

svc-adlib5

From: ROC - Registered Org Commission
Sent: Friday, 1 December 2017 11:28 AM
To: 'April Cumming'
Cc: Gary Maas; 'david@eddypartners.com.au'; Paul Richardson
Subject: FR2017/131 National Union of Workers - Vic [SEC=UNCLASSIFIED]
Attachments: NUW_VIC Branch_FR2017_131_Filing letter_01122017.pdf

UNCLASSIFIED

Dear Mr Maas

Please see attached my letter in relation to the above financial report. I have also copied this email to Mr Eddy of Eddy Partners.

Yours faithfully

DAVID VALE

Principal Adviser
Financial Reporting

Registered Organisations Commission

Tel: (02) 8293 4654
david.vale@roc.gov.au

GPO Box 2983, MELBOURNE VIC 3001 | Street address: Level 13, 175 Liverpool Street Sydney NSW 2000

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www.roc.gov.au



Australian Government
Registered Organisations Commission

Please consider the environment before printing this message

From: April Cumming [<mailto:acumming@nuw.org.au>]
Sent: Tuesday, 28 November 2017 4:13 PM
To: FENWICK, Joanne <Joanne.Fenwick@roc.gov.au>; ROC - Registered Org Commission <regorgs@roc.gov.au>
Cc: Gary Maas <gmaas@nuw.org.au>; 'suzy@eddypartners.com.au' <suzy@eddypartners.com.au>; Paul Richardson <prichardson@nuw.org.au>
Subject: FR2017/131 National Union of Workers - Vic

Dear Ms Fenwick,

Re: National Union of Workers – Victorian Branch Financial Statements for Year 2016-2017

Please find enclosed the National Union of Workers – Victorian Branch Financial Statements for year ending 30 June 2017.

If you require any further information, please contact me on (03) 9287 1862

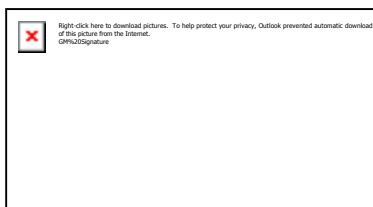
Kind Regards,

April Cumming
Union Officer
National Union of Workers - Victorian Branch
Email: acumming@nuw.org.au
Mobile: 0423 629 934

On behalf of



GARY MAAS
VICTORIAN BRANCH SECRETARY





1 December 2017

Mr Gary Maas
Branch Secretary
National Union of Workers - Victorian Branch
833 Bourke Street
DOCKLANDS VIC 3008
gmaas@nuw.org.au
CC: david@eddypartners.com.au

Dear Mr Maas,

**National Union of Workers-Victorian Branch
Financial Report for the year ended 30 June 2017 - [FR2017/131]**

I acknowledge receipt of the financial report of the National Union of Workers-Victorian Branch. The documents were lodged with the Registered Organisations Commission (the ROC) on 28 November 2017.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

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 2018 may be subject to an advanced compliance review.

Reporting Requirements

New Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any queries regarding this letter, please contact me on (02) 8293 4654 or via email at david.vale@roc.gov.au.

Yours faithfully

A handwritten signature in blue ink, appearing to read "David Vale", is enclosed in a thin blue rectangular border. The signature is stylized and cursive.

David Vale
Registered Organisations Commission

svc-adlib5

From: April Cumming <acumming@nuw.org.au>
Sent: Tuesday, 28 November 2017 4:13 PM
To: FENWICK,Joanne; ROC - Registered Org Commission
Cc: Gary Maas; 'suzy@eddypartners.com.au'; Paul Richardson
Subject: FR2017/131 National Union of Workers - Vic
Attachments: Certificate of Prescribed Designated Officer.PDF; Financial statements 2016-17.pdf

FC17D-002
GM:AC

28 November 2017

Joanne Fenwick
Register Organisations Commission
Level 4, 11 Exhibition Street,
Melbourne Vic 3000

Dear Ms Fenwick,

Re: National Union of Workers – Victorian Branch Financial Statements for Year 2016-2017

Please find enclosed the National Union of Workers – Victorian Branch Financial Statements for year ending 30 June 2017.

If you require any further information, please contact me on (03) 9287 1862

Kind Regards,

April Cumming
Union Officer
National Union of Workers - Victorian Branch
Email: acumming@nuw.org.au
Mobile: 0423 629 934

On behalf of



GARY MAAS

NATIONAL UNION OF WORKERS
VICTORIAN BRANCH

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
FOR YEAR ENDED 30TH JUNE 2017

I, **Gary Maas** being the Secretary of the National Union of Workers – Victorian Branch certify:

- that the documents lodged herewith are copies of the full report for the National Union of Workers – Victorian Branch for the year ended 30th June 2017 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 12th day of *October* 2017; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 15th day of *November* 2017 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

[Handwritten Signature]

Name of prescribed designated officer:

Mark Gary Maas

Title of prescribed designated officer:

Branch Secretary

Dated:

28 November 2017

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2017**

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**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

The Committee of Management presents its report on the operation of the Branch for the financial year ended 30 June 2017.

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

The principal activities of the Branch during the financial year ended 30 June 2017 were to improve the wages and working conditions of its members. This was undertaken through bargaining with employers, maintaining the content of modern awards and by appearing before industrial tribunals, principally the Fair Work Commission.

During the reporting period the Branch continued to campaign on issues of importance to its members and working men and women generally. In particular, the Branch committed significant resources to organising workers employed in the farms sector who are part of the supermarket supply chain. The Branch advocates for decent permanent employment for working men and women through "Jobs You Can Count On".

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

Operating Result

The operating result of the Branch for the year ended 30th June 2017 was a surplus of \$3,624,551 [2016: \$1,932,247]. No provision for tax was necessary as the Branch is considered exempt.

Significant changes in financial affairs

There was no significant change in the financial affairs of the Branch during the year.

Right of members to resign

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

Number of members

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

The number of persons that were at the end of the financial year recorded in the register of members for sec. 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the Branch under sec. 244 of the Fair Work (Registered Organisations) Act 2009 was 26,262.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

Number of employees

The number of persons who were at the end of the financial year employees of the Branch including both full-time and part-time employees measured on a full-time equivalent basis was 45.35;

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

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

Name:	Position:	Period:
Julie Warren	Branch President	1/7/2016 to 30/6/2017
Gary Maas	Branch Secretary	1/7/2016 to 30/6/2017
Susie Allison	Assistant Branch Secretary	1/7/2016 to 30/6/2017
Brad Dobson	Vice President	1/7/2016 to 16/11/2016
Christopher Calvert	Vice President	16/11/2016 to 30/6/2017
Christopher Calvert	Organiser	1/7/2016 to 16/11/2016
Belinda Jacobi	Organiser	1/7/2016 to 30/6/2017
Heath Lamaro	Organiser	1/7/2016 to 30/6/2017
Mathew Toner	Organiser	1/7/2016 to 16/11/2016
Neil Smith	Organiser	16/11/2016 to 30/6/2017
Andrew Giles	Organiser	16/11/2016 to 30/6/2017
Patrick Byrne	Committee Member	1/7/2016 to 14/12/2016
Craig Chapman	Committee Member	1/7/2016 to 30/6/2017
Les Claudius	Committee Member	1/7/2016 to 14/12/2016
Michael Veljanovski	Committee Member	1/7/2016 to 30/6/2017
Danial Wilson	Committee Member	1/7/2016 to 14/12/2016
Andreas Wittmann	Committee Member	1/7/2016 to 30/6/2017
Sharyn Cook	Committee Member	1/7/2016 to 12/4/2017
Donna Carkeek	Committee Member	1/7/2016 to 21/6/2017
Elizabeth McEwan	Committee Member	1/7/2016 to 30/6/2017
Sarah Rantall	Committee Member	1/7/2016 to 5/10/2016
Paul Payne	Committee Member	16/11/2016 to 30/6/2017
Lemmuel Leech	Committee Member	16/11/2016 to 30/6/2017
Evelyn Clow	Committee Member	16/11/2016 to 30/6/2017
David Clements	Committee Member	16/11/2016 to 30/6/2017

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

Remuneration and Disclosures

Under section 148A of the Act and Rule 14B of the Union's Rules, the two highest paid officers of the Victorian Branch and their remuneration for the reporting period were

Name of officer	Office	Total Remuneration
Gary Maas	Branch Secretary	\$ 210,880
Susie Allison	Assistant Branch Secretary	\$ 168,715

The above relevant remuneration for each of the above officers includes the following:

- annual leave and annual leave loading in accordance with Rule 68(d)
- long service leave in accordance with Rule 68(e)
- 12 rostered days off per calendar year (which do not accrue)
- a superannuation contribution is in accordance with Rule 69.

Additionally the above officers have an entitlement to paid parental leave and other leave that is regulated by the National Employment Standards.

Relevant non cash benefits provided to each paid officer during the reporting period were the provision of a maintained, registered and insured motor vehicle as well as salary continuance insurance.

The above officers, (along with non elected officers of the Union) are entitled to claim reimbursements associated with travel, meals and incidentals (both interstate and overseas) as well as attendance at conferences in accordance with the policy of the Union. As reimbursements these are not considered to be remuneration or non cash benefits.

The above officers are entitled to claim reimbursement of home telephony and internet access and to receive media and/or professional subscriptions in accordance with Union policy. These are not considered to be non cash benefits.

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

Officer or Employee	Position	Trustee Company	Name of Fund	SGC Contribution
Gary Maas	Director	LUCRF Pty Ltd	LUCRF Super	\$5,019

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

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

Remuneration and Disclosures (continued)

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

Name	Board	Principal Activity	Reason
Gary Maas	Labour Union and Investment Property Services Pty Ltd	Real estate and property	Because they are an officer of the reporting unit
	Publicity Works (Industrial Printing And Publicity Pty Ltd)	Printing and Publicity	Because they are an officer of the reporting unit (non beneficial shareholder)
Susie Allison	McKell Institute	Policy Development	Because they are an officer of the reporting unit
Belinda Jacobi	PrimeSafe Victoria	Regulatory management of meat and meat products	Because they are an officer of the reporting unit

Subject to the following comment, none of the above officers received any remuneration associated with their membership or directorship of any board of which they are a member (as defined by Rule 14B)

It is the policy of PrimeSafe Victoria that it will not pay directors fees to sponsoring organisations. As such Ms. Jacobi received fees for the reporting period equal to \$8,582. Consistent with a decision of the Branch Committee of Management on 12 August 2015 these fees were reimbursed as and when paid by Ms. Jacobi to the Branch.

A superannuation contribution of the amount specified by legislation of PrimeSafe Victoria director's fees is paid to the officers nominated superannuation fund. For the reporting period the contribution was \$1,038.

Ms. Jacobi resigned from the Board of PrimeSafe Victoria on 30th June 2017.

No other disclosures as required under Rule 14B were made by officers for the reporting period.

No officer received any remuneration from a related third party of the Union in connection with the performance of their duties. Rule 68(c) prohibits officers undertaking external or secondary employment without the permission of the Branch Committee of Management. No such permissions were sought during the reporting period.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

Remuneration and Disclosures (continued)

The Union maintains a register of interests of all officers and observes procedures for dealing with conflicts of interests. There were no conflicts recorded or noted during the reporting period.

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

All officers in accordance with Rule 14D are required to undertake approved training within six months of assuming office. All officers have complied with this Rule. A register of participation in approved training is maintained by the Union.

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

Members wishing to obtain additional information or detail on any of these matters may do so by contacting the Union on 1300 275 689 or by email – info@nuw.org.au

A copy of the Union's rules along with additional material relevant to governance is available for download on the website – nuw.www.org.au/publicnotices

Signature of designated officer:



Name and title of designated officer:

Gary Maas - Branch Secretary

Dated:

11-10-2017

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

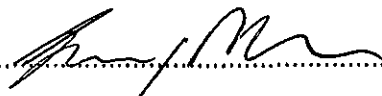
On the 11th October 2017 the Committee of Management of the National Union of Workers – Victorian Branch passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 30th June 2017:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial 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 GPRF 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, it 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.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

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

Signature of designated officer:



Name and title of designated officer:

Gary Maas - Branch Secretary

Dated:

11-10-2017

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
Revenue			
Membership subscriptions		11,623,778	11,609,879
Interest		204,677	208,149
Donations received		-	-
Profit on disposal of assets		3,446	-
Other revenue	3	2,795,138	1,536,212
Total revenue		14,627,039	13,354,240
Expenses			
Employee expenses	4	5,756,216	5,628,100
Sustentation fees	4	2,225,752	2,201,690
Affiliation fees	4	245,324	225,175
Administration expenses	4	854,529	969,313
Donations paid	4	5,700	39,283
Depreciation	4	235,797	282,820
Legal costs	4	122,163	58,442
Audit fees	4	22,150	21,300
Motor vehicle expenses		306,006	268,526
Delegates expenses		117,487	99,248
Occupancy expenses		750,968	741,070
Communication expenses		89,501	43,681
Officials expenses		127,444	89,025
Training & staff education expenses		134,739	90,234
Impairment losses		-	658,949
Losses on disposal of assets		8,712	5,137
Total expenses		11,002,488	11,421,993
Profit (loss) for the year		3,624,551	1,932,247
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss		-	-
Total comprehensive income for the year		3,624,551	1,932,247

The accompanying notes form part of the financial statements.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	Notes	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	5,900,840	5,314,630
Trade and other receivables	6	1,075,963	1,068,751
Financial assets	7	4,385,581	4,252,448
Other current assets	8	105,316	85,581
Total current assets		11,467,700	10,721,410
Non-Current Assets			
Trade and other receivables	6	360,233	360,233
Plant and equipment	9	1,125,469	1,294,634
Investments in associates	10	7,827,023	6,969,873
Other investments	11	15,405,600	13,361,048
Total non-current assets		24,718,325	21,985,788
Total assets		36,186,025	32,707,198
LIABILITIES			
Current Liabilities			
Trade and other payables	12	638,968	691,708
Provisions	13	1,639,694	1,732,678
Total current liabilities		2,278,662	2,424,386
Total liabilities		2,278,662	2,424,386
Net assets		33,907,363	30,282,812
EQUITY			
Accumulated Funds		33,907,363	30,282,812
Total equity		33,907,363	30,282,812

The accompanying notes form part of the financial statements.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	Retained earnings	Total equity
	\$	\$
Balance as at 1 July 2015	28,350,565	28,350,565
Profit for the year	1,932,247	1,932,247
Balance as at 30 June 2016	<u>30,282,812</u>	<u>30,282,812</u>
Balance as at 1 July 2016	30,282,812	30,282,812
Profit for the year	3,624,551	3,624,551
Balance as at 30 June 2017	<u>33,907,363</u>	<u>33,907,363</u>

The accompanying notes form part of the financial statements.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	15B	387,339	377,503
Receipts from members		11,714,970	11,588,209
Interest		212,819	203,399
Other		1,252,990	1,086,913
Cash used			
Payments to Employees & Suppliers		(8,554,120)	(8,384,930)
Payment to other reporting units	15B	(2,729,651)	(2,666,784)
Net cash from (used by) operating activities	15A	2,284,347	2,204,310
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		12,727	30,000
Proceeds from investments		-	-
Cash used			
Purchase of plant and equipment		(84,625)	(155,240)
Purchase of term deposits, shares & units		(1,626,239)	(2,438,362)
Net cash from (used by) investing activities		(1,698,137)	(2,563,602)
FINANCING ACTIVITIES			
Cash received			
Repayment of Loans		-	-
Cash used			
Repayment of borrowings		-	-
Net cash from (used by) financing activities		-	-
Net increase (decrease) in cash held		586,210	(359,292)
Cash & cash equivalents at the beginning of the reporting period		5,314,630	5,673,922
Cash & cash equivalents at the end of the reporting period		5,900,840	5,314,630

The accompanying notes form part of the financial statements.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

1. Summary of significant accounting policies

1a Basis of preparation of the financial statements

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

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.

1b Comparative amounts

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

1c Significant accounting judgements and estimates

The preparation of financial statements requires the Branch to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

1d New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

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

Future Australian Accounting Standards Requirements

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

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

1e Investment in associates

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

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

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

1f 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.

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

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

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

1g Gains

Sale of assets

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

1h Sustentation fees and levies

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

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

1i Employee benefits

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

Liabilities for short-term employee benefits which are expected to be settled within twelve months of the end of the reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability including related on costs.

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

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

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

1j Leases

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

1k Cash and cash equivalents

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

1l Financial instruments

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

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.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

1m 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.

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.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the Union 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 Union that are traded in an active market are classified as available-for-sale and are stated at fair value.

Dividends from available-for-sale equity instruments are recognised in profit or loss when received.

Loans and receivables

Trade receivables, loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included as current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

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.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

1m Financial assets

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.

Derecognition of financial assets

The Union 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.

1n Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

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 Union 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.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

1o Plant and equipment

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

Depreciation

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

The depreciation rates used for each class of asset are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Motor Vehicles	18.75% - 25%
Office Furniture and Equipment	7.5% - 66.67%
Fixtures and Fittings	2.50%-50%

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

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

1p Taxation

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

Revenues, expenses and assets are recognised net of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables, in the statement of financial position are shown inclusive of GST.

2. Events after the reporting period

There were no events that occurred after 30 June 2017, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of National Union of Workers – Victorian Branch.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
3. Other Revenue		
Directors Fees Received	16,582	13,795
Share of net gain from associates accounted for using the equity method	857,150	16,853
Net gain on revaluation of investments	331,553	-
Dividends & Distributions Received	1,413,976	1,387,120
Sundry Income	132,397	118,444
Capitation Fees	-	-
Levies	-	-
Grants received	43,480	-
Financial support from another reporting unit	-	-
	2,795,138	1,536,212

4. Expenses

	2017	2016
	\$	\$
Employee expenses		
Holders of office:		
Wages and salaries	1,046,618	1,018,246
Superannuation	187,510	182,913
Leave and other entitlements	(71,888)	56,387
Separation and redundancies	-	-
Other employee expenses	118,871	104,393
Subtotal employee expenses holders of office	1,281,111	1,361,939
Employees other than office holders:		
Wages and salaries	3,409,354	3,334,234
Superannuation	606,201	603,933
Leave and other entitlements	(21,098)	(221,294)
Separation and redundancies	132,014	218,841
Other employee expenses	348,634	330,447
Subtotal employee expenses employees other than office holders	4,475,105	4,266,161
Total employee expenses	5,756,216	5,628,100
Sustentation fees		
NUW National Office	2,225,752	2,201,690
Total sustentation fees	2,225,752	2,201,690

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

4. Expenses (continued)

	2017	2016
	\$	\$
Affiliation fees		
Australian Labor Party	138,824	139,593
Victorian Trades Hall Council	75,636	59,082
Ballarat Trades & Labour Council	660	660
Bendigo Trades & Labour Council	4,152	2,075
Geelong Trades & Labour Council	2,940	2,916
Gippsland Trades & Labour Council	1,545	1,455
Goulburn Valley Trades & Labour Council	3,154	2,877
North East Border Trades & Labour Council	14,361	12,454
South West Trades & Labour Council	900	900
Community Radio Federation Ltd	3,152	3,163
Total affiliation fees	<u>245,324</u>	<u>225,175</u>
Administration expenses		
Consideration to employers for payroll deductions	48,849	46,021
Campaign Levy – ACTU	-	47,750
Fees/allowances - meeting and conferences	54,228	44,226
Conference and meeting expenses	43,128	46,404
Other	708,324	784,912
Penalties - via RO Act or RO Regulations	-	-
Total administration expenses	<u>854,529</u>	<u>969,313</u>
Donations		
Total paid that were \$1,000 or less	1,700	4,283
Total paid that exceeded \$1,000	4,000	35,000
Total donations	<u>5,700</u>	<u>39,283</u>
Grants		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants	<u>-</u>	<u>-</u>

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

4. Expenses (continued)

	2017	2016
	\$	\$
Depreciation		
Depreciation		
Office Furniture and Equipment	46,015	54,739
Motor Vehicles	155,308	188,787
Fixtures and Fittings	34,474	39,294
Total depreciation	<u>235,797</u>	<u>282,820</u>
Legal costs		
Litigation	111,740	34,205
Other legal matters	10,423	24,237
Total legal costs	<u>122,163</u>	<u>58,442</u>
Remuneration of auditors		
Financial statement audit services	21,150	20,800
Other services	19,650	19,500
Total remuneration of auditors	<u>40,800</u>	<u>40,300</u>

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

5. Cash and cash equivalents

	2017	2016
	\$	\$
Cash on hand	1,266	2,216
Cash at bank	5,899,574	5,312,414
Total cash and cash equivalents	<u>5,900,840</u>	<u>5,314,630</u>

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
6. Trade and other receivables		
<u>Current</u>		
Receivables from other reporting units		
NUW National Office	15,368	19,511
NUW NSW Branch	-	16,736
NUW General Branch	5,197	4,064
Total receivables from other reporting units	<u>20,565</u>	<u>40,311</u>
Other receivables:		
Other trade receivables	1,055,398	1,028,440
Total other receivables	<u>1,055,398</u>	<u>1,028,440</u>
Total trade and other receivables	<u>1,075,963</u>	<u>1,068,751</u>

The carrying amounts of all current trade and other receivables are equal to their fair values as they are short term receivables (less than 30 days) and non-interest bearing.

Non-Current

Other receivables:

IPP Property Trust – Distribution receivable	360,233	360,233
Total other receivables	<u>360,233</u>	<u>360,233</u>
Total trade and other receivables	<u>360,233</u>	<u>360,233</u>

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

7. Financial assets

Held to Maturity investments		
- Term Deposits	4,385,581	4,252,448
Total current financial assets	<u>4,385,581</u>	<u>4,252,448</u>

Term Deposits are held with Members Equity Bank with an interest rate of between 2.70% and 2.72% (2016: 3.00%-3.15%)

8. Other current assets

Prepayments	81,663	53,786
Interest receivable	23,653	31,795
Total other current assets	<u>105,316</u>	<u>85,581</u>

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

9. Plant and Equipment

	2017	2016
	\$	\$
Office Furniture & Equipment		
At Cost	409,125	480,072
Less Accumulated Depreciation	(318,754)	(344,089)
Net Office Furniture & Equipment	<u>90,371</u>	<u>135,983</u>
Motor Vehicles		
At Cost	1,021,172	998,819
Less Accumulated Depreciation	(554,283)	(442,851)
Net Motor Vehicles	<u>466,889</u>	<u>555,968</u>
Fixtures & Fittings		
At Cost	1,308,200	1,308,200
Less Accumulated Depreciation	(739,991)	(705,517)
Net Fixtures & Fittings	<u>568,209</u>	<u>602,683</u>
Total plant and equipment	<u>1,125,469</u>	<u>1,294,634</u>

Movements in Carrying Amounts

2017	Motor Vehicles	Office F&E	Fixtures & Fittings	Total
	\$	\$	\$	\$
Balance at beginning of year	555,968	135,983	602,683	1,294,634
Additions	75,511	9,115	-	84,626
Depreciation expense	(155,308)	(46,015)	(34,474)	(235,797)
Disposals	(9,282)	(8,712)	-	(17,994)
Carrying amount at end of year	<u>466,889</u>	<u>90,371</u>	<u>568,209</u>	<u>1,125,469</u>
2016	Motor Vehicles	Office F&E	Fixtures & Fittings	Total
	\$	\$	\$	\$
Balance at beginning of year	718,625	96,749	641,977	1,457,351
Additions	61,222	94,018	-	155,240
Depreciation expense	(188,787)	(54,739)	(39,294)	(282,820)
Disposals	(35,092)	(45)	-	(35,137)
Carrying amount at end of year	<u>555,968</u>	<u>135,983</u>	<u>602,683</u>	<u>1,294,634</u>

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

10. Investments in Associates

	2017	2016
	\$	\$
<u>(A) 833 Bourke Street Company and Trust</u>		
<u>Ordinary Shares in 833 Bourke Street Pty Limited</u>		
Opening Balance	34	34
Share of net gain in value of investment	-	-
Closing Balance	<u>34</u>	<u>34</u>
<u>Units in 833 Bourke Street Unit Trust</u>		
Opening Balance	6,733,031	6,664,821
Share of net gain in value of investment	733,257	68,210
Closing Balance	<u>7,466,288</u>	<u>6,733,031</u>
Total investment	<u>7,466,322</u>	<u>6,733,065</u>

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

(B) Industrial Printing & Publishing Company & Trust

<u>Ordinary Shares in Industrial Printing & Publishing Pty Ltd</u>		
Opening Balance	144,527	175,870
Share of net gain/(Provision for impairment)	75,614	(31,343)
Closing Balance	<u>220,141</u>	<u>144,527</u>
<u>Units in IPP Property Trust</u>		
Opening Balance	92,281	112,295
Share of net gain/(Provision for impairment)	48,279	(20,014)
Closing Balance	<u>140,560</u>	<u>92,281</u>
Total investment	<u>360,701</u>	<u>236,808</u>

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

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

11. Other Investments

	2017	2016
	\$	\$
Bell Potter Investment Portfolio – At Fair Value	15,405,600	13,361,048
Total investment	15,405,600	13,361,048
<u>Movement in Fair Value</u>		
Opening Balance	13,361,048	11,508,641
Net (Disposals)/Additions	1,712,999	2,511,356
Fair value adjustment	331,553	(658,949)
Closing Balance	15,405,600	13,361,048

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

12. Trade and other payables

	2017	2016
	\$	\$
Trade creditors and accruals	177,045	197,859
GST Payable	195,476	234,800
Consideration to employers for payroll deductions	-	-
Legal Fees Payable – Litigation	12,923	4,331
Legal Fees Payable – Other Legal Matters	-	2,782
Subtotal trade and other payables	385,444	439,772
Payables to other reporting units		
NUW General Branch	547	-
NUW National Office	252,977	251,936
Subtotal payables to other reporting unit[s]	253,524	251,936
Total trade and other payables	638,968	691,708

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

13. Provisions

	2017	2016
	\$	\$
Employee provisions - Current		
Office Holders:		
Annual leave	144,971	190,158
Long service leave	334,033	363,841
Separations and redundancies	-	-
Other	16,236	13,129
	<u>495,240</u>	<u>567,128</u>
Employees other than office holders:		
Annual leave	479,805	461,010
Long service leave	633,113	680,075
Separations and redundancies	-	-
Other	31,536	24,465
	<u>1,144,454</u>	<u>1,165,550</u>
Total employee provisions - current	<u>1,639,694</u>	<u>1,732,678</u>

14 Contingent Liabilities, Assets and Commitments

2017	2016
\$	\$

Note 14A: Commitments and Contingencies

Operating lease commitments—as lessee

10 year lease of office premises expiring 4/11/2018; photocopier leases with 60 month terms. On renewal, the terms of the leases are renegotiated.

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

Within one year	630,301	584,324
After one year but not more than five years	289,948	805,143
More than five years	-	-
	<u>920,249</u>	<u>1,389,467</u>

Capital commitments

At 30 June 2017 the Union has no significant capital commitments.

Other contingent assets or liabilities

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

**NATIONAL UNION OF WORKERS
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

15. Cash flow information

15A: Cash flow reconciliation

	2017	2016
	\$	\$
Reconciliation of surplus(deficit) to net cash from operating activities:		
Surplus/(deficit) for the year	3,624,551	1,932,247
Adjustments for non-cash items		
Depreciation	235,797	282,820
Loss on disposal of assets	8,712	5,137
Profit on disposal of assets	(3,446)	-
Unrealised (gain)/loss in value of investments in associates	(857,150)	(16,853)
Unrealised (profit)/loss in value of investments	(331,553)	658,949
Distributions reinvested	(215,188)	(180,631)
Management fees rebated & reinvested	(4,705)	(4,384)
Changes in assets/liabilities		
(Increase)/decrease in trade and receivables	(7,212)	(276,082)
(Increase)/decrease in other assets	(19,735)	(9,428)
Increase/(decrease) in trade and other payables	(52,740)	(22,557)
Increase/(decrease) in employee provisions	(92,984)	(164,908)
Net cash from (used by) operating activities	2,284,347	2,204,310

15B: Cash flow information

Cash inflows		
NUW – National Office	224,789	197,281
NUW – NSW Branch	26,911	1,451
NUW – General Branch	135,639	178,771
Total cash inflows	387,339	377,503
Cash outflows		
NUW – National Office	2,708,616	2,658,750
NUW – General Branch	21,035	8,034
Total cash outflows	2,729,651	2,666,784

**NATIONAL UNION OF WORKERS
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

16. Related party disclosures

16A: Related party transactions for the reporting period

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

	2017	2016
	\$	\$
<u>Revenue received includes the following:</u>		
NUW National Office		
Sundry income received	-	-
Administration expenses recovered	196,934	194,595
Transfer of employee leave entitlements	8,684	-
	<u>205,618</u>	<u>194,595</u>
NUW General Branch		
Administration expenses recovered	137,315	167,132
Sundry income received	-	-
	<u>137,315</u>	<u>167,132</u>
NUW NSW Branch		
Administration expenses recovered	-	1,451
Seconded staff expenses recovered	11,696	15,215
	<u>11,696</u>	<u>16,666</u>
833 Bourke Street Unit Trust		
Distributions received	600,645	578,083
Publicity Works Pty Ltd		
Directors Fees received	8,000	8,000
<u>Expenses paid includes the following:</u>		
NUW National Office		
ACTU campaign levy	-	47,750
Payroll tax	268,411	265,522
Sustentation fees	2,225,752	2,201,690
Transfer of employee leave entitlements	20,539	-
Seconded staff expenses	80,632	72,353
Administration Expenses	114,936	83,022
	<u>2,710,270</u>	<u>2,670,337</u>
NUW General Branch		
Administration expenses	21,533	2,627
833 Bourke Street Unit Trust		
Rent & Outgoings	750,968	741,070
Publicity Works Pty Ltd		
Printing expenses	46,325	7,432

**NATIONAL UNION OF WORKERS
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

16. Related party disclosures (continued)

16A: Related party transactions for the reporting period

	2017	2016
	\$	\$
<u>Amounts owed by -</u>		
NUW National Office	15,368	19,511
NUW General Branch	5,197	4,064
NUW NSW Branch	-	16,736
833 Bourke Street Unit Trust	50,978	49,214
	<u>71,543</u>	<u>89,525</u>
<u>Amounts owed to -</u>		
NUW National Office	252,977	251,936
NUW General Branch	547	-
833 Bourke Street Unit Trust	68,890	62,685
	<u>322,414</u>	<u>314,621</u>

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 2017, the National Union of Workers – Victorian Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2016: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

16B: Key management personnel remuneration for the reporting period

	2017	2016
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	1,046,618	1,018,246
Annual leave & RDO accrued	(42,080)	14,588
Total short-term employee benefits	<u>1,004,538</u>	<u>1,032,834</u>
Post-employment benefits:		
Superannuation	187,510	182,913
Total post-employment benefits	<u>187,510</u>	<u>182,913</u>
Other long-term benefits:		
Long-service leave	(29,808)	41,799
Total other long-term benefits	<u>(29,808)</u>	<u>41,799</u>
Termination benefits	-	-
Total	<u>1,162,240</u>	<u>1,257,546</u>

**NATIONAL UNION OF WORKERS
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

17. Financial instruments

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

Market Risk

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

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

The table below summarises the impact of increases/(decreases) of the indexes on the Union's equity and managed funds. The analysis is based on the assumption that the equity and managed fund indexes had increased/(decreased) by 10% (2016 – 10%) with all other variables held constant and all the Union's equity and managed funds instruments moved according to the historical correlation with the index.

	2017	2016
	\$	\$
Effect on equity:		
Increase of equity index by 10%	1,540,560	1,336,105
Decrease of equity index by 10%	(1,540,560)	(1,336,105)

Liquidity Risk

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

Credit Risk

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

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

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

**NATIONAL UNION OF WORKERS
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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17. Financial instruments

Credit Risk

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

	2017	2016
	\$	\$
Cash at bank		
A- Rating	1,777,818	-
BBB Rating	4,121,756	-
AA- Rating	-	3,051,918
A-2 Rating	-	2,260,496
	<u>5,899,574</u>	<u>5,312,414</u>
Term Deposits		
A-2 Rating	-	4,252,448
BBB Rating	4,385,581	-

Interest Rate Risk

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

Sensitivity analysis

As at 30 June the effect on the surplus/(deficit) as a result of changes in interest rates, with all other variables remaining constant would be as follows:

	2017	2016
	\$	\$
Effect on results:		
Increase of interest rates by 1%	85,073	65,129
Decrease of interest rates by 1%	(85,073)	(65,129)

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

18. Fair value measurement

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

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

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

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

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

30 th June 2017	Level 1	Level 2	Level 3	Total
Assets	\$	\$	\$	\$
Available-for-sale financial assets	15,405,600	-	-	15,405,600
30th June 2016	Level 1	Level 2	Level 3	Total
Assets	\$	\$	\$	\$
Available-for-sale financial assets	13,361,048	-	-	13,361,048

19. Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or General Manager:

- (1) A member of a reporting unit, or the General Manager, 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).

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Maturity profile of financial instruments

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

2017	Weighted Average Interest Rate	Floating Interest Rate	1 year or less	1 to 5 years	Non Interest Bearing	Total
	%	\$	\$	\$	\$	\$
Financial Assets						
Cash on hand		-	-	-	1,266	1,266
Cash at bank	2.00	5,899,574	-	-	-	5,899,574
Term Deposits	2.85	-	4,385,581	-	-	4,385,581
Other Receivables		-	-	-	1,436,196	1,436,196
Investments		23,232,623	-	-	-	23,232,623
		29,132,197	4,385,581	-	1,437,462	34,955,240
Financial Liabilities						
Trade & other payables		-	-	-	638,968	638,968
Net Financial Assets		29,132,197	4,385,581	-	798,494	34,316,272
2016						
2016	Weighted Average Interest Rate	Floating Interest Rate	1 year or less	1 to 5 years	Non Interest Bearing	Total
	%	\$	\$	\$	\$	\$
Financial Assets						
Cash on hand		-	-	-	2,216	2,216
Cash at bank	2.25	5,312,414	-	-	-	5,312,414
Term Deposits	3.00	-	4,252,448	-	-	4,252,448
Other Receivables		-	-	-	1,428,984	1,428,984
Investments		20,330,921	-	-	-	20,330,921
		25,643,335	4,252,448	-	1,431,200	31,326,983
Financial Liabilities						
Trade & other payables		-	-	-	691,708	691,708
Net Financial Assets		25,643,335	4,252,448	-	739,492	30,635,275

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

20. Other Information

(i) Going Concern

The branch's ability to continue as a going concern is not reliant on financial support from another reporting unit.

(ii) Financial Support

No financial support has been provided to another reporting unit to ensure that it continues as a going concern.

(iii) Acquisition of assets and liability under specific sections:

The branch did not acquire any asset or a liability during the financial year as a result of:

- An amalgamation under part 2 of Chapter 3, of the RO Act;
- A restructure of the Branches of the organization;
- A determination by the General Manager under s245(1) of the RO Act;
- A revocation by the General Manager under s249(1) of the RO Act;

(iv) Acquisition of assets and liability as part of a business combination:

If assets and liabilities were acquired during the financial year as part of a business combination, the requirement of the Australian Accounting Standards will be complied with. No such acquisition has occurred during the financial year.





EddyPartners Accountants

Eddy Partners
Accountants and Auditors
ABN 87 382 183 920
Level 8,
501 LaTrobe Street,
Melbourne, Victoria 3000.
PO Box 13105,
Law Courts,
Melbourne, Victoria 8010.
Telephone: (03) 9602 5177
Facsimile: (03) 9602 5766
e-mail: info@eddypartners.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL UNION OF WORKERS VICTORIAN BRANCH

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of National Union of Workers – Victorian Branch, which comprises the statement of financial position as at 30th June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30th June 2017, notes to the financial statements, including a summary of significant accounting policies and the Committee of Management Statement.

In our opinion, the accompanying financial report:

- a) presents fairly, in all material aspects, the financial position of National Union of Workers – Victorian Branch as at 30th June 2017, and its financial performance and its cash flows for the year ended on that date; and
- b) complies with the Australian Accounting Standards; and
- c) 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).

We declare that the Committee of Management's use of the going concern basis in the preparation of the financial statements of the Union is appropriate.

Partners:
David J. Eddy CPA
Stephen J. Eedy CPA
Suzanne J. Eddy CPA





Eddy Partners
Accountants

Eddy Partners
Accountants and Auditors
ABN 87 382 183 920
Level 8,
501 La Trobe Street,
Melbourne, Victoria 3000.
PO Box 13105,
Law Courts,
Melbourne, Victoria 8010.
Telephone: (03) 9602 5177
Facsimile: (03) 9602 5766
e-mail: info@eddypartners.com.au

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NATIONAL UNION OF WORKERS
VICTORIAN BRANCH (Continued)**

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

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

Independence

We are independent of the Union in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Partners:
David J. Eddy CPA
Stephen J. Eedy CPA
Suzanne J. Eddy CPA





EddyPartners
Accountants

Eddy Partners
Accountants and Auditors
ABN 87 382 183 920
Level 8,
501 LaTrobe Street,
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NATIONAL UNION OF WORKERS
VICTORIAN BRANCH (Continued)**

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Union is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009, 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 Union'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 Union or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

Partners:
David J. Eddy CPA
Stephen J. Eddy CPA
Suzanne J. Eddy CPA





Eddy Partners Accountants

Eddy Partners
Accountants and Auditors
ABN 87 382 183 920
Level 8,
501 LaTrobe Street,
Melbourne, Victoria 3000.
PO Box 13105,
Law Courts,
Melbourne, Victoria 8010.
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL UNION OF WORKERS VICTORIAN BRANCH (Continued)

Auditor's Responsibilities for the Audit of the Financial Report (continued)

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Union'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 Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Union 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.

Partners:
David J. Eddy CPA
Stephen J. Cody CPA
Suzanne J. Eddy CPA





EddyPartners Accountants

Eddy Partners
Accountants and Auditors
ABN 67 382 183 920
Level 8,
501 LaTrobe Street,
Melbourne, Victoria 3000.
PO Box 13105,
Lay Courts,
Melbourne, Victoria 8010.
Telephone: (03) 9602 5177
Facsimile: (03) 9602 5766
e-mail: info@eddypartners.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL UNION OF WORKERS VICTORIAN BRANCH (Continued)

Auditor's Responsibilities for the Audit of the Financial Report (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Union to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Union audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

EDDY PARTNERS ACCOUNTANTS & AUDITORS

David James Eddy, CPA - Partner

Approved auditor (AA2017/89)

Member of CPA Australia

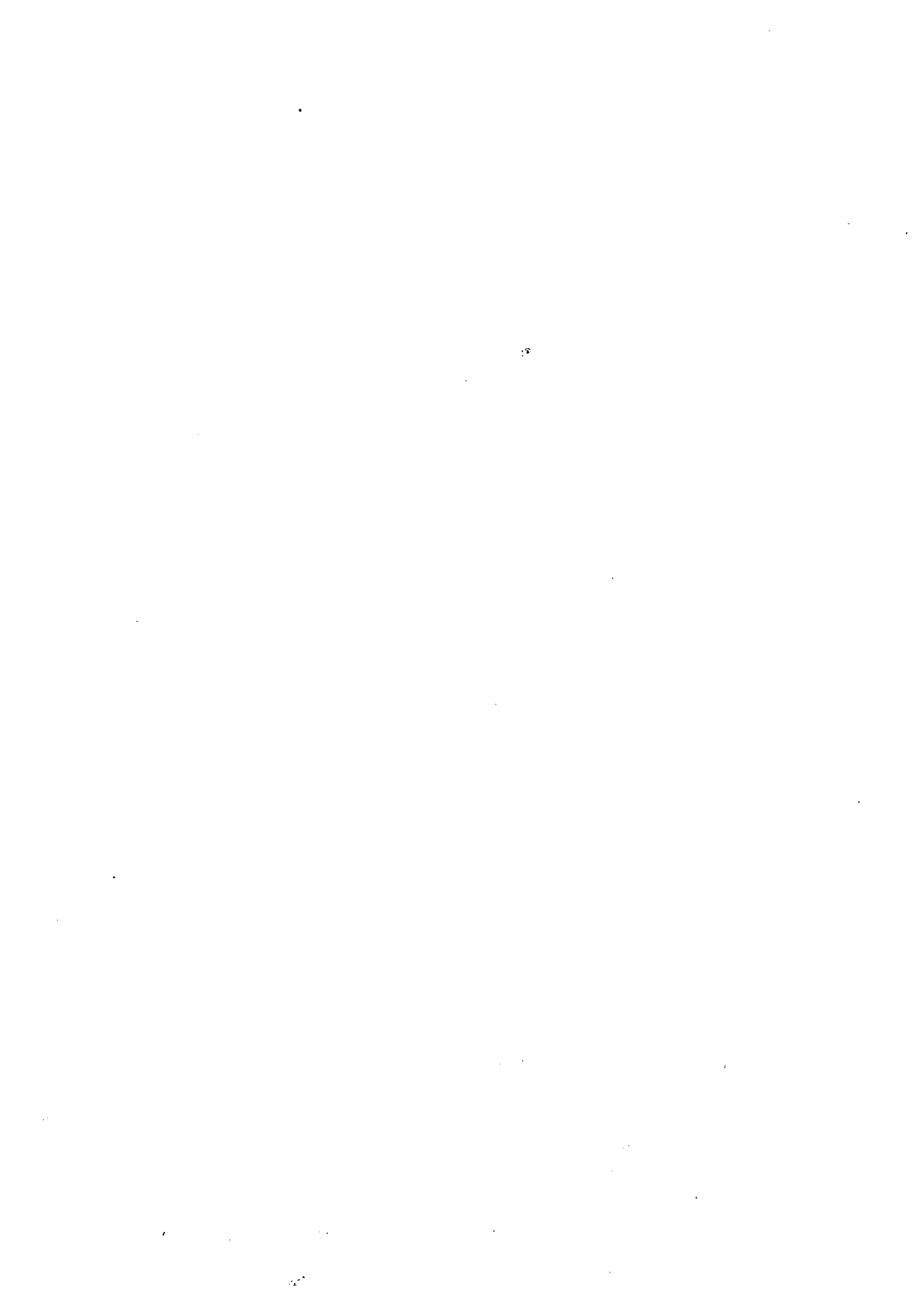
Holder of current Public Practice Certificate

Melbourne

Date: 11th October 2017

Partners:
David J. Eddy CPA
Stephen J. Eddy CPA
Suzanne J. Eddy CPA







8 August 2017

Mr Gary Maas
Branch Secretary
Victorian Branch
National Union of Workers
By Email: gmaas@nuw.org.au

Dear Mr Maas,

**Re: Lodgement of Financial Report - [FR2017/131]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the National Union of Workers-Victorian Branch (the reporting unit) ended on 30 June 2017. 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 Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2017.

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 (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being 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 your rules) no later than 31 December 2017 (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. 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 (see attached *Loans Grants and Donations* fact sheet FS 009).

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 (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) 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 effect from 15 December 2016. Please find below a guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (which can also be located 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,

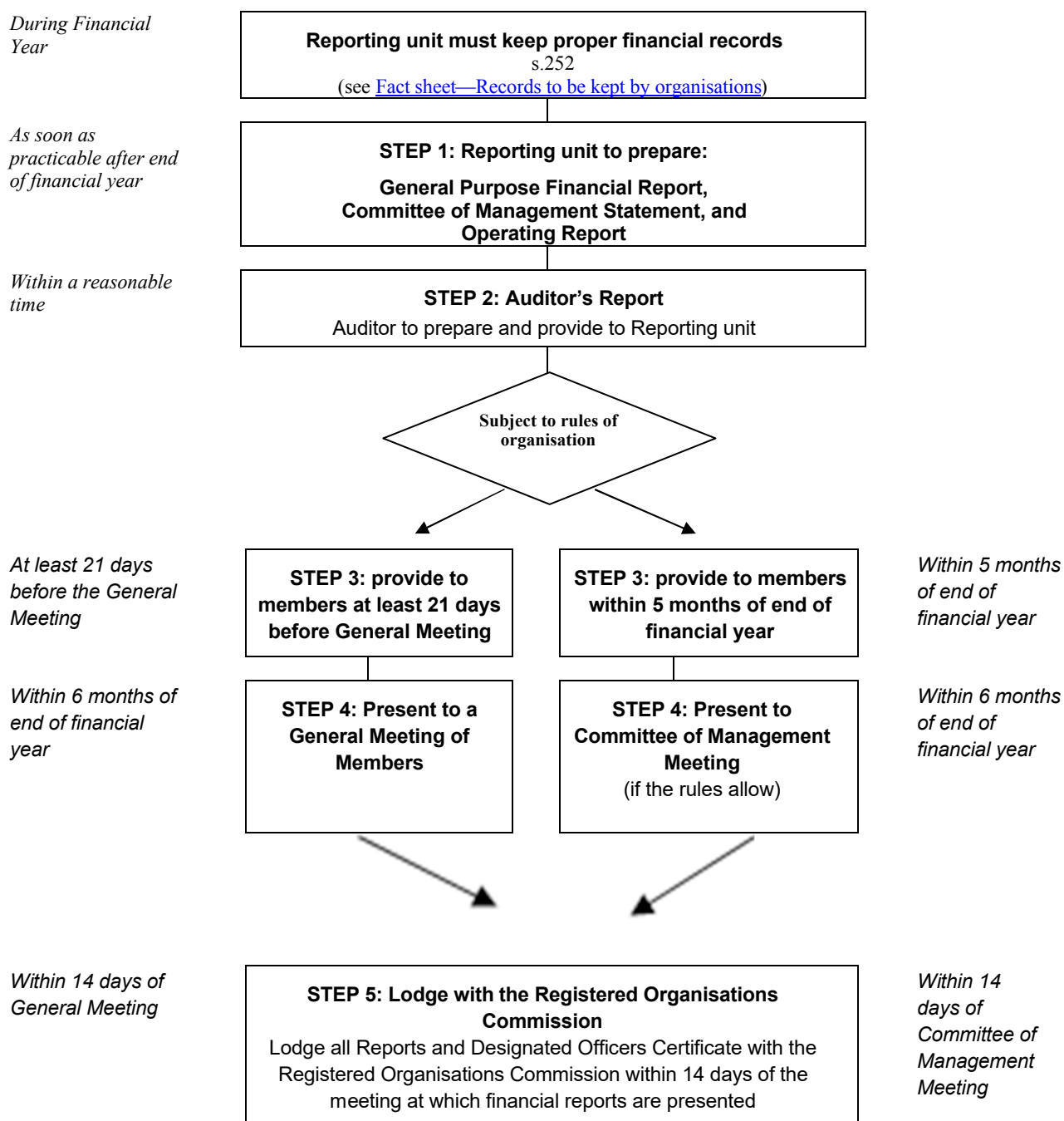
Carolyn Moloney
Registered Organisations Commission



Fact sheet

Summary of financial reporting timelines – s.253 financial reports

See Fact sheet—Financial reporting for an explanation of each of these steps.





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
X 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.
X 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



Guidance Note

Illustrative Auditor's Report under section 257 of the *Fair Work (Registered Organisations) Act 2009*

Prepared and issued by the Registered Organisations Commission

Version	Date published
1	4 August 2017

1. Introduction

The purpose of this guidance note is to provide Registered Organisations with guidance on the revised Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report* (ASA 700), as issued by the Auditing and Assurance Standards Board ('AUASB').

An 'Illustrative Auditor's Report' is included to assist Registered Organisations to understand the new auditing requirements.

2. Background to the revised Auditing Standard

From 15 December 2016, the structure of the Auditor's Report changed as a result of revisions made to the Australian Auditing Standards (ASAs). The changes impact all auditors' reports prepared in accordance with the ASAs.

The purpose of the change is to:

- enhance the communicative value of the Auditor's Report;
- give prominence to the most important matters by re-ordering the content;
- enhance reporting on going concern matters (if applicable), and provide enhanced descriptions of the respective responsibilities of management and the auditor, in relation to going concern;
- provide an affirmative statement on auditor's independence and fulfilment of relevant ethical responsibilities;
- provide more information to users on the auditor's responsibilities, and the key features of an audit and;
- provide details of other information the auditor has received at the date of the Auditor's Report, and is expected to receive after the date of the Auditor's Report¹.

3. Key changes included in the illustrative Auditor's Report

Description	Auditing standard ref.	Comments
Structure of the auditor's report	ASA 700.21-52	The form and structure of the audit report have been reorganised due to changes in the Australian Auditing Standards.
Basis for opinion	ASA 700.28c	Requires references in the audit report to the applicable ethical standards e.g. APES 110 <i>Code of Ethics for Professional Accountants</i> .
Other information	ASA 700.32 ASA 720	ASA 720 now requires that the auditor 'read and consider' if the Other Information (including but not limited to the Operating Report) is materially inconsistent with the financial statements, or the auditor's knowledge obtained in the audit.
Committee of Management's responsibilities for the preparation of the financial report	ASA 700.33-36	ASA 700.34b has been added to reflect changes made in ASA 570. The changes emphasise that it is management's responsibility for assessing whether the use of the going concern assumption is appropriate. The auditors' roles and responsibilities related to going concern have not changed.
Auditor's responsibilities for the audit of the financial report	ASA 700.37-40	These paragraphs have been expanded to clarify the detailed nature and scope of the auditor's existing responsibilities and procedures, and to make an explicit relationship of material misstatements to fraud or error.
Report on other legal and	ASA 700.43-45	This section is only applicable if there are other matters to report as required by other legislation.

¹ Adapted from 'Auditor Reporting FAQs' – Auditing and Assurance Standards Board - <http://www.auasb.gov.au/Publications/Auditor-Reporting-FAQs.aspx>

Description	Auditing standard ref.	Comments
regulatory requirements		<p>Under sections 257(6) and (7) of the <i>Fair Work (Registered Organisations) Act 2009</i> ('RO Act'), the auditor is required to report on any instances of non-compliance or deficiency or shortcoming with respect to financial record-keeping, and section 257(2) of the RO Act requires auditors to report on access restrictions to the financial records of the organisation.</p> <p>This section is not required if there are no matters to report.</p>

4. Key changes not reflected in the illustrative Auditor's Report

Description	Auditing standard ref.	Comments
Key Audit Matters	ASA 700.30-31, A41 ASA 701	<p>ASA 701 provides additional disclosures for entities listed on a securities exchange to communicate key audit matters ('KAMs') in the auditor's report. KAMs are those matters that, in the auditor's judgement, are of most significance to the audit of the financial statements of the current financial period.</p> <p>At this point in time, the ROC does not require the inclusion of KAMs.</p>

The numbered references in the Illustrative Auditor's Report refer to the explanatory paragraphs in section 5 of this Guidance Note 'Illustrative Auditor's Notes'. The Illustrative Auditor's Report is also included in the 'Model Financial Statements' published on the Registered Organisations Commission's website.

<To be printed on Auditor letterhead>

Independent Audit Report to the Members of <name of Reporting Unit>

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of <name of Reporting Unit> (the Reporting Unit), which comprises the statement of financial position² as at <balance date>, the statement of comprehensive income³, statement of changes in equity⁴ and statement of cash flows⁵ for the year ended <date>, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management⁶ Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of <name of Reporting Unit> as at <balance date>, 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 APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon⁷

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

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

² Refer to paragraph 9 in Section 5 Illustrative Auditor's Report Notes in this Guidance Note

³ Ibid paragraph 9

⁴ Ibid paragraph 9

⁵ Ibid paragraph 9

⁶ Ibid paragraph 10; note if this is changed to another descriptor all other references in the Report should be changed to the other descriptor

⁷ Ibid paragraph 7

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:

- 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 approved auditor, a member of [name of appropriate professional accounting body] and hold a current Public Practice Certificate.

[Report on Other Legal and Regulatory Requirements]⁸

[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 not modified in respect of the following matter(s) because, in my opinion, it has been appropriately addressed by [Reporting Unit] and is not considered material in the context of the audit of the financial report as a whole:

[Example:

a) [Reporting Unit] failed to keep [name of other record] as required by section 252 of the RO Act for the period 1 July 20XX to 4 July 20XX inclusive.]]

[Report on the Recovery of Wages Activity financial report]⁹

Opinion on the recovery of wages activity financial report

The scope of my work extended to the recovery of wages activity and I have audited the recovery of wages activity financial report for the year ended <date>.

In my opinion, the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the General Manager, including:

- (a) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- (b) any donations or other contributions deducted from recovered money.

Responsibilities

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. My responsibility is to express an opinion on the recovery of wages activity financial report, based on my audit conducted in accordance with Australian Auditing Standards.

<Audit Firm Name>

<Name>

Partner

⁸ Ibid paragraph 11

⁹ Ibid paragraph 11

<City>
<Date>

Registration number (as registered by the RO Commissioner under the RO Act)¹⁰: <insert number>

¹⁰ Ibid paragraph 12

5. Illustrative Auditor's Report Notes

For the purpose of this illustrative Auditor's Report, the following circumstances are assumed:

1. The financial report is prepared by management of the Reporting Unit in accordance with Australian Accounting Standards and the RO Act.
2. The terms of the audit engagement reflect the description of management's responsibility for the financial report in *ASA 210 Agreeing the Terms of Audit Engagements*.
3. The auditor has concluded an unmodified opinion is appropriate based on the audit evidence obtained.
4. The relevant ethical requirements that apply to the audit are the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants*.
5. Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern in accordance with *ASA 570 Going Concern*.
6. The auditor is not required, and has otherwise not decided, to communicate key audit matters in accordance with *ASA 701 Communicating Key Audit Matters in the Independent Auditor's Report*.
7. The section on 'Information Other than the Financial Report and Auditor's Report Thereon' is customised depending on the nature of the Other Information received and when this information was received. The template provided assumes that the nature of the Other Information is the Operating Report and that it was received on or before the date of the audit report. If there is Other Information that accompanies the financial report in addition to the Operating Report, or if the Operating Report or any additional Other Information was not received on or before the date of the audit report, please refer to the requirements stated in *ASA 720 The Auditor's Responsibilities Relating to Other Information* for example wording.
8. The subheading 'Report on Other Legal and Regulatory Requirements' is only applicable where the auditor includes 'Other reporting responsibilities' in accordance with *ASA 700 Forming an Opinion and Reporting on a Financial Report*. Please delete the 'Report on Other Legal and Regulatory Requirements' section if there is no deficiency, failure or shortcoming to report.
9. Please ensure that the financial statement descriptions used in the Auditor's Report agree with those used in the financial report, for example, 'balance sheet' or 'statement of financial position'.
10. Use of 'Committee of Management' in the model auditor's report represents those charged with governance for the registered organisation, and can be replaced with other descriptors as appropriate for the organisation, for example, 'Council of Management', 'Executive Committee', etc.
11. If the Registered Organisation has not undertaken any recovery of wages activity during the reporting period the auditor's report should state that fact with reference

to the Committee of Management Statement, and no opinion can be provided in relation to recovery of wages activity.

12. Auditors must be registered by the Registered Organisations Commissioner. Your registration number under the RO Act will commence with the letters 'AA'.

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This guidance note is not intended to be comprehensive. It is designed to assist with making an application to the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.