



11 February 2019

Mr Daniel Walton
Branch Secretary
Australian Workers' Union - New South Wales Branch

By e-mail: info@awu-nsw.asn.au

CC: nigel@bgsaccountants.com.au

Dear Mr Walton,

**Australian Workers' Union - New South Wales Branch
Financial Report for the year ended 30 June 2018 - [FR2018/262]**

I acknowledge receipt of the financial report of the Australian Workers' Union - New South Wales Branch (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 10 January 2019. I also acknowledge receipt of the amended designated officer's certificate which was lodged with the ROC on 4 February 2019.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged, except where I have indicated under the sub-heading *Statement of loans, grants and donations*. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these matters have been addressed prior to filing next year's report.

Timescale requirements

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timeline requirements can be found on the ROC website. In particular, I draw your attention to the fact sheet titled *financial reporting process* which explains the timeline requirements, and the fact sheet titled *summary of financial reporting timelines* which sets out the timeline requirements in diagrammatical form.

I note that the following timescale requirement was not met:

Documents must be lodged with ROC within 14 days after second committee of management meeting

Section 268 of the RO Act requires a copy of the full report and the designated officer's certificate to be lodged with the ROC within 14 days after the meeting of the committee of management referred to in section 266. The designated officer's certificate indicates that this meeting occurred on 7 December 2018. If this is correct the documents should have been lodged with the ROC by 21 December 2018.

As indicated above, the full report was lodged on 10 January 2019.

It appears the branch should have applied to the Commissioner for an extension of time to allow a longer period to lodge the required documents.

Please note that in future financial years if the branch cannot lodge within the 14 day period prescribed, a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made *prior to* the expiry of the 14 day period.

Statement of loans, grants and donations

Difference in figure reporting in LGD statement and financial report

A loans, grants and donations statement for the reporting unit was lodged with the ROC under subsection 237(1) of the RO Act on 27 September 2018. A figure of \$12,083 for donations that exceeded \$1,000 was also disclosed in the financial report, however this figure for donations is different to the total of the figures disclosed in the loans, grants and donations statement (\$27,083).

Please provide an explanation for the difference in the figure reported. If items reported in the loans, grants and donations statement are incorrect or incomplete please lodge an amended statement.

General purpose financial report

Officer's declaration statement – to include all nil activity disclosures not elsewhere disclosed.

Item 21 of the reporting guidelines (**RGs**) states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. I note that the officer's declaration statement includes the following nil activity disclosures for which there was already an equivalent form of disclosure in the body of the notes:

- "Agreeing to receive financial support from another reporting unit to continue as a going concern" is disclosed in both Note 1.26 and the officer's declaration statement;
- "Receiving capitation fees from another reporting unit" is disclosed in both the statement of comprehensive income and Note 3A;
- "Receiving revenue via compulsory levies" is disclosed in the statement of comprehensive income, Note 3B and the officer's declaration statement;
- "Receiving donations or grants" is disclosed in both the statement of comprehensive income and Note 3E;
- "Incurring fees as consideration for employers making payroll deductions of membership subscriptions", "paying compulsory levies" and "paying to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit" are disclosed in both Note 4D and the officer's declaration statement;
- "Paying a grant that was \$1,000 or less" and "paying a grant that exceeded \$1,000" are disclosed in both Note 4E and the officer's declaration statement;

- "Receiving cash flows from another reporting units and/or controlled entity" is disclosed in both the statement of cash flows and Note 11B; and
- "Having another entity administer the financial affairs of the reporting unit" is disclosed in both Note 17 and the officer's declaration statement.

Please note that nil activities only need to be disclosed once.

Inconsistencies in disclosure of financial information

During the assessment of the financial report, I noted the following inconsistencies in the disclosure of certain items:

- The statement of comprehensive income includes capitation fee expenses of \$896,720 and affiliation fee expenses of \$170,132. The officer's declaration statement, however, includes nil activity disclosures for both payments of capitation fees and affiliation fees.
- Note 4D Administration expenses discloses conference and meeting expenses of \$231,803. The officer's declaration statement, however, includes nil activity disclosure for incurring expenses due to holding a meeting as required under the rules of the organisation.
- The statement of cash flows includes payments to other reporting units/controlled entity of \$884,051. The officer's declaration statement, however, includes nil activity disclosure for providing cash flows to another reporting unit and/or controlled entity.

In future years, please ensure that items within the financial report are disclosed consistently.

Operating report

Prescribed information in Operating report

Regulation 159(c) requires an operating report to contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position. The ROC takes the words "at any time" to mean that all persons, whether they held their position for the full year or for part of the year, must be included.

I note that the following name of McGuinness, B appeared in the previous year's operating report but did not appear in this year's operating report. There was no indication that McGuinness, B had resigned during, or at the end of, the previous year, and without any such indication the question arises whether their names have been inadvertently omitted.

In future years, please ensure that all persons are included and the periods for which they held their position are clearly indicated.

Subsection 255(2A) report

Categories of expenditure

A general purpose financial report prepared under section 253 of the RO Act includes the expenditure report required to be prepared under subsection 255(2A) as prescribed by RG 22. This report has been provided on page 8 within the financial report.

RG 22(d) requires that the total expenditure incurred by the reporting unit during the financial year in relation to donations to political parties is to be included in this report. I note that within the expenditure report provided on page 8, the total for donations is included, not the total for donations to political parties.

Please ensure in future years that the total expenditure relating to donations to political parties is disclosed within the subsection 255(2A) report.

Other

Introduction

Please note that on page 3 of the financial report, reference is made to the '*section 253 Reporting Guidelines issued on 13 June 2014*'. On 4 May 2018, the 5th edition RG for the purposes of section 253 of the RO Act were issued. This edition now supersedes the RG that were issued on 13 June 2014.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 RGs and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 RGs and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at Kylie.Ngo@roc.gov.au.

Yours sincerely,



Kylie Ngo
Financial Reporting Assistant
Registered Organisations Commission

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NEW SOUTH WALES BRANCH
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DANIEL WALTON State Secretary



10 January 2019

Register Organisations Commission (ROC)
GPO Box 2983
Melbourne VIC 3001

Via email: regorgs@roc.gov.au

Dear Sir / Madam,

Re: Delay in Lodgment of Annual Financial Accounts

On 7 December 2018, the acceptance of the annual financial accounts of The Australian Workers' Union, NSW Branch took place. All procedural matters and obligations pertaining to the production, presentation and acceptance of the annual financial accounts were duly complied with.

However, due to an internal administrative oversight the annual financial accounts were not filed with the ROC on 21 December 2018. This oversight was brought to our attention by your office yesterday afternoon, Wednesday, 9 January 2019. We are grateful for this observation and we hereby lodge the annual financial accounts as of Thursday, 10 January 2019.

We have now instituted a process to ensure that we lodge the annual financial accounts with your office within the required time frame.

Please do not hesitate to contact me at marc.bernard@nat.awu.net.au or 0404 879 132 should you have any queries pertaining to this matter.

Yours sincerely,

A handwritten signature in blue ink that reads 'M. Bernard'.

Marc Bernard
NATIONAL AND NSW BRANCH CFO



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The Australian Workers' Union
New South Wales Branch

Financial Reports

For the period
ended 30 June 2018



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The Australian Workers' Union New South Wales Branch

Introduction

These financial reports are prepared by The Australian Workers' Union NSW Branch (a reporting unit) as defined under section 242 of the *Fair Work (Registered Organisations) Act 2009* (RO Act), with a reporting date of 30 June 2018.

The enclosed financial report has been prepared in accordance with the requirements of applicable Australian Accounting Standards as they apply to a not-for-profit entity and the RO Act, including the section 253 Reporting Guidelines issued on 13 June 2014. The financial report is intended to comply with the disclosure requirements for the preparation of a general purpose financial report under Tier 1—Australian Accounting Standards.

The Australian Workers' Union NSW Branch commenced on 1 September 2016 as a new entity. The AWU National Executive and the three branch executives of the AWU geographically located within New South Wales agreed to merge as at 1 September 2016. As a result, a new Executive was appointed to manage the new entity.

All the assets and liabilities of the three branches were transferred to the new entity AWU New South Wales Branch on 1 September 2016.

ALAN FRASER LOVETT

Phone: 9451 6364

Email: nigel@bgsaccountants.com.au

All Correspondence to: PO Box 72 FRENCHS FOREST NSW 1640

Independent Audit Report

Independent Audit Report to the Members of The Australian Workers' Union NSW Branch

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of The Australian Workers Union NSW Branch (the Reporting Unit), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2018, 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 The Australian Workers Union NSW Branch as at 30 June 2018, 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).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

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 APE5 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 or 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.

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 consider and:

- 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.
- 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 an auditor registered under the RO Act.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

My opinion on the financial report is that no deficiency, failure, or shortcoming in respect of Section 252 and Section 257(2) in the conduct of the audit.

Name: Alan Fraser Lovett
Address: PO Box 72 FRENCHS FOREST NSW 1640


Alan Fraser Lovett
Date: 16 November 2018

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/179

The Australian Workers' Union New South Wales Branch

s.268 Fair Work (Registered Organisations) Act 2009

Certificate By Prescribed Designated Officer

Certificate for the period 30 June 2018

I Daniel Walton being the AWU NSW Branch Secretary of the Australian Workers' Union NSW Branch certify:

- *that the documents lodged herewith are copies of the full report for the Australian Workers' Union, NSW Branch for the period ended referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and*
- *that the full report was provided to members of the reporting unit on 16 November 2018; and*
- *that the full report was presented to a Committee of Management on 7 December 2018 in accordance with Section 266 of the Fair Work (Registered Organisations) Act 2009.*

Signature of prescribed designated officer:



Name of prescribed designated officer: **DANIEL WALTON**

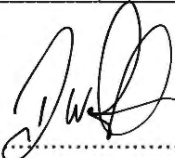
Title of prescribed designated officer: **NSW BRANCH SECRETARY**

Dated: 7 December 2018

The Australian Workers' Union New South Wales Branch

Expenditure Report required under Subsection 255(2A) for the year ended 30 June 2018

Categories of expenditures	2018 \$	2017 \$
Remuneration and other employment-related costs and expenses - employees	6,096,762	5,017,700
Advertising	104,020	53,376
Operating costs	2,501,504	1,867,951
Donations	24,638	27,332
Legal costs	548,980	118,596

Signature of prescribed designated officer: 

Name and title of prescribed designated officer: Daniel Walton, NSW Branch Secretary

Dated: 7 December 2018

The Australian Workers' Union New South Wales Branch

Operating Report

for the period ended 30 June 2018

The Committee of Management presents its operating report on the Reporting Unit for the period ended 30 June 2018.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

There were no significant changes to the Union's principal activities during the reporting period.

Significant changes in financial affairs

There were no significant changes to the Union's financial affairs during the reporting period.

Right of members to resign

AWU Rule 14 – Resigning as a member – provides for the resignation of members in accordance with Section 174 of the Fair Work (Registered Organisations) Act 2009.

Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

Daniel Walton who is NSW branch secretary has acted in the capacity as a superannuation fund trustee or as a director of a company during the reporting period or the previous financial year.

Number of members

At 30 June 2018 the total amount of members was 20,417.

Number of employees

The number of employees as at 30 June 2018 was 56 including officials and staff.

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

All of the following members of the AWU NSW Branch Executive during the period 1 July 2017 until 30 June 2018. The Executive committee members are:

*Armstrong, P.
Boreland, D
Boyd, J (Vice President)
Buhler, J (Vice President)
Callinan, A (Assistant Secretary)
Cowdrey, R (Vice President)
Davies, G
Dawson, G
Delaney, P (Senior Vice President)*

*Leake, G
Mason, C
Matheson, T
McGuinness, W
Millar, L
Morley, I
Noack, P (Assistant Secretary)
Phillips, W (Assistant Secretary)
Pringle, W*

Dunn, R
Fairless, L (Branch President)
Farrow, P (Senior Vice President)
Halloran, D
Hancock, D (Senior Vice president)
Hillary, R
Hughes, M (Elected Organiser)
Lawless, E

Redman, L
Scott, J
Slavin, B
Stojanoski, S
Thomas, I
Turner, L
Walton, D (Secretary)
Yan, K

Signature of designated officer:



Name and title of designated officer: DANIEL WALTON, NSW BRANCH SECRETARY

Dated: 15 NOVEMBER 2018

The Australian Workers' Union New South Wales Branch
Committee of Management Statement

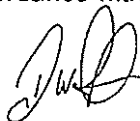
for the year ended 30 June 2018

On 15 NOVEMBER 2018 the AWU NSW Branch Executive Committee of the Australian Workers' Union NSW Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2018:

The AWU NSW Branch Executive Committee 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 year 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 year to which the GPFR relates and since the end of that year:
 - (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 has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Registered Organisations 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: DANIEL WALTON, NSW BRANCH SECRETARY

Dated: 15 NOVEMBER 2018

The Australian Workers' Union New South Wales Branch

Statement of Comprehensive Income

for the year ended 30 June 2018

		2018	2017
	Notes	\$	\$
Revenue			
Membership subscription*		8,025,477	6,350,412
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	72,517	90,961
Rental revenue	3D	878,450	337,360
Other revenue		220,895	76,266
Total revenue		9,197,339	6,854,999
Other Income			
Grants and/or donations	3E	-	-
Net gains from sale of assets	3F	6,772	-
Total other income		6,772	-
Total income		9,204,111	-
Expenses			
Employee expenses	4A	5,598,931	4,709,599
Capitation fees	4B	896,720	698,544
Affiliation fees	4C	170,132	138,981
Administration expenses	4D	2,207,615	1,583,977
Grants or donations	4E	24,638	27,332
Depreciation and amortisation	4F	428,305	317,065
Finance costs	4G	41,231	37,341
Legal costs	4H	548,980	118,596
Audit fees	14	38,491	58,119
Write-down and impairment of assets	4I	-	-
Net losses from sale of assets	4J	-	13,279
Other expenses	4K	104,020	53,376
Total expenses		10,059,063	7,756,209
Total comprehensive income for the year		(854,952)	(901,210)

The above statement should be read in conjunction with the notes.

The Australian Workers' Union New South Wales Branch
Statement of Financial Position
as at 30 June 2018

	Notes	2016 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	7,727,514	9,906,898
Trade and other receivables	5B	232,780	225,641
Other current assets	5C	154,732	89,446
Total current assets		8,115,026	10,221,985
Non-Current Assets			
Land and buildings	6A	8,939,542	8,139,765
Plant and equipment	6B	1,241,801	1,032,373
Investment Property	6C	695,000	677,846
Intangibles	6D	79,509	-
Other investments	6F	855,613	835,000
Other non-current assets	6G	2,127,123	2,127,123
Total non-current assets		13,938,588	12,812,107
Total assets		22,053,614	23,034,092
LIABILITIES			
Current Liabilities			
Trade payables	7A	214,380	83,219
Other payables	7B	357,851	420,374
Employee provisions	8A	904,340	1,203,523
Total current liabilities		1,476,571	1,707,116
Non-Current Liabilities			
Employee provisions	8A	1,284,942	1,984,904
Other non-current liabilities	9A	636,621	715,951
Total non-current liabilities		1,921,563	2,700,855
Total liabilities		3,398,134	4,407,971
Net assets		18,655,480	18,626,121
EQUITY			
General funds	10A	20,411,642	19,527,331
Retained earnings (accumulated deficit)		(1,756,162)	(901,210)
Total equity		18,655,480	18,626,121

The above statement should be read in conjunction with the notes.

The Australian Workers' Union New South Wales Branch

Statement of Changes in Equity

for the year ended 30 June 2018

	Notes	General funds \$	Retained earnings \$	Total equity \$
Balance as at 1 September 2016		-	-	-
Surplus / (deficit)		-	(901,210)	(901,210)
Transfer to/from AWU Branches	10A	19,527,331	-	19,527,331
Closing balance as at 30 June 2017		19,527,331	(901,210)	18,626,121
Surplus / (deficit)		884,311	(854,952)	29,359
Transfer to/from AWU Branches	10A	-	-	-
Closing balance as at 30 June 2018		20,411,642	(1,756,162)	18,655,480

The above statement should be read in conjunction with the notes.

The Australian Workers' Union New South Wales Branch
Statement of Cash Flows
for the year ended 30 June 2018

	Notes	2018 \$	2017 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	11B	-	-
Receipts from members		8,090,266	6,233,414
Interest		90,570	66,713
Other		1,040,096	362,717
Cash used			
Employees		(6,024,666)	(3,738,536)
Suppliers		(3,776,585)	(886,379)
Payment to other reporting units/controlled entity(s)	11B	(884,051)	(669,592)
Net cash from (used by) operating activities	11A	(1,464,370)	1,368,337
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		24,260	7,652
Cash used			
Purchase of plant and equipment		(580,435)	(140,902)
Purchase of investment		(79,509)	-
Net cash from (used by) investing activities		(635,684)	(133,250)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	8,791,811
Cash used			
Repayment of borrowings		(79,330)	(120,000)
Net cash from (used by) financing activities		(79,330)	(120,000)
Net increase (decrease) in cash held		(2,179,384)	9,906,898
Cash & cash equivalents at the beginning of the reporting period		9,906,898	-
Cash & cash equivalents at the end of the reporting period	5A	7,727,514	9,906,898

The above statement should be read in conjunction with the notes.

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Note 1 Summary of significant accounting policies

1.1 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 Australian Workers' Union NSW Branch is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

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

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 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 except for the following standards and amendments, which have been adopted for the first time this financial year

- *AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses*, which makes amendments to AASB 112 *Income Taxes* to clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value.

No impact on the reporting unit.

- *AASB 2016-2 Amendment to Australian Accounting Standards – Disclosure Initiative Amendments to AASB 107*, which amends AASB 107 *Statement of Cash Flows* (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting

requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and no-cash changes.

The reporting unit has provided the information for both current and comparative period in Note 15H.

- *AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash Generating Specialised Assets of Not-for-Profit Entities*, which amends AASB 136 *Impairment of Assets* to remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities and clarify that not-for-profit entities holding non-cash-generating specialised assets at fair value in accordance with AASB 13 Fair Value Measurement [under the revaluation model in AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets] no longer need to consider AASB 136. Not-for-profit entities holding such assets at cost may determine recoverable amounts using current replacement cost in AASB 13 as a measure of fair value for the purposes of AASB 136.

There will be minimal impact on the reporting unit.

- *AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle*, which clarifies the scope of AASB 12 *Disclosure of Interests in Other Entities* by specifying that the disclosure requirements apply to an entity's interests in other entities that are classified as held for sale or discontinued operations in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*.

There will be minimal impact on the reporting unit.

Future Australian Accounting Standards Requirements

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Union has decided not to early adopt any of the new and amended pronouncements. The Union's assessment of the new and amended pronouncements that are relevant to the Union but applicable in future reporting periods is set out below:

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;

- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements

This Standard will require retrospective restatement, as well as enhanced disclosures regarding leases.

Although the Committee of Management anticipate that the adoption of AASB 16 will impact the Union's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

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

The net book value of assets and or liabilities transferred to the *reporting unit* for no consideration is used to account for an amalgamation under Part 2 of Chapter 3 of the *Fair Work (Registered Organisations) Act 2009/a* restructure of the branches of the *reporting unit* a determination by the General Manager under subsections 245(1) of the *Fair Work (Registered Organisations) Act 2009/a* revocation by the General Manager under subsection 249(1) of the *Fair Work (Registered Organisations) Act 2009*.

1.6 The assets and liabilities of the newly created branch known as AWU NSW occurred on 1 September 2016 recognised as at the date of transfer. The closing balances of the three branches assets and liabilities as at 31 August 2016 that formed AWU NSW are as follows:

ASSETS	GREATER NSW	NEWCASTLE	PORT KEMBLA	TOTAL
Current Assets				
Cash and cash equivalents	8,127,650	598,578	1,812,640	10,538,868
Trade and other receivables	2,422,595	69,484	49,689	2,541,768
Other current assets	-	21,837	-	21,837
Total current assets	10,550,245	689,899	1,862,329	13,102,473
Non-Current Assets				
Property, Plant and equipment	5,215,874	2,962,305	122,251	8,300,430
Investment Property	-	-	677,846	677,846
Other investments	-	-	662	662
Other non-current assets	830,133	1,612	-	831,745
Total non-current assets	6,046,007	2,963,917	800,759	9,810,683
Total assets	16,596,252	3,653,816	2,663,088	22,913,156

LIABILITIES	GREATER NSW	NEWCASTLE	PORT KEMBLA	TOTAL
Current Liabilities				
Trade payables	190,286	110,818	23,796	324,900
Other payables	56,844	120,000	24,969	201,813
Employee provisions	368,158	103,219	358,360	829,737
Total current liabilities	615,288	334,037	407,125	1,356,450
Non-Current Liabilities				
Employee provisions	1,048,614	199,513	-	1,248,127
Other non-current liabilities	-	781,248	-	781,248
Total non-current liabilities	1,048,614	980,761	-	2,029,375
Total liabilities	1,663,902	1,314,798	407,125	3,385,825
Net assets	14,932,350	2,339,018	2,255,963	19,527,331
EQUITY				
General funds	2,747,205	(92,156)	486	2,655,535
Retained earnings	12,185,145	2,431,174	2,255,477	16,871,796
Total equity	14,932,350	2,339,018	2,255,963	19,527,331

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 *reporting unit* 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 *reporting unit* recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the *reporting unit* 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 *reporting unit* 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 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 reporting unit 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.

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 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 statement of financial position.

1.15 Financial instruments

Financial assets and financial liabilities are recognised when a *reporting unit* entity becomes a party 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

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.17 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable 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.

1.19 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of 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 accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets 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 revalued amount.

Depreciation

Depreciable property, plant 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:

	2018	2017
Land & buildings	40 years	40 years
Plant and equipment	3 years to 15 years	3 years to 15 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 reporting unit intangible assets are:

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 the profit and loss account when the asset is derecognised.

As the asset has been acquired late in the financial year it is difficult to estimate the useful life of the asset and no impairment has been taken up.

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 of disposal 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 replaced if the *reporting unit* 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 *reporting unit* 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 statement of cash flows 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 reporting unit 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 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 *reporting unit*. 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 reporting unit 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 reporting unit 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 reporting unit 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 reporting unit is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The reporting unit has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

Note 2 Events after the reporting period

There were no events that occurred after 30 June 2018, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the reporting unit.

	2018 \$	2017 \$
Note 3 Income		
Note 3A: Capitation fees*		
Total capitation fees	-	-
Note 3B: Levies*		
Total levies	-	-
Note 3C: Interest		
Deposits	72,517	90,961
Total interest	72,517	90,961
Note 3D: Rental revenue		
Properties	878,450	337,360
Total rental revenue	878,450	337,360

	2018	2017
	\$	\$
Note 3E: Grants or donations*		
Grants	-	-
Donations	-	-
Total grants or donations	<u>-</u>	<u>-</u>

Note 3F: Net gains from sale of assets

Plant and equipment	6,772	-
Total net gain from sale of assets	<u>6,772</u>	<u>-</u>

Note 4 Expenses

Note 4A: Employee expenses*

Holders of office:

Wages and salaries	899,009	986,143
Superannuation	173,259	204,221
Leave and other entitlements	(73,140)	(409,308)
Separation and redundancies	-	555,348
Other employee expenses	139,138	90,018
Subtotal employee expenses holders of office	<u>1,138,266</u>	<u>1,426,422</u>

Employees other than office holders:

Wages and salaries	4,137,304	2,813,543
Superannuation	425,595	298,907
Leave and other entitlements	(573,428)	(182,066)
Separation and redundancies	90,611	95,913
Other employee expenses	380,583	256,880
Subtotal employee expenses employees other than office holders	<u>4,460,665</u>	<u>3,283,177</u>
Total employee expenses	<u>5,598,931</u>	<u>4,709,599</u>

	2018	2017
	\$	\$
Note 4B: Capitation fees*		
AWU National Office	896,720	698,544
Total capitation fees	896,720	698,544

Note 4C: Affiliation fees*

ALP NSW	85,078	72,265
ALP Act Branch	875	-
Sydney May Day Committee	-	2,200
Newcastle Trades Hall Council	7,062	3,497
Worker's Health Centre	1,315	-
Unions ACT	1,957	-
Unions NSW	73,845	61,019
Total affiliation fees/subscriptions	170,132	138,981

Note 4D: Administration expenses

Consideration to employers for payroll deductions*	-	-
Compulsory levies*		
<i>[list each levy including purpose and name of entity]</i>	-	-
Fees/allowances - meeting and conferences*	-	-
Conference and meeting expenses*	231,803	149,738
Contractors/consultants	406,266	186,011
Property expenses	530,258	483,282
Office expenses	239,487	266,486
Information communications technology	152,033	88,603
Motor vehicle including parking and tolls	355,828	229,951
Other	291,940	179,906
Subtotal administration expense	2,207,615	1,583,977
Operating lease rentals:		
Minimum lease payments	-	-
Total administration expenses	2,207,615	1,583,977

	2018	2017
	\$	\$
Note 4E: Grants or donations*		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	12,555	5,514
Total paid that exceeded \$1,000	12,083	21,818
Total grants or donations	24,638	27,332

Note 4F: Depreciation and amortisation

Depreciation		
Land & buildings	96,348	79,515
Property, plant and equipment	331,957	237,550
Total depreciation	428,305	317,065

Note 4G: Finance costs

Overdrafts/loans	41,231	37,341
Total finance costs	41,231	37,341

Note 4H: Legal costs*

Litigation	407,131	26,858
Other legal matters	141,849	91,738
Total legal costs	548,980	118,596

Note 4I: Write-down and impairment of assets

Asset write-downs and impairments of:

Land and buildings	-	-
Plant and equipment	-	-
Other	-	-
Total write-down and impairment of assets	-	-

	2018	2017
	\$	\$

Note 4J: Net losses from sale of assets

Plant and equipment	-	13,279
Total net losses from asset sales	-	13,279

Note 4K: Other expenses

Advertising	104,020	53,376
Total other expenses	104,020	53,376

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents

Cash at bank	4,968,977	7,231,206
Cash on hand	6,250	10,740
Short term deposits	2,752,287	2,664,952
Total cash and cash equivalents	7,727,514	9,906,898

Note 5B: Trade and Other Receivables

Receivables from other reporting unit[s]*	-	500
AWU National Office		
Total receivables from other reporting unit[s]	-	500

Receivable from other reporting unit[s] (net)	-	500
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Other receivables:

GST receivable	87,175	78,825
Other trade receivables	145,605	146,816
Total other receivables	232,780	225,641

Total trade and other receivables (net)	232,780	225,641
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	2018	2017
Note 5C: Other Current Assets	\$	\$
Prepayments	154,732	89,446
Total other current assets	154,732	89,446

Note 6 Non-current Assets

Note 6A: Land and buildings

Land and buildings:		
fair value	9,910,000	9,013,875
accumulated depreciation	(970,458)	(874,110)
Total land and buildings	8,939,542	8,139,765

Reconciliation of Opening and Closing Balances of Land and Buildings

As at 1 July		
Gross book value	9,013,875	-
Accumulated depreciation and impairment	(874,110)	-
Net book value 1 July	8,139,765	-
Additions:		
Purchase	28,968	-
From acquisition of entities (including restructuring)	-	7,150,478
Revaluation	867,157	1,068,802
Depreciation expense	(96,348)	(79,515)
Net book value 30 June	8,939,542	8,139,765
Net book value as of 30 June represented by:		
Gross book value	9,910,000	9,013,875
Accumulated depreciation and impairment	(970,458)	(874,110)
Net book value 30 June	8,939,542	8,139,765

The revalued land and buildings consist of properties at Granville, Griffith and Newcastle. Management determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

Note 6A: Land and buildings (continued)

Fair value of the properties was determined by using market comparable method. This means that the valuations performed are based on active market prices and adjusted for differences in the nature, location or condition of the property.

At the date of revaluation 30 June 2018, the properties fair values are based on valuations provided by independent research in the area of the particular property.

Significant unobservable valuation input	Range
Granville building - price per square metre	\$6,700 to \$7,020
Granville residential building	\$1,010 to \$1,279
Griffith building	\$906 to \$966
Newcastle building	\$3,180 to \$3,405

A significant increase in estimated price per square metre isolation would result in a significantly higher fair value.

	2018	2017
	\$	\$
Note 6B: Plant and equipment		
Plant and equipment:		
at cost	3,212,027	2,699,509
accumulated depreciation	(1,970,226)	(1,667,136)
Total plant and equipment	1,241,801	1,032,373

Reconciliation of Opening and Closing Balances of Plant and Equipment

As at 1 July		
Gross book value	2,699,509	-
Accumulated depreciation and impairment	(1,667,136)	-
Net book value 1 July	1,032,373	-
Additions:		
By purchase	551,467	-
From acquisition of entities (including restructuring)	-	1,269,923
Depreciation expense	(331,957)	(237,550)
Disposals:		
Other	(10,082)	-
Net book value 30 June	1,241,801	1,032,373
Net book value as of 30 June represented by:		
Gross book value	3,212,027	2,699,509
Accumulated depreciation and impairment	(1,970,226)	(1,667,136)
Net book value 30 June	1,241,801	1,032,373

	2018	2017
	\$	\$
Note 6C: Investment Property		
Opening balance as at 1 July 2017	677,846	677,846
Additions	-	-
Net gain from fair value adjustment	17,154	-
Closing balance as at 30 June 2018	695,000	677,846

The valuations were performed by an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued.

The fair value of completed investment property has been determined on a market value basis in accordance with International Valuation Standards (IVS), as set out by the International Valuation Standards Council (IVSC). In arriving at their estimates of market values, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables.

The highest and best use of the investment properties is not considered to be different from its current use.

No additions during the year.

Rental income earned and received from the investment properties during the year was \$8,745 (2017: \$12,333.)

Direct expenses incurred in relation to the investment properties that generated rental income during the year was \$37,632 (2017: \$19,465). During the year and as at the year-end, no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal were present. The [reporting unit] does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

The fair value of investment property is determined by independent valuer using recognised valuation techniques. These techniques comprise both the Discounted Cash Flow (DCF) method and Income Capitalisation method.

Under the DCF method, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including estimated rental income and an exit or terminal value.

This involves the projection of a series of cash flows and to this an appropriate, market-derived discount rate is applied to establish the present value of the income stream. Under the income capitalisation method, a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate (the investor's rate of return).

The fair value of investment property is included within Level 1. Based on the condition of the buildings it is considered to be land value only and not a valuation representing a series of future cash flows.

	2018	2017
	\$	\$
Note 6D: Intangibles		
Purchased:	79,509	-
Total Intangibles	<u>79,509</u>	<u>-</u>

Reconciliation of Opening and Closing Balances of Plant and Equipment

As at 1 July		
Gross book value	-	-
Accumulated depreciation and impairment	-	-
Net book value 1 July	-	-
Additions:		
By purchase	-	-
From acquisition of entities (including restructuring)	79,509	-
Depreciation expense	-	-
Disposals:		
Other	-	-
Net book value 30 June	<u>79,509</u>	<u>-</u>
Net book value as of 30 June represented by:		
Gross book value	79,509	-
Accumulated depreciation and impairment	-	-
Net book value 30 June	<u>79,509</u>	<u>-</u>

Note 6F: Other Investments

Other – Shares	855,613	835,000
Total other investments	<u>855,613</u>	<u>835,000</u>

Note 6G: Other Non-Current Assets

Other – Loan to AWU National Office	2,127,123	2,127,123
Total other non-financial assets	<u>2,127,123</u>	<u>2,127,123</u>

	2018	2017
	\$	\$
Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	152,921	54,267
Subtotal trade creditors	152,921	54,267
Payables to other reporting unit[s]*		
AWU National Office	61,459	28,952
Subtotal payables to other reporting unit[s]	61,459	28,952
Total trade payables	214,380	83,219

Settlement is usually made within 30 days.

Note 7B: Other payables

Superannuation	-	5,809
GST payable	237,851	217,336
Other	120,000	197,229
Total other payables	357,851	420,374

Total other payables are expected to be settled in:

No more than 12 months	357,851	420,374
More than 12 months	-	-
Total other payables	357,851	420,374

Note 8 Provisions

Note 8A: Employee Provisions*

Office Holders:

Annual leave	138,600	127,694
Long service leave	637,251	922,077
Separations and redundancies	-	569,319
Other	-	-
Subtotal employee provisions—office holders	775,851	1,619,090

	2018 \$	2017 \$
Employees other than office holders:		
Annual leave	425,148	363,419
Long service leave	647,691	1,062,827
Separations and redundancies	340,592	143,091
Other	-	-
Subtotal employee provisions—employees other than office holders	1,413,431	1,569,337
Total employee provisions	2,189,282	3,188,427
Current	904,340	1,203,523
Non- Current	1,284,942	1,984,904
Total employee provisions	2,189,282	3,188,427

Note 9 Non-current Liabilities

Note 9A: Other non-current liabilities

Bank loan	636,621	715,951
Total other non-current liabilities	636,621	715,951

Note 10 Equity

Note 10A: Funds

General Reserve		
Balance as at start of year	19,527,331	-
Transferred to reserve	884,311	19,527,331
Transferred out of reserve	-	-
Balance as at end of year	20,411,642	19,527,331
<i>[insert name of individual fund/reserve]</i>		
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-
Total Reserves	20,411,642	19,527,331

	2018	2017
	\$	\$

Note 11 Cash Flow

Note 11A: Cash Flow Reconciliation

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:

Cash and cash equivalents as per:

Cash flow statement	7,727,514	9,906,898
Balance sheet	7,727,514	9,906,898
Difference	-	-

The difference is represented by:
(this explanation is required only where there is a difference).

Reconciliation of profit/(deficit) to net cash from operating activities:

Profit/(deficit) for the year	(854,952)	(901,210)
Adjustments for non-cash items		
Depreciation/amortisation	428,305	317,065
Gain on disposal of assets	6,772	(13,279)
Gain on investments	37,767	-
Changes in assets/liabilities		
(Increase)/decrease in net receivables	(7,139)	(2,352,764)
(Increase)/decrease in prepayments	(65,286)	(89,446)
Increase/(decrease) in supplier payables	131,161	83,219
Increase/(decrease) in other payables	(62,523)	420,374
Increase/(decrease) in employee provisions	(999,145)	3,188,427
Increase/(decrease) in other provisions	(79,330)	715,951
Net cash from (used by) operating activities	(1,464,370)	1,368,337

Note 11B: Cash flow information*

Cash inflows

Total cash inflows

Cash outflows

AWU National Office

Total cash outflows

-	-
884,051	669,592
884,051	669,592

Note 12 Contingent Liabilities, Assets and Commitments

Note 12A: Commitments and Contingencies

The AWU NSW Branch has contractual commitments in relation to leases of rental space. The leases typically run for a period of one to three years. Lease payments are fixed and are generally non-cancellable.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2018	2017
	\$	\$
Operating lease commitments—as lessor		
Within one year	255,345	474,389
After one year but not more than five years	270,392	243,725
More than five years	-	-
	<u>525,737</u>	<u>718,114</u>

Note 13 Related Party Disclosures

Note 13A: 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 year.

Revenue received from *[list related party]* includes the following:

Expenses paid to *[list related party]* includes the following:

AWU National Office	1,472,127	132,716
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Amounts owed by *[list related party]* include the following:

AWU National Office	2,127,123	2,127,123
---------------------	-----------	-----------

Amounts owed to *[list related party]* include the following:

AWU National Office	61,459	28,952
---------------------	--------	--------

Loans from/to *[list related party]* includes the following:

	-	-
--	---	---

Assets transferred from/to *[list related party]* includes the following:

	-	-
--	---	---

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 year ended 30 June 2018, the reporting unit has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2017: \$-). 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.

The loan provided to AWU National Office receives a rate of interest of 0% and has no defined repayment date.

	2018	2017
	\$	\$

Note 13B: Key Management Personnel Remuneration for the Reporting Period

Short-term employee benefits

Salary (including annual leave taken)	328,883	338,538
Annual leave accrued	1,924	5,644
Total short-term employee benefits	330,807	344,182

Post-employment benefits:

Superannuation	68,745	32,161
Total post-employment benefits	68,745	32,161

Other long-term benefits:

Long-service leave	637,251	202,513
Total other long-term benefits	637,251	202,513

Termination benefits	775,851	366,023
Total	775,851	366,023

Note 13C: Transactions with key management personnel and their close family members

Loans to/from key management personnel

- -

Other transactions with key management personnel

- -

2018	2017
\$	\$

Note 14 Remuneration of Auditors

Value of the services provided

Financial statement audit services	38,491	58,119
Other services	-	-
Total remuneration of auditors	38,491	58,119

No other services were provided by the auditors of the financial statements

Note 15 Financial Instruments

The risk control of the financial instruments relates to the retail term deposits, bank accounts, receivables and payables.

Note 15A: Categories of Financial Instruments

Held-to-maturity investments:		
Bank and term deposits	7,727,514	9,906,898
Total	7,727,514	9,906,898
Available-for-sale assets:		
Listed shares	5,613	4,867
Unlisted shares	850,000	830,133
Total	855,613	835,000
Loans and receivables:		
Receivables	232,780	225,641
Total	232,780	225,641
Carrying amount of financial assets	8,815,907	10,967,539
Financial Liabilities		
Bank loan	(756,621)	(835,951)
Trade creditors and other payables	(452,231)	(383,593)
Total	(1,208,852)	(1,219,544)
Carrying amount of financial liabilities	(1,208,852)	(1,219,544)

	2018	2017
	\$	\$
Note 15B: Net Income and Expense from Financial Assets		
Held-to-maturity		
Interest revenue	72,517	90,961
Dividend revenue	187	171
Net gain/(loss) from financial assets	72,704	91,132

Note 15C: Net Income and Expense from Financial Liabilities

At amortised cost		
Interest expense	(40,670)	(36,873)
Net gain/(loss) from financial liabilities	(40,670)	(36,873)

Note 15D: Credit Risk

The level of risk associated with the financial assets and financial liabilities is low as they are mainly held in bank accounts held in financial institutions which are highly regulated.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

Financial assets		
Bank accounts and bank term deposits	7,727,514	9,906,898
Shares in other companies	855,613	835,000
Total	8,583,127	10,741,898
Financial liabilities		
Bank loan	(756,621)	(835,951)
Trade creditors and other payables	(452,231)	(383,593)
Total	(1,208,852)	(1,219,544)

In relation to the entity's gross credit risk the following collateral is held: Nil.

Credit quality of financial instruments not past due or individually determined as impaired

	Not Past Due Nor Impaired 2018 \$	Past due or impaired 2018 \$	Not Past Due Nor Impaired 2017 \$	Past due or impaired 2017 \$
Receivables	145,605	-	146,816	-
Total	145,605	-	146,816	-
Not applicable.				

Ageing of financial assets that were past due but not impaired for 2018

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Total	-	-	-	-	-

Ageing of financial assets that were past due but not impaired for 2018

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Total	-	-	-	-	-

Not applicable.

Note 15E: Liquidity Risk

Reasonable liquidity risk management involves the maintenance of sufficient cash reserves. AWU NSW manages the liquidity risk by continuous monitoring of forecast and actual cash flow. Any surplus funds are generally only deposited in savings accounts offering interest rates.

Contractual maturities for financial liabilities 2018

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables	-	214,380	-	-	-	214,380
Other payables	-	357,851	-	-	-	357,851
Total	-	572,231	-	-	-	572,231

Contractual maturities for financial liabilities 2017

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables	-	83,219	-	-	-	83,219
Other payables	-	420,374	-	-	-	420,374
Total	-	503,593	-	-	-	503,593

Note 15F: Market Risk

Market risks generally include interest rate risk, price risk, and currency risk. The market risk which the reporting unit is exposed to is low due to the nature of the reporting unit's income or the value of its holdings of financial instruments. The objective of the market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The reporting unit's main interest rate risk arises from cash and cash equivalents which is at expressed at variable rates and currency in the Australian retail banking framework.

Sensitivity analysis of the risk that the entity is exposed to for 2018

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss	Equity
			\$	\$
Interest rate risk		- [+ 10%]	7,252	7,252

Sensitivity analysis of the risk that the entity is exposed to for 2017

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss	Equity
			\$	\$
Interest rate risk		[+10%]	9,096	9,096

The impact is expected to be minimal.

Note 15H: Changes in liabilities arising from financing activities

	1 July 2017	Cash flows	Reclassified as part of disposal group	Foreign exchange movement	Changes in fair values	New Leases	Other	30 June 2018
	\$	\$	\$	\$	\$	\$	\$	\$
Current interest-bearing loans and borrowings (excluding items listed below)	-	-	-	-	-	-	-	-
Current obligations under finance leases and hire purchase contracts	-	-	-	-	-	-	-	-
Non-current interest-bearing loans and borrowings (excluding items listed below)	835,951	(79,330)	-	-	-	-	-	756,621
Non-current obligations under finance leases and hire purchase contracts	-	-	-	-	-	-	-	-
Dividends Payable	-	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-	-
Total liabilities from financing activities	835,951	(79,330)	-	-	-	-	-	756,621
	1 Sept 2016	Cash flows	Reclassified as part of disposal group	Foreign exchange movement	Changes in fair values	New Leases	Other	30 June 2017
	\$	\$	\$	\$	\$	\$	\$	\$
Current interest-bearing loans and borrowings (excluding items listed below)	-	-	-	-	-	-	-	-
Current obligations under finance leases and hire purchase contracts	-	-	-	-	-	-	-	-
Non-current interest-bearing loans and borrowings (excluding items listed below)	901,248	(65,297)	-	-	-	-	-	835,951
Non-current obligations under finance leases and hire purchase contracts	-	-	-	-	-	-	-	-
Dividends Payable	-	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-	-
Total liabilities from financing activities	901,248	(65,297)	-	-	-	-	-	835,951

The 'Other' column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings, including obligations under finance leases and hire purchase contracts to current due to the passage of time, the accrual of special dividends that were not yet paid at the year-end, and the effect of accrued but not yet paid interest on interest-bearing loans and borrowings. The reporting unit classifies interest paid as cash flows from operating activities.

Note 16 Fair Value Measurement

The reporting unit measures and recognises the following assets and liabilities on a recurring basis:

- Available for sale financial assets;
- Investment properties;
- Land and Buildings

The fair value hierarchy consists of the following levels:

- Level 1 – quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 – inputs for asset or liability values that are not based on observable market data (unobservable inputs).

Note 16A: Financial Assets and Liabilities

Management of the reporting unit assessed that their fair values of cash, trade receivables, investments, 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 level 3 available-for-sale financial assets is derived from reference to the net assets of the entity to which the investment is in.
- 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 30 June 2018 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 30 June 2018 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	Carrying amount 2018	Fair value 2018	Carrying amount 2017	Fair value 2017
	\$	\$	\$	\$
Financial Assets				
Bank accounts and bank term deposits	7,727,514	7,727,514	9,906,898	9,906,898
Trade and other receivables	232,780	232,780	225,641	225,641
Shares in other companies	855,613	855,613	835,000	835,000
Total	8,815,907	8,815,907	10,967,539	10,967,539
Financial Liabilities				
Trade payables	(214,380)	(214,380)	(83,219)	(83,219)
Other payables	(357,851)	(357,851)	(420,374)	(420,374)
Other liabilities	(636,621)	(636,621)	(715,951)	(715,951)
Total	(1,208,852)	(1,208,852)	(1,219,544)	(1,219,544)

Note 16B: Financial and Non-Financial Assets and Liabilities Fair Value Hierarchy

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

Fair value hierarchy – 30 June 2018

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Land and Buildings	30 June 2018	-	-	8,939,542
Investment Property	30 June 2018	-	-	695,000
Total		-	-	9,634,542
Liabilities measured at fair value				
Non- Financial Liabilities		-	-	-
Total		-	-	-

There were no transfers between classes during the year ended 30 June 2018.

Fair value hierarchy – 30 June 2017

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Land and Buildings	30 June 2017	-	-	8,139,765
Investment Property	30 June 2017	-	-	677,846
Total		-	-	8,817,611
Liabilities measured at fair value				
Non-Financial Liabilities		-	-	-
Total		-	-	-

There were no transfers between classes during the year ended 30 June 2017.

Note 17 Administration of financial affairs by a third party¹

The Australian Workers' Union NSW Branch did not receive any service of this nature.

Note 18 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).

**The Australian Workers' Union New South Wales Branch
OFFICER DECLARATION STATEMENT**

I, Daniel Walton, being the State Secretary of the Australian Worker's Union BSW Branch, declare that the following activities did not occur during the reporting period ending 30 June 2018.

The reporting unit did not:

(Note: delete items that appear elsewhere in the audited report)

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- receive any other revenue from another reporting unit
- receive revenue via compulsory levies
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees to another reporting unit
- pay affiliation fees to other entity
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- incur expenses due to holding a meeting as required under the rules of the organization
- 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 payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- 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
- provide cash flows to another reporting unit and/or controlled entity receive cash flows from another reporting units and/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

Signed by the officer:



Dated: 15 NOVEMBER 2018



24 December 2018

Mr Daniel Walton
Australian Workers' Union, New South Wales Branch
info@awu-nsw.asn.au

Dear Mr Walton,

Lodgement of Financial Report - Reminder to lodge

The Registered Organisations Commission's (the ROC) records disclose that the financial year of the Australian Workers' Union, New South Wales Branch (the reporting unit) ended on the 30 June 2018.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the full financial report to be presented to a general meeting of members or a committee of management meeting is six months after the expiry date of its financial year (s.253, s254, s265, s.266, s.268). The full report must be lodged with the ROC within 14 days of that meeting.

The ROC encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the Commissioner instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the Commissioner following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$105,000 per contravention on the organisation and up to \$21,000 per contravention on an officer whose conduct led to the contravention.

We encourage you to lodge the full financial report directly to regorgs@roc.gov.au. That is the official email address for electronic lodgements of material related to registered organisations matters.

Should you seek any clarification in relation to the above, please contact me on (03) 9603 0731 or via email at joanne.fenwick@roc.gov.au.

Yours faithfully,

A blue ink handwritten signature, appearing to read 'Joanne Fenwick', written in a cursive style.

Joanne Fenwick
Registered Organisations Commission



25 September 2018

Branch Secretary
Australian Workers' Union, New South Wales Branch
By Email: info@awu-nsw.asn.au

Dear Branch Secretary ,

**Re: Lodgement of Financial Report - [FR2018/262]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Australian Workers' Union, New South Wales Branch (the reporting unit) ended on 30 June 2018. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, namely on or before 28 September 2018.

The attached fact sheet *Loans Grants and Donations (FS 009)* summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty. Currently penalties are up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual and may be imposed upon your organisation and/or an officer whose conduct led to the contravention.

Financial report

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines (FS 008)* summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on its rules) no later than 30 December 2018 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported (see attached *Loans Grants and Donations* fact sheet FS 009). The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement.

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty, as set out above, being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Auditor's report

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into operation with effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (also available on our website).

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

Contact

Should you require any clarification in relation to the above, please email regorgs@roc.gov.au.

Yours faithfully,

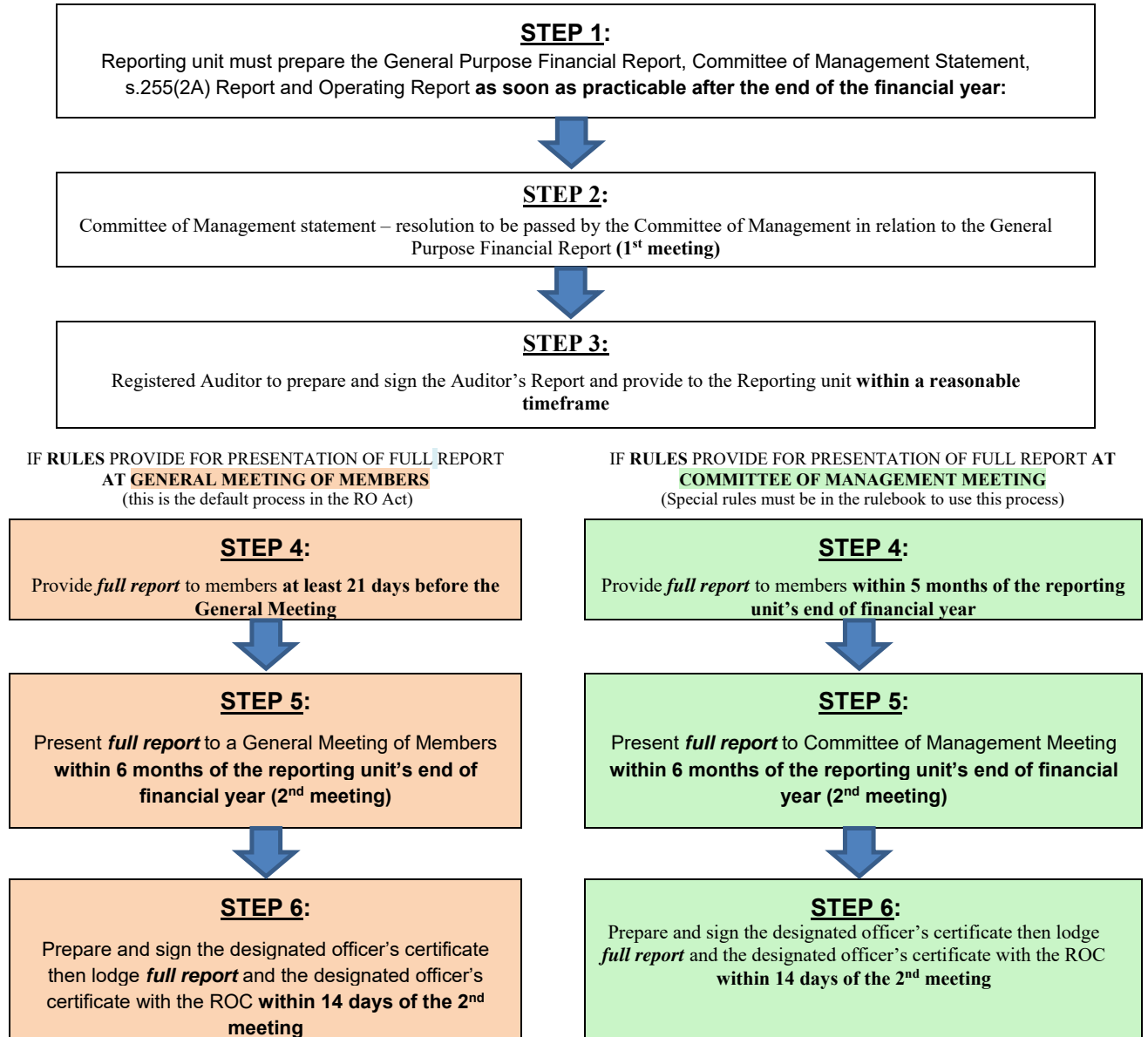
Joanne Fenwick
Registered Organisations Commission

Fact sheet

Summary of financial reporting timelines – s.253 financial reports

General Information:

- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).



Fact sheet



Australian Government
Registered Organisations Commission

FS 009
(19 June 2017)

Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the Commissioner's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.





The Loans, Grants & Donations Statement



Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:

- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,* and
- the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL. Common misconceptions Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.

	Statements can be lodged with the financial report.		The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.
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Grants & Donations within the Financial Report

Item 16(e) of the Commissioner’s Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines. In the [ROC's Model Statements](#) the note appears as follows:

Note 4E: Grants ~~OR~~ donations*

Grants:	[Current year]	[Previous year]
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner’s Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on regorgs@roc.gov.au