and other payables	12	387,483	731,530
Provisions	13	1,680,470	1,557,008
Total current liabilities		2,067,953	2,288,538
Total liabilities		2,067,953	2,288,538
Net assets		38,371,223	39,089,464
EQUITY			
Accumulated Funds		38,371,223	39,089,464
Total equity		38,371,223	39,089,464

The accompanying notes form part of the financial statements.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1ST JULY 2019 TO 10TH NOVEMBER 2019**

	Retained earnings	Total equity
	\$	\$
Balance as at 1 July 2018	36,273,127	36,273,127
Profit for the year	2,816,337	2,816,337
Balance as at 30 June 2019	39,089,464	39,089,464
Balance as at 1 July 2019	39,089,464	39,089,464
Deficit for the year	(718,241)	(718,241)
Balance as at 10 November 2019	38,371,223	38,371,223

The accompanying notes form part of the financial statements.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**CASH FLOW STATEMENT
FOR THE PERIOD 1ST JULY 2019 TO 10TH NOVEMBER 2019**

	Note	2019 \$	2019 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	15B	155,551	403,028
Receipts from members		4,738,777	12,290,316
Interest		75,285	225,125
Other		597,611	1,352,067
Cash used			
Payments to Employees & Suppliers		(4,598,506)	(9,599,809)
Payment to other reporting units	15B	(1,348,110)	(2,973,091)
Net cash from (used by) operating activities	15A	(379,392)	1,697,636
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	186,204
Proceeds from investments		1,329,586	-
Cash used			
Purchase of plant and equipment		(185,246)	(960,627)
Purchase of term deposits, shares & units		(157,732)	(5,474,357)
Net cash from (used by) investing activities		986,608	(6,248,780)
FINANCING ACTIVITIES			
Cash received			
Repayment of Loans		-	-
Cash used			
Provision of borrowings	15B	(1,300,000)	-
Net cash from (used by) financing activities		(1,300,000)	-
Net increase (decrease) in cash held		692,784	(4,551,144)
Cash & cash equivalents at the beginning of the reporting period		3,461,069	8,012,213
Cash & cash equivalents at the end of the reporting period		2,768,285	3,461,069

The accompanying notes form part of the financial statements.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 1ST JULY 2019 TO 10TH NOVEMBER 2019**

1. Summary of significant accounting policies

1a Basis of preparation of the financial statements

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 – Victorian Branch is a not-for-profit entity.

Modified 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 entity, 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 modified 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. Despite the fact that the National Union of Workers will be deregistered, the intention is to amalgamate the National Union of Workers and United Voice and therefore the liquidation basis whereby the value of assets is recorded at their net realisable value and liabilities are recorded at their expected settlement amount is not considered appropriate.

The accounts have therefore been prepared on a modified liquidation basis whereby all assets and liabilities are recorded on a going concern basis but are recorded as current to recognise the fact that the National Union of Workers will cease to exist within a twelve month period.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 1ST JULY 2019 TO 10TH NOVEMBER 2019**

1a Basis of preparation of the financial statements (continued)

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

In adopting this modified liquidation basis, the Committee of Management have continued to apply the disclosure requirements of Australian Accounting Standards, to the extent they are relevant, 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 modified liquidation basis of preparation.

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

1b Comparative amounts

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

1c Significant accounting judgements and estimates

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:

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 1ST JULY 2019 TO 10TH NOVEMBER 2019**

1c Significant accounting judgements and estimates (continued)

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.

1d 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.

The accounting policies adopted are consistent with those of the previous financial year.

Future Australian Accounting Standards Requirements

There were no new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on National Union of Workers – Victorian Branch

1e Investment in associates

An associate is an entity over which the National Union of Workers – Victorian Branch 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.

Investments in associates are accounted for using the equity method. Any goodwill or fair value adjustment attributable to the Union's share in the associate is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in associates is increased or decreased to recognise the Union's share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the Union.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 1ST JULY 2019 TO 10TH NOVEMBER 2019**

1f Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Revenue from membership 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.

Directors' fees are recognised when the right to receive the fee has been established.

Donation income is recognised when it is received.

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

Investment revenue is recognised in the period in which it is earned.

All revenue is stated net of the amount of goods and services tax (GST).

1g Gains

Sale of assets

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

1h Sustentation fees and levies

Sustentation fees and levies are to be recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 1ST JULY 2019 TO 10TH NOVEMBER 2019**

1i Employee benefits

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

Liabilities for short-term employee benefits which are expected to be settled within twelve months of the end of the 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 including related on costs.

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 reporting unit in respect of services provided by employees up to reporting date.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Contributions made by the Union to employee superannuation funds are charged as expenses when incurred.

1j Leases

Lease payments for operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged as expenses in the period in which they are incurred.

1k Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes 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 consolidated statement of financial position.

1l Financial instruments

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

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 1ST JULY 2019 TO 10TH NOVEMBER 2019**

1m 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 Union's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Union 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 Union'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 Union 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

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 1ST JULY 2019 TO 10TH NOVEMBER 2019**

1m Financial assets (continued)

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 Union 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 Union has transferred substantially all the risks and rewards of the asset, or
 - b) the Union has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Union 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 Union continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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1m Financial assets (continued)

Impairment

(i) Trade receivables

For trade receivables that do not have a significant financing component, the Union applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Union does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Union has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Union recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Union expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).

Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Union considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Union may also consider a financial asset to be in default when internal or external information indicates that the Union is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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1n 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.

The Union's financial liabilities include trade and other payables.

Subsequent measurement

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

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.

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.

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1o Plant and equipment

Plant and equipment are brought to account at cost less, where applicable, any accumulated depreciation or amortisation.

Depreciation

The depreciable amount of plant and equipment is depreciated on either a straight line or diminishing value basis over their useful lives commencing from the time the asset is held ready for use.

Depreciation

The depreciation rates used for each class of asset are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Motor Vehicles	25%
Office Furniture and Equipment	7.5% - 66.67%
Fixtures and Fittings	2.50%-50%

All minor purchases of assets are considered by the Committee as having a useful life relative only to the period of purchase and as such are written off during that period.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss in the statement of comprehensive income.

1p 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. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables, in the statement of financial position are shown inclusive of GST.

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2. Events 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 and United Voice will be consolidated into the United Voice – 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 translated 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.

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

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	<i>10/11/2019</i>	<i>30/6/2019</i>
	\$	\$
3. Revenue Recovery of Wages Activity		
Amounts recovered from employers in respect of wages	9,078	-
	9,078	-

	<i>10/11/2019</i>	<i>30/6/2019</i>
	\$	\$
3. Other Revenue		
Directors Fees Received	-	8,000
Share of net gain from associates accounted for using the equity method	-	511,575
Net gain on revaluation of investments	143,196	592,513
Dividends & Distributions Received	321,313	1,387,750
Sundry Income	75,115	248,514
Grants received	-	-
Donations received	-	12,571
	539,624	2,760,923

	<i>10/11/2019</i>	<i>30/6/2019</i>
	\$	\$
4. Expenses		
Employee expenses		
Holders of office:		
Wages and salaries	474,846	1,038,104
Superannuation	76,527	164,791
Leave and other entitlements	40,734	(39,769)
Separation and redundancies	-	-
Other employee expenses	52,520	106,428
Subtotal employee expenses holders of office	644,627	1,269,554
Employees other than office holders:		
Wages and salaries	1,939,041	4,108,593
Superannuation	306,976	669,254
Leave and other entitlements	82,726	(96,949)
Separation and redundancies	66,052	268,218
Other employee expenses	158,679	355,179
Subtotal employee expenses employees other than office holders	2,553,474	5,304,295
Total employee expenses	3,198,101	6,573,849

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4. Expenses (continued)

	10/11/2019	30/6/2019
	\$	\$
Sustentation fees		
NUW National Office	934,305	2,339,518
Total sustentation fees	934,305	2,339,518
Affiliation fees		
Australian Labor Party	51,537	140,868
Victorian Trades Hall Council	28,519	78,909
Ballarat Trades & Labour Council	238	660
Bendigo Trades & Labour Council	1,038	4,152
Geelong Trades & Labour Council	776	3,056
Gippsland Trades & Labour Council	168	464
Goulburn Valley Trades & Labour Council	1,485	4,315
North East Border Trades & Labour Council	6,189	17,124
South West Trades & Labour Council	550	900
Community Radio Federation Ltd	-	3,266
Total affiliation fees	90,500	253,714
Administration expenses		
Consideration to employers for payroll deductions	10,347	40,853
Campaign levy - ACTU	-	25,754
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	4,308	73,435
Other	401,012	799,807
Total administration expenses	415,667	939,849
Donations		
Total paid that were \$1,000 or less	4,500	91,284
Total paid that exceeded \$1,000	30,000	14,957
Total donations	34,500	106,241

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4. Expenses (continued)

	10/11/2019	30/6/2019
	\$	\$
Depreciation		
Depreciation		
Office Furniture and Equipment	12,744	29,661
Motor Vehicles	77,449	194,187
Fixtures and Fittings	9,497	28,190
Total depreciation	<u>99,690</u>	<u>252,038</u>
Legal costs		
Litigation	206,240	205,646
Other legal matters	38,494	7,199
Total legal costs	<u>244,734</u>	<u>212,845</u>
Remuneration of auditors		
Financial statement audit services	20,400	21,850
Other services	11,200	19,800
Total remuneration of auditors	<u>31,600</u>	<u>41,650</u>

Other services include the audit of the political membership return, assistance in the preparation of the general purpose financial report, completion of fringe benefits tax return and completion of quarterly business activity statements.

5. Cash and cash equivalents

	10/11/2019	30/6/2019
	\$	\$
Cash on hand	1,508	1,596
Cash at bank	2,766,777	3,459,473
Total cash and cash equivalents	<u>2,768,285</u>	<u>3,461,069</u>

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6. Trade and other receivables

	10/11/2019	30/6/2019
	\$	\$
Current		
Receivables from other reporting units		
NUW National Office	38,882	30,946
NUW General Branch	-	404
Total receivables from other reporting units	<u>38,882</u>	<u>31,350</u>
Loans to other reporting units		
NUW National Office	1,300,000	-
Total receivables from other reporting units	<u>1,300,000</u>	<u>-</u>
Other receivables:		
IPP Property Trust – Distribution receivable	360,233	360,233
Other trade receivables	632,999	902,965
Total other receivables	<u>993,232</u>	<u>1,263,198</u>
Total trade and other receivables	<u>2,332,114</u>	<u>1,294,548</u>

The carrying amounts of all current trade and other receivables are equal to their fair values as they are short term receivables and non-interest bearing.

Based on the underlying net assets of these entities, no impairment losses have been recognised as it is expected that these amounts will be recovered in full.

7. Financial assets

Held to Maturity investments		
- Term Deposits	7,910,736	9,240,322
Total current financial assets	<u>7,910,736</u>	<u>9,240,322</u>

Term Deposits are held with Members Equity Bank with an interest rate of between 2.0% and 2.75% (30/6/2019: 2.25%-2.80%)

8. Other current assets

Prepayments	132,455	144,292
Interest receivable	82,720	74,106
Total other current assets	<u>215,175</u>	<u>218,398</u>

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9. Plant and Equipment

	10/11/2019	30/6/2019
	\$	\$
Office Furniture & Equipment		
At Cost	505,905	420,698
Less Accumulated Depreciation	(270,315)	(356,770)
Net Office Furniture & Equipment	<u>235,590</u>	<u>63,928</u>
Motor Vehicles		
At Cost	1,102,339	1,102,339
Less Accumulated Depreciation	(329,593)	(252,144)
Net Motor Vehicles	<u>772,746</u>	<u>850,195</u>
Fixtures & Fittings		
At Cost	1,308,200	1,308,200
Less Accumulated Depreciation	(808,584)	(799,087)
Net Fixtures & Fittings	<u>499,616</u>	<u>509,113</u>
Total plant and equipment	<u>1,507,952</u>	<u>1,423,236</u>

Movements in Carrying Amounts

10/11/2019	Motor Vehicles	Office F&E	Fixtures & Fittings	Total
	\$	\$	\$	\$
Balance at beginning of year	850,195	63,928	509,113	1,423,236
Additions	-	185,246	-	185,246
Depreciation expense	(77,449)	(12,744)	(9,497)	(99,690)
Disposals	-	(840)	-	(840)
Carrying amount at end of year	<u>772,746</u>	<u>235,590</u>	<u>499,616</u>	<u>1,507,952</u>

30/6/2019	Motor Vehicles	Office F&E	Fixtures & Fittings	Total
	\$	\$	\$	\$
Balance at beginning of year	350,167	85,089	537,303	972,559
Additions	952,086	8,541	-	960,627
Depreciation expense	(194,187)	(29,661)	(28,190)	(252,038)
Disposals	(257,871)	(41)	-	(257,912)
Carrying amount at end of year	<u>850,195</u>	<u>63,928</u>	<u>509,113</u>	<u>1,423,236</u>

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10. Investments in Associates

	10/11/2019	30/6/2019
	\$	\$
<u>(A) 833 Bourke Street Company and Trust</u>		
<u>Ordinary Shares in 833 Bourke Street Pty Limited</u>		
Opening Balance	34	34
Share of net gain in value of investment	-	-
Closing Balance	<u>34</u>	<u>34</u>
<u>Units in 833 Bourke Street Unit Trust</u>		
Opening Balance	8,063,126	7,551,551
Share of net gain/(provision for impairment)	(341,050)	511,575
Closing Balance	<u>7,722,076</u>	<u>8,063,126</u>
Total investment	<u><u>7,722,110</u></u>	<u><u>8,063,160</u></u>

The National Office of the National Union of Workers holds shares in 833 Bourke Street Pty Limited and units in 833 Bourke Street Unit Trust on behalf of the National Union of Workers – Victorian Branch. The above represents the National Union of Workers – Victorian Branch’s share of the total investment.

(B) Industrial Printing & Publishing Company & Trust

<u>Ordinary Shares in Industrial Printing & Publishing Pty Ltd</u>		
Opening Balance	86,323	176,653
Share of net gain/(Provision for impairment)	-	(90,330)
Closing Balance	<u>86,323</u>	<u>86,323</u>
<u>Units in IPP Property Trust</u>		
Opening Balance	55,117	112,793
Share of net gain/(Provision for impairment)	-	(57,676)
Closing Balance	<u>55,117</u>	<u>55,117</u>
Total investment	<u><u>141,440</u></u>	<u><u>141,440</u></u>

The National Office of the National Union of Workers holds shares in trust in Industrial Printing and Publishing Pty Ltd and units in IPP Property Trust on behalf of the National Union of Workers – Victorian Branch. The above represents the National Union of Workers – Victorian Branch’s share of the total investment.

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11. Other Investments

	10/11/2019	30/6/2019
	\$	\$
Bell Potter Investment Portfolio – At Fair Value	17,841,364	17,535,829
Total investment	17,535,829	17,535,829
<u>Movement in Fair Value</u>		
Opening Balance	17,535,829	16,011,542
Net (Disposals)/Additions	162,339	931,774
Fair value adjustment	143,196	592,513
Closing Balance	17,841,364	17,535,829

The portfolio includes investments in equities, fixed interest securities, managed funds and exchange traded funds. The investments are managed on behalf of the National Union of Workers – Victorian Branch by Bell Potter Securities Limited.

12. Trade and other payables

	10/11/2019	30/6/2019
	\$	\$
Trade creditors and accruals	157,669	266,433
GST Payable	74,763	205,087
Legal Fees Payable – Litigation	-	8,772
Legal Fees Payable – Other Legal Matters	-	50
Subtotal trade and other payables	232,432	480,342
Payables to other reporting units		
NUW General Branch	600	-
NUW National Office	154,451	251,188
Subtotal payables to other reporting unit[s]	155,051	251,188
Total trade and other payables	387,483	731,530

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13. Provisions

	10/11/2019	30/6/2019
	\$	\$
Employee provisions - Current		
Office Holders:		
Annual leave	108,668	88,505
Long service leave	274,302	256,183
Separations and redundancies	-	-
Other	17,621	15,168
	<u>400,591</u>	<u>359,856</u>
Employees other than office holders:		
Annual leave	574,403	528,494
Long service leave	664,455	630,494
Separations and redundancies	-	-
Other	41,021	38,164
	<u>1,279,879</u>	<u>1,197,152</u>
Total employee provisions - current	<u>1,680,470</u>	<u>1,557,008</u>

14 Contingent Liabilities, Assets and Commitments

	10/11/2019	30/6/2019
	\$	\$

Note 14A: Commitments and Contingencies

Operating lease commitments—as lessee

5 year lease of office premises expiring 4/11/2023; photocopier leases with 60 month terms. On renewal, the terms of the leases are renegotiated.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are:

Within one year	<u>717,900</u>	717,900
After one year but not more than five years	2,519,883	2,531,628
More than five years	-	-
	<u>3,237,783</u>	<u>3,249,528</u>

Capital commitments

At 10 November 2019 the Union has no significant capital commitments.

Other contingent assets or liabilities

The members of the Committee of Management are unaware of any other contingent asset or liability, the effect of which may be material in relation to the financial statements.

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15. Cash flow information

15A: Cash flow reconciliation

	10/11/2019	30/6/2019
	\$	\$
Reconciliation of surplus(deficit) to net cash from operating activities:		
Surplus/(deficit) for the year	(718,241)	2,816,337
Adjustments for non-cash items		
Depreciation	99,690	252,038
Loss on disposal of assets	840	72,367
Profit on disposal of assets	-	(659)
Unrealised (gain)/loss in value of investments in associates	341,050	(363,569)
Unrealised (profit)/loss in value of investments	(143,196)	(592,513)
Distributions reinvested	-	(180,847)
Dividends reinvested	(589)	-
Management fees rebated & reinvested	(4,018)	(5,858)
Changes in assets/liabilities		
(Increase)/decrease in trade and receivables	262,433	(57,858)
(Increase)/decrease in other assets	3,223	(116,747)
Increase/(decrease) in trade and other payables	(344,046)	11,665
Increase/(decrease) in employee provisions	123,462	(136,720)
Net cash from (used by) operating activities	(379,392)	1,697,636

15B: Cash flow information

Cash inflows		
NUW – National Office	155,147	333,260
NUW – NSW Branch	-	319
NUW – General Branch	404	69,449
Total cash inflows	155,551	403,028
Cash outflows		
NUW – National Office	2,632,642	2,956,216
NUW – General Branch	15,468	16,875
Total cash outflows	2,648,110	2,973,091

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16. Related party disclosures

16A: Related party transactions for the reporting period

The following table provides the total amount of transactions that have been entered into with related parties for the relevant period.

	10/11/2019	30/6/2019
	\$	\$
<u>Revenue received includes the following:</u>		
NUW National Office		
Sundry income received	-	5,480
Administration expenses recovered	97,222	250,413
Transfer of employee leave entitlements	-	80,506
	97,222	336,399
NUW General Branch		
Administration expenses recovered	-	41,562
Transfer of employee leave entitlements	-	12,969
	-	54,531
NUW NSW Branch		
Administration expenses recovered	-	319
	-	319
833 Bourke Street Unit Trust		
Distributions received	190,197	620,885
Publicity Works Pty Ltd		
Directors Fees received	-	8,000
<u>Expenses paid includes the following:</u>		
NUW National Office		
Payroll tax	136,442	298,078
Sustentation fees	934,305	2,339,518
Seconded staff expenses	29,168	80,801
Administration Expenses	46,396	215,842
	1,146,311	2,934,239
NUW General Branch		
Administration Expenses	14,079	10,956
Transfer of employee leave entitlements	-	5,144
	14,079	16,100
833 Bourke Street Unit Trust		
Rent & Outgoings	249,416	767,906
Publicity Works Pty Ltd		
Printing expenses	10,260	42,456

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16. Related party disclosures (continued)

16A: Related party transactions for the reporting period

	10/11/2019	30/6/2019
	\$	\$
<u>Amounts owed by -</u>		
NUW National Office	38,882	30,946
NUW General Branch	-	404
833 Bourke Street Unit Trust	47,533	47,486
	86,415	78,836
<u>Amounts owed to -</u>		
NUW National Office	154,451	251,188
NUW General Branch	600	-
833 Bourke Street Unit Trust	26,393	65,546
	181,444	316,734

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period ended 10 November 2019, the National Union of Workers – Victorian Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (30/6/2019: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

16B: Key management personnel remuneration for the reporting period

	10/11/2019	30/6/2019
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	474,846	1,038,104
Annual leave & RDO accrued	22,615	(14,014)
Total short-term employee benefits	497,461	1,024,090
Post-employment benefits:		
Superannuation	76,527	164,791
Total post-employment benefits	76,527	164,791
Other long-term benefits:		
Long-service leave	18,119	(25,755)
Total other long-term benefits	18,119	(25,755)
Termination benefits	-	-
Total	592,107	1,163,126

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17. Financial instruments

The Union's activities expose it to the primary financial risks of market, liquidity, credit and interest rate risk. The Union's overall risk management approach is to identify the risks and implement safeguards which seek to minimise potential adverse effects on the financial performance of the Union.

Market Risk

The Union is exposed to equity securities price risk and managed funds price risk. This arises from investments held by the Union and classified on the statement of financial position either as available-for-sale or at fair value through profit or loss.

The Union's equity investments are publicly traded and are listed on the ASX.

The table below summarises the impact of increases/(decreases) of the indexes on the Union's equity and managed funds. The analysis is based on the assumption that the equity and managed fund indexes had increased/(decreased) by 10% (30/6/2019 – 10%) with all other variables held constant and all the Union's equity and managed funds instruments moved according to the historical correlation with the index.

	10/11/2019	30/6/2019
	\$	\$
Effect on equity:		
Increase of equity index by 10%	1,784,136	1,753,583
Decrease of equity index by 10%	(1,784,136)	(1,753,583)

Liquidity Risk

Liquidity risk is the risk that the Union may not be able to meet its financial obligations as they fall due. The Union has both short term and long term investments which enable sufficient cash to be available to settle obligations as they fall due.

Credit Risk

Credit risk is the risk of financial loss to the Union if a member or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, receivables, deposits with banks and financial institutions and loans to branches.

There is no concentration of credit risk with respect to current receivables. The maximum exposure to credit risk for receivables at the reporting date is the carrying amount in the statement of financial position.

Cash transactions are limited to high credit quality financial institutions. Currently the investments are held in Australian banks. The Union has no significant concentrations of credit risk.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 1ST JULY 2019 TO 10TH NOVEMBER 2019**

17. Financial instruments

Credit Risk

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. The credit quality of financial assets can be assessed by reference to external credit ratings as follows :

	10/11/2019	30/6/2019
	\$	\$
Cash at bank		
AA- Rating	1,025,958	1,472,547
BBB Rating	1,740,819	1,986,926
	2,766,777	3,459,473
Term Deposits		
BBB Rating	7,910,736	9,240,322

Interest Rate Risk

Interest rate risk is the risk that a financial instrument's value and future cash flows will fluctuate as a result of changes in market interest rates. The Union's exposure to interest rate risk arises from cash at bank and term deposits.

Sensitivity analysis

As at 10 November the effect on the surplus/(deficit) as a result of changes in interest rates, with all other variables remaining constant would be as follows:

	10/11/2019	30/6/2019
	\$	\$
Effect on results:		
Increase of interest rates by 1%	104,143	118,594
Decrease of interest rates by 1%	(104,143)	(118,594)

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17. Financial instruments

Maturity profile of financial instruments

The maturity profile of financial assets and liabilities held are detailed below:

10/11/2019	Weighted Average Interest Rate	Floating Interest Rate	1 year or less	1 to 5 years	Non Interest Bearing	Total
	%	\$	\$	\$	\$	\$
Financial Assets						
Cash on hand		-	-	-	1,508	1,508
Cash at bank	1.50	2,766,777	-	-	-	2,766,777
Term Deposits	2.39	-	7,910,736	-	-	7,910,736
Other Receivables		-	-	-	2,332,114	2,332,114
Investments		25,704,914	-	-	-	25,704,914
		28,471,691	7,910,736	-	2,333,622	38,716,049
Financial Liabilities						
Trade & other payables		-	-	-	387,483	387,483
Net Financial Assets		28,471,691	7,910,736	-	1,946,139	38,328,566

30/6/2019	Weighted Average Interest Rate	Floating Interest Rate	1 year or less	1 to 5 years	Non Interest Bearing	Total
	%	\$	\$	\$	\$	\$
Financial Assets						
Cash on hand		-	-	-	1,596	1,596
Cash at bank	1.63	3,459,473	-	-	-	3,459,473
Term Deposits	2.67	-	9,240,322	-	-	9,240,322
Other Receivables		-	-	-	1,294,548	1,294,548
Investments		25,740,429	-	-	-	25,740,429
		29,199,902	9,240,322	-	1,296,144	39,736,368
Financial Liabilities						
Trade & other payables		-	-	-	731,530	731,530
Net Financial Assets		29,199,902	9,240,322	-	564,614	39,004,838

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 1ST JULY 2019 TO 10TH NOVEMBER 2019**

18. Fair value measurement

AASB 13: Fair Value Measurement requires the disclosure of fair value information according to the relevant level in the fair value hierarchy as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial assets available-for-sale is based on quoted market prices at the end of the reporting period.

The table below shows the assigned level for each asset and liability held at fair value –

10th November 2019	Level 1	Level 2	Level 3	Total
Assets	\$	\$	\$	\$
Available-for-sale financial assets	17,841,364	-	-	17,841,364
30th June 2019	Level 1	Level 2	Level 3	Total
Assets	\$	\$	\$	\$
Available-for-sale financial assets	17,535,829	-	-	17,535,829

19. Section 272 Fair Work (Registered 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 specified 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 subsection (1).

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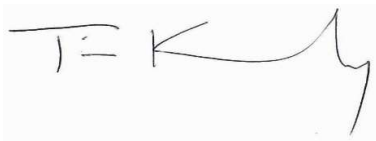
OFFICER DECLARATION STATEMENT

I, Timothy John Kennedy being the officer of the United Workers Union, declare that the following activities did not occur during the reporting period ending 10th November 2019.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees from another reporting unit
- receive revenue via compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signature of designated officer:



Name and title of designated officer: Timothy John Kennedy
Former General Secretary – National Union of Workers
National Secretary – United Workers' Union

Dated: 12 August 2020