Australian Government
Registered Organisations Commission

2 July 2020

Paul Richardson
Director - Finance, Governance and Administration
United Workers' Union
Sent via email: paul.richardson@unitedworkers.org.au
CC: gkent@mgisq.com.au

Dear Paul Richardson,

**United Voice - New South Wales Branch**
**Financial Report for the year ended 10 November 2019 – (FR2019/280)**

I acknowledge receipt of the financial report for the year ended 10 November 2019 for the United Voice – New South Wales Branch (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 15 June 2020. The financial report was the final report for the reporting unit and covered the period up to its amalgamation with the National Union of Workers on 11 November 2019.

The financial report has now been filed.

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

You are not required to take any further action in respect of the report lodged.

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

Yours sincerely,

**Kylie Ngo**
**Registered Organisations Commission**

**REGISTERED ORGANISATIONS COMMISSION**

**s 268 - Fair Work (Registered Organisations) Act 2009**

**United Voice – New South Wales Branch**

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

I, Timothy John Kennedy being the National Secretary of the United Workers' Union (**the Union**) certify:

1. That the document lodged with the Registered Organisations Commission on 15 June 2020 is the full report of the former **United Voice – New South Wales Branch** (**the Branch**) referred to in section 268 of the *Fair Work (Registered Organisations) Act 2009*.

2. That the full report was provided to members of the Branch on 22 May 2020.

3. That the full report was presented to the National Executive of the Union on 22 May 2020 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009.*

**TIMOTHY JOHN KENNEDY**
**NATIONAL SECRETARY**
**UNITED WORKERS' UNION**

**Dated this 15th day of June 2020**

**UNITED VOICE – NEW SOUTH WALES BRANCH**

**ABN 94 006 539 878**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD 1 JULY 2019 - 10 NOVEMBER 2019**

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**UNITED VOICE – NEW SOUTH WALES BRANCH**

**COMMITTEE OF MANAGEMENT'S OPERATING REPORT**

**FOR THE PERIOD 1 JULY 2019 - 10 NOVEMBER 2019**

## Operating Report

The Committee of Management presents its report on the operations of United Voice – New South Wales Branch (the Branch) for the period 1 July 2019 – 10 November 2019.

## Principal Activities

The principal activities of the Branch during the year fell in the following categories:

- Organising existing members and new members
- Bargaining, negotiating and arbitrating for improvements in wages and conditions of employment for members of the Branch.
- Representing members in work related grievances or other matters
- Undertaking training and development for delegates of the Branch.

Over the period the Branch negotiated many Collective Agreements delivering improvements in wages and conditions to United Voice members. The Branch has also worked with the NSW Government to secure ongoing employment and important conditions for school cleaners in the net NSW Whole of Government Facility Management Services (Asset Maintenance and Cleaning Contract).

There have been no changes in the principal activities of the Branch during the period.

## Operating Result

The statutory deficit for the period ended 10 November 2019 was $2,889,822. The deficit has been impacted by:

- Loss on revaluation of Morgan Stanley investment in of $855,351

- Redundancy costs of $820,461 (refer Note 4A)

- $509,301 of depreciation in respect of leasehold improvements. Due to the Branch building a fit-for-purpose building in Glebe, the current fitout was expensed during the period ended 10 November 2019 as the asset will not be utilised by the United Workers Union once the construction is finalised.

## Significant Changes in Financial Affairs

On 30 August 2019, members of both the National Union of Workers and United Voice voted to amalgamate and create the United Workers Union. A copy of the declarations of the amalgamation ballot conducted by the Australian Electoral Commission are available at www.fwc.gov.au/cases-decisions-orders/major-cases/united-voice-national-union-workers-proposed-amalgamation

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

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

### After Balance Date Events

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Branch, the results of those operations or the state of affairs of the Branch.

### Members Right to Resign

All members had the right to resign from the Branch in accordance with National Rule 10 - Resignation of the Union (and Section 174 of the Act); namely, by providing written notice addressed and delivered to the Secretary of the Branch of which they are a member.

### Membership of the Branch

Total number of members as at 10 November 2019: 15,325.

### Employees of the Branch

The number of persons who were, at the end of the period to which the report relates, employees of the Branch, where the number of employees includes both full-time and part-time employees measured on a full-time equivalent basis is 58.13.

### Members of the Committee of Management

The name of each person who has been a member of the Committee of Management of the Branch at any time during the reporting period, and the period for which he or she held such a position is as follows:

| Name | Period of Appointment | Position |
|---|---|---|
| Judith Barber | 01/07/19 – 10/11/19 | Committee member |
| Amy Bell | 01/07/19 – 10/11/19 | Branch Honorary President |
| Dale Buckmaster | 01/07/19 – 10/11/19 | Committee member |
| Robert Crawford | 01/07/19 – 10/11/19 | Committee member |
| Sharon Eurlings | 01/07/19 – 10/11/19 | Branch Vice President |
| Melanie Gatfield | 01/07/19 – 10/11/19 | Branch Secretary |
| Lilian Grogan | 01/07/19 – 10/11/19 | Committee member |
| Jane Grundy | 01/07/19 – 10/11/19 | Committee member |
| John Hawker | 03/07/19 – 10/11/19 | Branch Assistant Secretary (Secretary LHD) |
| Jeff Higgins | 01/07/19 – 10/11/19 | Committee member |
| Grant Hollington | 19/07/19 – 10/11/19 | Committee member |
| David Holder | 01/07/19 – 10/11/19 | Assistant Branch Secretary (LHD Assistant Secretary) |
| Wesley Inglis | 01/07/19 – 10/11/19 | Committee member |
| Josef Jindra | 03/07/19 – 10/11/19 | Committee member |
| Julie Korlevska | 01/07/19 – 10/11/19 | Branch Assistant Secretary |
| Vanessa McGrath | 01/07/19 – 29/10/19 | Committee member |
| Tara Moriarty | 03/07/19 – 01/07/19 | Branch Executive Vice-President (President LHD) |
| Ian Pandilovski | 01/07/19 – 10/11/19 | Committee member |
| Sharon Seddon | 03/07/19 – 10/11/19 | Committee member |
| Ruth Sorbello | 01/07/19 – 10/11/19 | Committee member |
| Jan Tuiach | 01/07/19 – 09/09/19 | Committee member |
| Robyn Weate | 01/07/19 – 10/11/19 | Committee member |

**Wage Recovery Activity**

The Branch continuously undertook recovery of wages on behalf of members. It is Branch policy that any successful wage recovery from employers is paid directly to those effected members. As a result, no wage recovery activity is accounted through via the Branch's bank accounts and therefore not reflected in these financial statements.

**Officers or Members who are Superannuation Fund Trustees/ Directors of a Company that is a Superannuation Fund Trustee**

Those who hold a position of trustee or director of an entity, scheme or company as described in s.254 (2) (d) of the *Fair Work (Registered Organisations) Act 2009*, where a criterion of such entity is that the holder of such position must be a member or official of a registered organisation are as follows:

| **Name** | **Position** | **Superannuation Fund** |
|---|---|---|
| John Hawker | Branch Assistant Secretary (Secretary LHD) | Club Super |
| Julie Korlevska | Branch Assistant Secretary | Club Super |

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**Auditor's Independence Declaration**

A copy of the auditor's independence declaration is set out on page 6.

This report is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee of Management by:

J Schofield

………………………………
Jo-anne Schofield
United Workers Union President
(Former United Voice National Secretary)

22 May 2020

Sydney

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**AUDITOR'S INDEPENDENCE DECLARATION TO THE COMMITTEE OF MANAGEMENT OF**

**UNITED VOICE – NEW SOUTH WALES BRANCH**

As lead auditor for the audit of United Voice – New South Wales Branch for the period 1 July 2019 – 10 November 2019; I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

**MGI Audit Pty Ltd**

**G I Kent**

Director – Audit & Assurance

Brisbane
22 May 2020

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

**UNITED VOICE – NEW SOUTH WALES BRANCH**

**COMMITTEE OF MANAGEMENT STATEMENT**

**FOR THE PERIOD 1 JULY 2019 - 10 NOVEMBER 2019**

On 22 May 2020, National Executive, being the Committee of Management of the United Workers Union (being the succeeding Committee of Management of the Reporting Unit) passed the following resolution to the General Purpose Financial statements (GPFR) of the reporting unit for the period 1 July 2019 – 10 November 2019.

The Committee of Management declares in relation to the GPFR 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 Branch for the financial year to which they relate;

(d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and

(e) during the financial year to which the GPFR relates and since the end of that year:

i. meetings of the Committee of Management of the Branch were held in accordance with the rules of the organisation and the rules of the Branch concerned; and

ii. the financial affairs of the Branch have been managed in accordance with the rules of the organisation, including the rules of the branch concerned; and

iii. the financial records of the Branch 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 to each of the other reporting units of the organisation; and

v. where information has been sought in any request of a member of the reporting unit or Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or Commissioner; and

vi. where any order for inspection of financial records made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

**Name of Designated Officer:** Jo-anne Schofield

**Title of Designated Officer:** United Workers Union President
(Former United Voice National Secretary)

JSchofield

**Date:** 22 May 2020

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# Independent Audit Report to the Members of United Voice – New South Wales Branch

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of United Voice – New South Wales Branch (the Branch), which comprises the statement of financial position as at 10 November 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period 1 July 2019 – 10 November 2019, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the United Voice – New South Wales Branch as at 10 November 2019, and its financial performance and its cash flows for the period 1 July 2019 – 10 November 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).

### Basis for Opinion

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

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

### Emphasis of Matter Regarding Liquidation Valuation Basis

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

**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 my knowledge obtained in the audit or otherwise appears to be materially misstated. 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 Branch 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 Branch'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 Branch 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 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, 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 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 Branch'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.

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

- 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 Branch'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 Branch 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 Branch to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Branch's 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.

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

**MGI Audit Pty Ltd**

**G I Kent**

Director – Audit & Assurance

Brisbane
22 May 2020

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

**UNITED VOICE – NEW SOUTH WALES BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE PERIOD 1 JULY 2019 - 10 NOVEMBER 2019**

| | Notes | **1 July 19 – 10 Nov 19 $** | 1 July 18 – 30 June 19 $ |
|---|---|---|---|
| **Revenue** | | | |
| Membership subscription | | **3,063,611** | 7,962,144 |
| Gain on sale of property, plant and equipment | | **-** | 467,327 |
| Levies | 3A | **124,190** | 413,556 |
| Investment income | 3B | **568,878** | 1,263,489 |
| Property revenue | 3C | **-** | 529,461 |
| Other revenue | 3D | **71,438** | 323,149 |
| **Total revenue** | | **3,828,117** | 10,959,126 |
| | | | |
| **Expenses** | | | |
| Employee expenses | 4A | **(3,908,191)** | (6,785,159) |
| Indirect employment costs | 4B | **(67,042)** | (148,237) |
| Affiliation fees | 4C | **(41,888)** | (209,193) |
| Administration expenses | 4D | **(104,093)** | (240,166) |
| Depreciation and amortisation | 4E | **(586,935)** | (226,046) |
| Grants and donations | 4F | **(1,855)** | (10,428) |
| Finance costs | 4G | **(130,760)** | (167,007) |
| Legal costs | 4H | **(3,687)** | (135,656) |
| Audit and professional fees | 4I | **(154,227)** | (191,832) |
| Meeting & conference costs | 4J | **(130,049)** | (482,527) |
| Campaign costs | 4K | **-** | (83,540) |
| Communication costs | 4L | **(273)** | (56,326) |
| IT costs | 4M | **(13,212)** | (34,704) |
| Property and occupancy costs | 4N | **(397,914)** | (1,034,464) |
| Research costs | 4O | **(10,919)** | (82,442) |
| Sustentation fees | 4P | **(265,643)** | (1,067,403) |
| Member service costs | 4Q | **(45,900)** | (147,399) |
| **Total expenses** | | **(5,862,588)** | (11,102,529) |
| | | | |
| **Operating deficit for the year** | | **(2,034,471)** | (143,403) |
| | | | |
| Fair value loss on revaluation of investments | | **(855,351)** | - |
| **Deficit for the year** | | **(2,889,822)** | (143,403) |
| | | | |
| **Other comprehensive income (net of income tax)** | | | |
| Fair value gain on revaluation on land and buildings | | **-** | 1,146,316 |
| **Total comprehensive income for the year** | | **(2,889,822)** | 1,002,913 |

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

**UNITED VOICE – NEW SOUTH WALES BRANCH**

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

| | Notes | 10 Nov 19<br>$ | 30 June 19<br>$ |
|---|---|---|---|
| **ASSETS** | | | |
| **Current Assets** | | | |
| Cash and cash equivalents | 5A | **3,779,892** | 1,505,974 |
| Trade and other receivables | 5B | **117,279** | 76,741 |
| Investments | 5C | **74,200,774** | 79,575,628 |
| Long service leave fund | 5D | **-** | 13,820 |
| Other current assets | 5E | **236,355** | 234,212 |
| Financial assets | 6A | **15,003** | 14,299 |
| Intangibles | 6B | **95,673** | 100,257 |
| Land and buildings | 6C | **4,788,297** | 4,800,000 |
| Leasehold improvements | 6D | **-** | 509,301 |
| Computers | 6E | **94,080** | 46,010 |
| Office furniture and equipment | 6F | **58,832** | 61,624 |
| Motor vehicles | 6G | **110,151** | 126,803 |
| Library | 6H | **-** | - |
| Capital work in progress | 6I | **2,554,184** | 2,365,204 |
| ***Total current assets*** | | **86,050,520** | 89,429,873 |
| **Non-Current Assets** | | **-** | - |
| **Total assets** | | **86,050,520** | 89,429,873 |
| **LIABILITIES** | | | |
| **Current Liabilities** | | | |
| Trade payables | 7A | **586,096** | 750,700 |
| Other payables | 7B | **5,527** | 141,514 |
| Employee provisions | 8A | **1,777,559** | 1,966,499 |
| ***Total current liabilities*** | | **2,369,182** | 2,858,713 |
| **Non-Current Liabilities** | | **-** | - |
| | | | - |
| **Total liabilities** | | **2,369,182** | 2,858,713 |
| **Net assets** | | **83,681,338** | 86,571,160 |
| **EQUITY** | | | |
| Reserves | 9 | **4,363,935** | 4,363,935 |
| Retained earnings | | **79,317,403** | 82,207,225 |
| **Total equity** | | **83,681,338** | 86,571,160 |

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

**UNITED VOICE – NEW SOUTH WALES BRANCH**

**STATEMENT OF CHANGES IN EQUITY**
**FOR THE PERIOD 1 JULY 2019 - 10 NOVEMBER 2019**

| | Notes | Asset Revaluation Reserve $ | Retained earnings $ | Total equity $ |
|---|---|---|---|---|
| **Balance as at 1 July 2018** | | 3,217,619 | 82,350,628 | 85,568,247 |
| Surplus for the year | | - | (143,403) | (143,403) |
| Other comprehensive income | | 1,146,316 | - | 1,146,316 |
| **Closing balance as at 30 June 2019** | | 4,363,935 | 82,207,225 | 86,571,160 |
| Deficit for the year | | **-** | **(2,889,822)** | **(2,889,822)** |
| Other comprehensive income | | **-** | **-** | **-** |
| **Closing balance as at 10 November 2019** | | **4,363,935** | **79,317,403** | **83,681,338** |

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

**UNITED VOICE – NEW SOUTH WALES BRANCH**

**STATEMENT OF CASH FLOWS**
**FOR THE PERIOD 1 JULY 2019 - 10 NOVEMBER 2019**

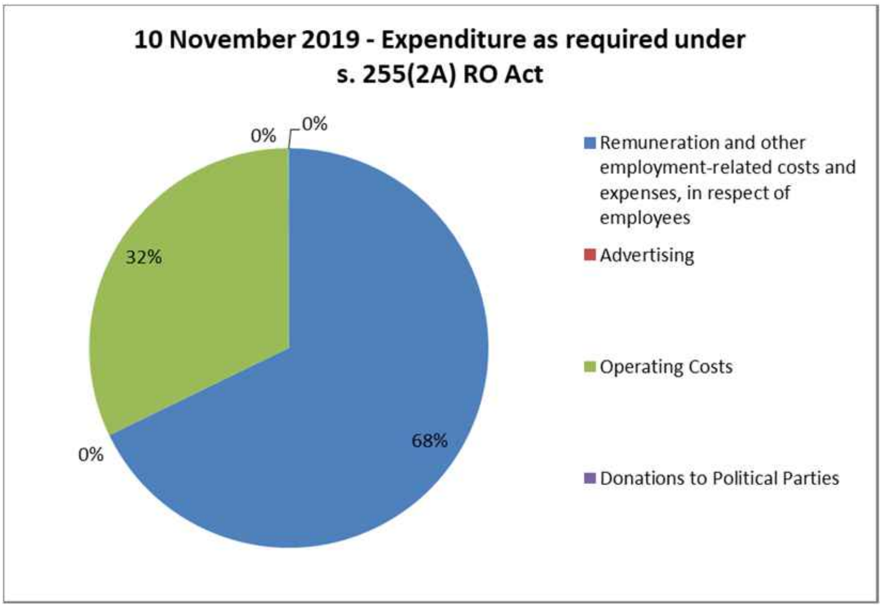
| | Notes | **1 July 19 – 10 Nov 19 $** | 1 July 18 – 30 June 19 $ |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| **Cash received** | | | |
| Receipts from other reporting units | 10B | **27,419** | 143,319 |
| Receipts from members and other customers | | **3,536,430** | 10,236,972 |
| Investment income received | | **588,166** | 1,287,450 |
| | | **4,152,015** | 11,667,741 |
| **Cash used** | | | |
| Payments to employees and suppliers | | **(5,754,521)** | (10,478,500) |
| Payment to other reporting units | 10B | **(484,970)** | (1,402,000) |
| | | **(6,239,491)** | (11,880,500) |
| **Net cash used in operating activities** | | **(2,087,476)** | (212,759) |
| | | | |
| **INVESTING ACTIVITIES** | | | |
| Proceeds from sale of property, plant and equipment | | **16,709** | 8,359 |
| Payments for property, plant and equipment | | **(295,662)** | (2,397,320) |
| Payments to United Voice – Queensland Branch (loan) | | **-** | (3,000,000) |
| Proceeds/ (payments) on sale/ (acquisition) of investments | | **4,533,323** | (69,392,588) |
| Proceeds from sale of investment property | | **107,024** | 74,575,370 |
| **Net cash provided by/ (used in) investing activities** | | **4,361,394** | (206,179) |
| | | | |
| **FINANCING ACTIVITIES** | | **-** | - |
| | | | |
| **Net increase/ (decrease) in cash held** | | **2,273,921** | (418,938) |
| | | | |
| Cash & cash equivalents at the beginning of the reporting period | | **1,505,971** | 1,924,912 |
| **Cash & cash equivalents at the end of the reporting period** | 10A | **3,779,892** | 1,505,974 |

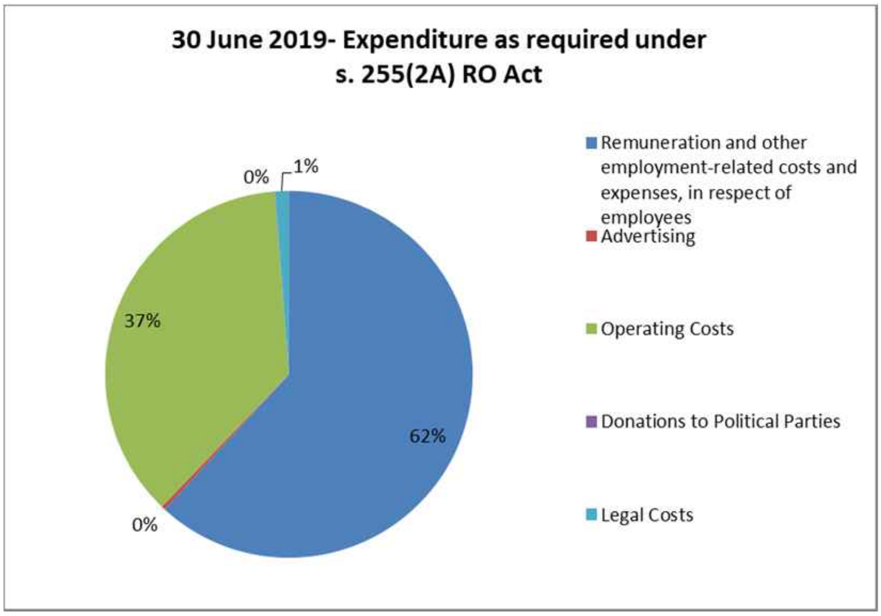
The above statement should be read in conjunction with the notes.

**UNITED VOICE – NEW SOUTH WALES BRANCH**

**REPORT REQUIRED UNDER SUBSECTION 255(2A) OF THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009**
**FOR THE PERIOD 1 JULY 2019 - 10 NOVEMBER 2019**

The Committee of Management presents the expenditure report as required under subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009* on the Branch for the period 1 July 2019 – 10 November 2019:




JSchofield

Jo-anne Schofield
United Workers Union President
(Former United Voice National Secretary)

22 May 2020
Sydney

**Index to the Notes of the Financial Statements**

## Note 1 Summary of significant accounting policies

### 1.1 Basis of preparation of the financial statements

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

Liquidated Basis of Preparation

As referred to in the Operating Report, on 30 August 2019, members of both the National Union of Workers and United Voice voted to amalgamate and create the United Workers Union

Due to the intention to amalgamate and therefore no longer operate out of the Branch, the Committee of Management have determined that the going concern basis of preparation (as applied in previous years) is no longer appropriate. Accordingly the financial statements are not prepared on a going concern basis. The Committee of Management have applied the requirements of paragraph 25 of AASB 101 Presentation of Financial Statements which states that *'when the financial report is not prepared on a going concern basis, that fact shall be disclosed, together with the basis on which the financial report is prepared and the reason why the entity is not regarded as a going concern'.*

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

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

**Note 1 Summary of significant accounting policies (Continued)**

**1.1 Basis of preparation of the financial statements (Continued)**

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

- AASB 5 Non-current Assets Held for Sale and Discontinued Operations
  Given that the entire reporting unit is to be discontinued, the disclosures under AASB 5 that separate between continuing and discontinuing operations are not considered relevant to users.

- AASB 7 Financial Instruments: Disclosures
  The information on exposures to financial risks are not considered relevant to users given that the financial risk exposures are not representative of the risks that will exist going forward.

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

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

Significant accounting estimates, judgements and assumptions

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the reporting unit's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in below:

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

**Note 1 Summary of significant accounting policies (Continued)**

**1.1 Basis of preparation of the financial statements (Continued)**

Liquidation value and liquidation expenses

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

**1.2 Comparative amounts**

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

**1.3 Significant accounting judgements and estimates**

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

Key Estimates

*Impairment – general*
The Branch assesses impairment at each reporting period by evaluation of conditions and events specific to the Branch that may be indicative of impairment triggers. Recoverable amounts of relevant assets are assessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised in respect of the current year.

Key Judgements

*Useful lives of plant and equipment*
Plant and equipment are depreciated over the useful life of the asset and the depreciation rates are assessed when the asset are acquired or when there is a significant change that affects the remaining useful life of the asset.

*Provision for impairment of receivables*
The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

*On-cost for employee entitlement provision*
The Branch revised its estimate for on-costs for employee provision during the year to include superannuation, workers compensation and payroll tax.

## Note 1 Summary of significant accounting policies (Continued)

### 1.4 New Australian Accounting Standards

***Adoption of New Australian Accounting Standard requirements***

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year.

*AASB 16 Leases*
The adoption of this standard has not had a material impact on the Branch for the period ended 10 November 2019.

*AASB 15 Revenue from Contracts from Customers*
The adoption of this standard has not had a material impact on the Branch for the period ended 10 November 2019.

*AASB 1058 Income of Not for Profit Entities*
The adoption of this standard has not had a material impact on the Branch for the period ended 10 November 2019.

***Future Australian Accounting Standards Requirements***

At the date of authorisation of these financial statements, no new Standards and amendments to existing Standards, and Interpretations have been published by the Australian Accounting Standards Board (AASB).

**Note 1 Summary of significant accounting policies (Continued)**

## 1.5 Revenue

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

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

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

Donation income is recognised when it is received.

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

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

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

## 1.6 Gains

***Sale of assets***

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

## 1.7 Capitation fees and levies

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

**Note 1 Summary of significant accounting policies (Continued)**

**1.8 Employee benefits**

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

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

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

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

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

**1.9 Cash**

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

**Note 1 Summary of significant accounting policies (Continued)**

**1.10 Leases**

Accounting Policy for Leases – Period Ended 10 November 2019
For any new contracts entered into on or after 1 July 2019, the Branch considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Branch assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Branch;
- The Branch has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- The Branch has the right to direct the use of the identified asset throughout the period of use.
- The Branch assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee
At lease commencement date, the Branch recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Branch, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Branch depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Branch also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Branch measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Branch's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

**Note 1 Summary of significant accounting policies (Continued)**

**1.10 Leases (continued)**

The Branch has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

<u>Accounting Policy for Leases – 2019 Financial Year</u>

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to:

- Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to the Branch are classified as finance leases.
- Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased asset or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.
- Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Branch will obtain ownership of the asset or over the term of the lease.
- Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

**1.11 Financial instruments**

***Initial Recognition and Measurement***

Financial assets and financial liabilities are recognised when the Branch becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Branch commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

## Note 1 Summary of significant accounting policies (Continued)

### 1.11 Financial instruments (Continued)

***Classification and Subsequent Measurement of Financial Assets***

*Financial liabilities*

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

**Note 1 Summary of significant accounting policies (Continued)**

**1.11 Financial instruments (continued)**

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

*Financial guarantee contracts*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value (if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of:

- the amount of loss allowance determined in accordance to AASB 9.3.25.3; and
- the amount initially recognised less accumulative amount of income recognised in accordance with the revenue recognition policies.

**Note 1 Summary of significant accounting policies (Continued)**

**1.11 Financial instruments (continued)**

*Financial assets*

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss

on the basis of the two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income if it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit or loss.

The Branch initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance to the documented risk management or investment strategy and information about the groupings was documented appropriately, so as the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

**Note 1 Summary of significant accounting policies (Continued)**

**1.11 Financial instruments (continued)**

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

*Equity instruments*

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Branch made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investments will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Branch's accounting policy.

*Derecognition*

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

*Derecognition of financial liabilities*

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

*Derecognition of financial assets*

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Branch no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

## Note 1 Summary of significant accounting policies (Continued)

### 1.11 Financial instruments (continued)

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

*Impairment*

The Branch recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amount due from customers under contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Branch use the following approaches to impairment, as applicable under AASB 9:
- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

*General approach*

Under the general approach, at each reporting period, the Branch assessed whether the financial instruments are credit impaired, and if:

- the credit risk of the financial instrument increased significantly since initial recognition, the Branch measured the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- there was no significant increase in credit risk since initial recognition, the Branch measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

**Note 1 Summary of significant accounting policies (Continued)**

**1.11 Financial instruments (continued)**

*Simplified approach*

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that results from transactions that are within the scope of AASB 15: Revenue from Contracts with Customers, that contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc.).

*Purchased or originated credit impaired approach*

For a financial asset that is considered to be credit impaired (not on acquisition or originations), the Branch measured any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- a breach of contract (e.g. default or past due event);
- where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- it is probable the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

*Low credit risk operational simplification approach*

If a financial asset is determined to have low credit risk at the initial reporting date, the Branch assumed that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such determination that the financial asset has low credit risk, the Branch applied its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

**Note 1 Summary of significant accounting policies (Continued)**

### 1.11 Financial instruments (continued)

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

*Recognition of expected credit losses in financial statements*

At each reporting date, the Branch recognised the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

### 1.12 Contingent Liabilities and Contingent Assets

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

**Note 1 Summary of significant accounting policies (Continued)**

## 1.13 Plant and Equipment

***Asset Recognition Threshold***

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

***Revaluations—Land and Buildings***

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

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

***Depreciation***

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

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

| | **10 November 2019** | **30 June 2019** |
|---|---:|---|
| Buildings/ leasehold improvements | 40 years | 40 years |
| Investment properties | 66.6 years | 66.6 years |
| Computers | 3.3 years | 3.3 years |
| Office equipment | 5 – 10 years | 5 – 10 years |
| Motor vehicles | 4 - 6 years | 4 – 6 years |

***Derecognition***

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

## Note 1 Summary of significant accounting policies (Continued)

### 1.14 Impairment of non-financial assets

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

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

### 1.15 Taxation

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

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

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

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

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

### 1.16 Interest in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Joint operations represent arrangement whereby joint operations maintain direct interest in each asset and exposure to each liability of the arrangement. The Branch's interest in the assets, liabilities, revenues and expenses of joint operations are included in the respective line items of the financial statements. Details of the Branch's interest are disclosed in Note 6J.

**Note 1 Summary of significant accounting policies (Continued)**

**1.17 Fair value measurement**

The Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 15.

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

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

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

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

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

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

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

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

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

**Note 1 Summary of significant accounting policies (Continued)**

**1.18 Investment Property**

Investment properties are initially recognised at cost including any acquisition costs and subsequently stated at fair value at each balance date. Fair value is based on the latest independent valuation adjusting for capital expenditure and capitalisation and amortisation of lease incentives since the date of the independent valuation report. Any gain or loss arising from a change in fair value is recognised in the profit or loss in the period. The valuation of investment properties is a key area of accounting estimation and judgement for the Branch.

*Subsequent costs*

Subsequent costs are recognises in the carrying amount of an investment property if it is probable that the future economic benefits embodied within the item will flow to the Branch and the cost can be measured reliably. All other costs are recognised in the profit or loss as an expense as incurred.

*Derecognition of investment property*

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

**1.19 Intangible Assets**

United Voice – New South Wales Branch has the right to occupy land and buildings at Sussex Inlet and amortise it over the period of its useful life. The Branch controls the current use and future economic benefits embodied in this asset. As such the property has been brought to account at cost as an intangible right to occupy the property.

Website costs have a finite useful life and are amortised on a systematic basis based on the future economic benefits over the useful life of the website.

**1.20 Government Grants**

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

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

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

**Note 1 Summary of significant accounting policies (Continued)**

**1.21 Principles of Aggregation**

Theses aggregated financial statements of United Voice – New South Wales Branch comprise of the Branch's head office in Haymarket and the Liquor and Hostility Division in Parramatta. All intergroup transactions and balances have been eliminated.

**Note 2 Events after the reporting period**

*COVID-19*

On 11 March 2020, the World Health Organisation (WHO) declared COVID-19 as a pandemic. In response to this declaration, Governments around the world have introduced social distancing measures which has included shutting large sections of the economy down.

As a result, between reporting date and the date of the Committee of Management approving the financial statements, domestic and international share markets to which the Branch has investment exposure has subsequently declined. Such movements have not been reflected in the financial statements at 10 November 2019.

| | 1 July 19 – 10 Nov 19 | 1 July 18 – 30 June 19 |
|---|---|---|
| | $ | $ |
| **Note 3 Income** | | |
| | | |
| **Note 3A: Levies** | | |
| Levies income | **124,190** | 413,556 |
| **Total investment income** | **124,190** | 413,556 |

Levies

Levies are raised on Liquor and Hospitality Division members to assist in funding the operations of the Division.

| | | |
|---|---|---|
| **Note 3B: Investment income** | | |
| Interest on bank deposits | **30,041** | 1,234,456 |
| Interest of loans to related parties – United Voice – Queensland Branch | **27,419** | 29,033 |
| Investment income on Morgan Stanley portfolio | **511,418** | - |
| **Total investment income** | **568,878** | 1,263,489 |
| | | |
| **Note 3C: Property income** | | |
| Rental income – Rental income from joint arrangements | **-** | 529,461 |
| **Total property income** | **-** | 529,461 |
| | | |
| **Note 3D: Other revenue** | | |
| Sponsorship | **-** | 75,545 |
| Director fees | **45,302** | 216,860 |
| Other income | **26,136** | 30,744 |
| **Total other revenue** | **71,438** | 323,149 |

| | **1 July 19 – 10 Nov 19** | 1 July 18 – 30 June 19 |
|---|---|---|
| | **$** | $ |
| **Note 4 Expenses** | | |
| | | |
| **Note 4A: Employee expenses** | | |
| **Holders of office:** | | |
| Wages and salaries | **189,511** | 512,834 |
| Superannuation | **23,215** | 62,715 |
| Leave and other entitlements | **39,496** | 98,288 |
| Separation and redundancies | **436,752** | - |
| Other employee expenses | **10,590** | 28,982 |
| **Subtotal employee expenses holders of office** | **699,564** | 702,819 |
| | | |
| **Employees other than office holders:** | | |
| Wages and salaries | **1,938,277** | 3,915,879 |
| Superannuation | **300,843** | 699,675 |
| Leave and other entitlements | **201,077** | 655,706 |
| Separation and redundancies | **383,709** | - |
| Other employee expenses | **384,721** | 811,080 |
| **Subtotal employee expenses employees other than office holders** | **3,208,627** | 6,082,340 |
| **Total employee expenses** | **3,908,191** | 6,785,159 |
| | | |
| **Note 4B: Indirect employment costs** | | |
| Removal/ relocation expenses | **3,040** | 232 |
| Education and staff training | **1,664** | 17,110 |
| Staff amenities | **2,156** | 6,986 |
| Motor vehicle expenses | **60,182** | 123,909 |
| **Total indirect employment costs** | **67,042** | 148,237 |
| | | |
| **Note 4C: Affiliation fees** | | |
| Australian Labor Party (New South Wales) | **-** | 73,150 |
| Unions NSW | **22,544** | 70,163 |
| Welfare Rights | **4,613** | 13,838 |
| Newcastle Trades and Labour Council | **-** | 2,850 |
| Sydney Alliance | **14,283** | 42,300 |
| Community Sport and Workers Club | **-** | 2,332 |
| Workers Health | **448** | 1,330 |
| NSW Council of Social Service | **-** | 2,090 |
| Prison Officers Association of Australia | **-** | 500 |
| NSW Socialist Left | **-** | 640 |
| **Total affiliation fees** | **41,888** | 209,193 |

| | 1 July 19 – 10 Nov 19 | 1 July 18 – 30 June 19 |
|---|---|---|
| | $ | $ |
| **Note 4D: Administration expenses** | | |
| General administration expenses | **1,121** | 32,600 |
| Postage & freight | **6,524** | 26,575 |
| Printing & stationery | **5,632** | 37,155 |
| Office equipment | **6,283** | 15,203 |
| Telephone | **84,533** | 128,633 |
| **Total administration expenses** | **104,093** | 240,166 |
| | | |
| **Note 4E: Depreciation and amortisation** | | |
| *Depreciation* | | |
| Buildings | **11,703** | 32,442 |
| Leasehold improvements | **509,301** | 11,387 |
| Computers | **20,948** | 38,170 |
| Office furniture and equipment | **2,792** | 23,461 |
| Motor Vehicles | **37,607** | 107,919 |
| **Total depreciation** | **582,351** | 213,379 |
| | | |
| *Amortisation* | | |
| Holiday unit license | **1,545** | 4,327 |
| Website | **3,039** | 8,340 |
| Total amortisation | **4,584** | 12,667 |
| | | |
| **Total depreciation and amortisation** | **586,935** | 226,046 |
| | | |
| **Note 4F:Grants or donations** | | |
| Donations: | | |
| Total paid that were $1,000 or less | **1,855** | 6,158 |
| Total paid that exceeded $1,000 | **-** | 4,270 |
| **Total grants or donations** | **1,855** | 10,428 |
| | | |
| **Note 4G:Finance costs** | | |
| Bank charges | **17,218** | 42,294 |
| Consideration to employers for payroll deductions | **3,884** | 16,888 |
| Insurance premiums | **88,012** | 107,825 |
| Bank debts expense | **21,646** | - |
| **Total finance costs** | **130,760** | 167,007 |

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
**FOR THE PERIOD 1 JULY 2019 - 10 NOVEMBER 2019**

| | 1 July 19 – 10 Nov 19 $ | 1 July 18 – 30 June 19 $ |
|---|---|---|
| **Note 4H:Legal costs** | | |
| Litigation | **1,550** | 58,566 |
| Other legal matters | **2,137** | 77,090 |
| **Total legal costs** | **3,687** | 135,656 |
| **Note 4I: Audit and professional costs** | | |
| Audit fees | **77,900** | 77,535 |
| Professional services | **76,327** | 114,297 |
| **Total audit and professional costs** | **154,227** | 191,832 |
| **Note 4J: Meeting and conference costs** | | |
| Accommodation | **25,098** | 67,793 |
| Airfares | **32,853** | 80,829 |
| Travel allowance | **40,636** | 91,934 |
| Parking and cab charges | **18,344** | 97,674 |
| Other meeting costs | **304** | 17,875 |
| Conference costs | **12,814** | 126,422 |
| **Total meeting and conference costs** | **130,049** | 482,527 |
| **Note 4K: Campaign costs** | | |
| Campaign costs | **-** | 83,540 |
| **Total campaign costs** | **-** | 83,540 |
| **Note 4L: Communication costs** | | |
| Advertising | **273** | 38,784 |
| Promotions | **-** | 17,542 |
| **Total communication costs** | **273** | 56,326 |
| **Note 4M: IT costs** | | |
| IT maintenance and support | **5,906** | 25,941 |
| Internet and website costs | **7,306** | 8,763 |
| **Total IT costs** | **13,212** | 34,704 |
| **Note 4N: Property and occupancy costs** | | |
| Electricity | **13,043** | 36,864 |
| Repairs and maintenance | **10,132** | 31,544 |
| Thomas street building running expenses | **-** | 301,161 |
| Rent | **363,770** | 643,624 |
| Other property expenses | **10,969** | 21,271 |
| **Total property and occupancy costs** | **397,914** | 1,034,464 |

| | 1 July 19 – 10 Nov 19 $ | 1 July 18 – 30 June 19 $ |
|---|---|---|
| **Note 4O: Research costs** | | |
| Subscriptions and journals | **10,919** | 82,442 |
| **Total research costs** | **10,919** | 82,442 |
| | | |
| **Note 4P: Sustentation** | | |
| United Voice – National Council | **265,643** | 1,067,403 |
| **Total sustentation** | **265,643** | 1,067,403 |
| | | |
| **Note 4Q: Member service costs** | | |
| Workers compensation journey cover | **45,900** | 147,399 |
| **Total member service costs** | **45,900** | 147,399 |

**Note 5 Current Assets**

| | | |
|---|---|---|
| **Note 5A: Cash and Cash Equivalents** | | |
| Cash at bank | **3,774,571** | 1,499,824 |
| Cash on hand | **5,321** | 6,150 |
| **Total cash and cash equivalents** | **3,779,892** | 1,505,974 |
| | | |
| **Note 5B: Trade and Other Receivables** | | |
| **Trade receivables** | | |
| Membership subscription receivable | **117,279** | 69,072 |
| Less provision for doubtful debts | **-** | - |
| | **117,279** | 69,072 |
| **Other receivables:** | | |
| Other trade receivables | **-** | 7,669 |
| **Total trade and other receivables (net)** | **117,279** | 76,741 |

**Provision for Doubtful Debts**
A provision is recognised for doubtful debts when membership subscription fees owing has been given to a third party for collection or where full recoverability is unlikely.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
**FOR THE PERIOD 1 JULY 2019 - 10 NOVEMBER 2019**

| | 10 Nov 19 | 30 June 19 |
|---|---|---|
| | $ | $ |
| **Note 5C: Investments** | | |
| Short term bank deposits | **2,497** | 3,937,903 |
| Short term bank bills | **-** | 1,022,913 |
| Morgan Stanley investment (bond, share and cash portfolio) | **71,198,277** | 71,614,812 |
| Loan receivable: | | |
| - United Voice – Queensland Branch | **3,000,000** | 3,000,000 |
| **Total investments** | **74,200,774** | 79,575,628 |
| | | |
| **Note 5D: Long service leave fund** | | |
| Short term bank deposits | **-** | 13,820 |
| **Total long service leave fund** | **-** | 13,820 |
| | | |
| **Note 5E: Other current assets** | | |
| Prepayments | **231,630** | 103,175 |
| Accrued interest | **-** | 19,288 |
| Accrued settlement processed from Thomas Street Property sale: | | |
| - United Voice – National Council | **-** | 107,024 |
| Deposits | **4,725** | 4,725 |
| **Total other current assets** | **236,355** | 234,212 |

| | 10 Nov 19 | 30 June 19 |
|---|---|---|
| | $ | $ |

## Note 6 Non-current Assets

| Note 6A: Financial assets | | |
|---|---|---|
| Shares in listed entity (IAG) – at market value | **15,003** | 14,299 |
| **Total financial assets** | **15,003** | 14,299 |

| Note 6B: Intangibles | | |
|---|---|---|
| Holiday apartments license | | |
| at cost | **216,935** | 216,935 |
| accumulated amortisation | **(133,752)** | (132,207) |
| total holiday apartment licences | **83,183** | 84,728 |
| | | |
| Website | | |
| at cost | **41,700** | 41,700 |
| accumulated amortisation | **(29,210)** | (26,171) |
| total website | **12,490** | 15,529 |
| **Total intangibles** | **95,673** | 100,257 |

***Reconciliation of Opening and Closing Balances of Intangibles***

| | | |
|---|---|---|
| **As at 1 July** | | |
| Gross book value | **258,635** | 258,635 |
| Accumulated amortisation and impairment | **(158,378)** | (145,711) |
| **Net book value 1 July** | **100,257** | 112,924 |
| Additions: | | |
| By purchase | **-** | - |
| amortisation expense | **(4,584)** | (12,667) |
| Disposals: | | |
| By sale | **-** | - |
| **Net book value at end of year** | **95,673** | 100,257 |
| **Net book value represented by:** | | |
| Gross book value | **258,635** | 258,635 |
| Accumulated amortisation and impairment | **(162,962)** | (158,378) |
| **Net book value at end of year** | **95,673** | 100,257 |

| | 10 Nov 19 | 30 June 19 |
|---|---|---|
| | **$** | $ |
| **Note 6C: Land and buildings** | | |
| Land and buildings – 19 Argyle Street, Parramatta | | |
| independent valuation | **4,800,000** | 4,800,000 |
| accumulated depreciation | **(11,703)** | - |
| **Total Land and buildings** | **4,788,297** | 4,800,000 |

***Reconciliation of Opening and Closing Balances of Land and Buildings***

| | | |
|---|---|---|
| **As at 1 July** | | |
| Gross book value | **4,800,000** | 3,887,683 |
| Accumulated depreciation and impairment | **-** | (201,557) |
| **Net book value 1 July** | **4,800,000** | 3,686,126 |
| Additions: | | |
| By purchase | **-** | - |
| By independent valuation | **-** | 1,146,316 |
| Depreciation expense | **(11,703)** | (32,442) |
| Disposals: | | |
| By sale | **-** | - |
| **Net book value at end of year** | **4,788,297** | 4,800,000 |
| **Net book value represented by:** | | |
| Gross book value | **4,800,000** | 4,800,000 |
| Accumulated depreciation and impairment | **(11,703)** | - |
| **Net book value at end of year** | **4,788,297** | 4,800,000 |

Valuation Details

On 12 August 2019 (with an effective date of 30 June 2019), the land and buildings at 19 Argyle Street, Parramatta were valued by Mr Michael McDonald AAPI CPV (Registered Valuers Number: 2205 of Independent Valuations Pty Ltd. It has been determined that the highest and best use of this property is its current use – being a commercial office building. The value has been determined using the market comparable method, which is based on active market prices, adjusted for the difference in the nature, location or condition of the property.

It was determined that the buildings current use (being a commercial office complex) is currently the assets highest and best use.

| | **10 Nov 19** | 30 June 19 |
|---|---|---|
| | **$** | $ |
| **Note 6D: Leasehold improvements** | | |
| Computers: | | |
| at cost | **-** | 570,905 |
| accumulated depreciation | **-** | (61,604) |
| **Total leasehold improvements** | **-** | 509,301 |

***Reconciliation of Opening and Closing Balances of Leasehold Improvements***

| | | |
|---|---|---|
| **As at 1 July** | | |
| Gross book value | **570,905** | 570,905 |
| Accumulated depreciation and impairment | **(61,604)** | (50,217) |
| **Net book value 1 July** | **509,301** | 520,688 |
| Additions: | | |
| By purchase | **-** | - |
| Depreciation expense | **(509,301)** | (11,387) |
| Disposals: | | |
| By sale | **-** | - |
| **Net book value at end of year** | **-** | 509,301 |
| **Net book value represented by:** | | |
| Gross book value | **-** | 570,905 |
| Accumulated depreciation and impairment | **-** | (61,604) |
| **Net book value at end of year** | **-** | 509,301 |

| | 10 Nov 19 | 30 June 19 |
|---|---|---|
| | $ | $ |
| **Note 6E: Computers** | | |
| Computers: | | |
| at cost | **405,626** | 336,608 |
| accumulated depreciation | **(311,546)** | (290,598) |
| **Total computers** | **94,080** | 46,010 |

***Reconciliation of Opening and Closing Balances of Computers***

| | | |
|---|---|---|
| **As at 1 July** | | |
| Gross book value | **336,608** | 326,200 |
| Accumulated depreciation and impairment | **(290,598)** | (253,030) |
| **Net book value 1 July** | **46,010** | 73,170 |
| Additions: | | |
| By purchase | **69,018** | 11,010 |
| Depreciation expense | **(20,948)** | (38,170) |
| Disposals: | | |
| By sale | **-** | - |
| **Net book value at end of year** | **94,080** | 46,010 |
| **Net book value represented by:** | | |
| Gross book value | **405,626** | 336,608 |
| Accumulated depreciation and impairment | **(311,546)** | (290,598) |
| **Net book value at end of year** | **94,080** | 46,010 |

| | **10 Nov 19** | 30 June 19 |
|---|---|---|
| | **$** | $ |
| **Note 6F: Office Furniture and Equipment** | | |
| Office furniture and equipment | | |
| at cost | **690,658** | 690,658 |
| accumulated depreciation | **(631,826)** | (629,034) |
| **Total plant and equipment** | **58,832** | 61,624 |

***Reconciliation of Opening and Closing Balances of Office Furniture and Equipment***

| | | |
|---|---|---|
| **As at 1 July** | | |
| Gross book value | **690,658** | 690,658 |
| Accumulated depreciation and impairment | **(629,034)** | (605,574) |
| **Net book value 1 July** | **61,624** | 85,084 |
| Additions: | | |
| By purchase | **-** | - |
| Depreciation expense | **(2,792)** | (23,460) |
| Disposals: | | |
| By sale | **-** | - |
| **Net book value at end of year** | **58,832** | 61,624 |
| **Net book value represented by:** | | |
| Gross book value | **690,658** | 690,658 |
| Accumulated depreciation and impairment | **(631,826)** | (629,034) |
| **Net book value at end of year** | **58,832** | 61,624 |

| | 10 Nov 19 | 30 June 19 |
|---|---|---|
| | $ | $ |
| **Note 6G: Motor Vehicles** | | |
| Motor Vehicles: | | |
| at cost | **438,325** | 441,592 |
| accumulated depreciation | **(328,174)** | (314,789) |
| **Total motor vehicles** | **110,151** | 126,803 |

***Reconciliation of Opening and Closing Balances of Motor Vehicles***

| | | |
|---|---|---|
| **As at 1 July** | | |
| Gross book value | **441,592** | 439,786 |
| Accumulated depreciation and impairment | **(314,789)** | (213,979) |
| **Net book value 1 July** | **126,803** | 225,807 |
| Additions: | | |
| By purchase | **37,664** | 21,106 |
| Depreciation expense | **(37,607)** | (107,919) |
| Disposals: | | |
| By sale | **(16,709)** | (12,191) |
| **Net book value end of year** | **110,151** | 126,803 |
| **Net book value represented by:** | | |
| Gross book value | **438,325** | 441,592 |
| Accumulated depreciation and impairment | **(328,174)** | (314,789) |
| **Net book value end of year** | **110,151** | 126,803 |

| | 10 Nov 19 | 30 June 19 |
|---|---|---|
| | **$** | $ |
| **Note 6H: Library** | | |
| Library: | | |
| at cost | **218,504** | 218,504 |
| accumulated depreciation | **(218,504)** | (218,504) |
| **Total library** | **-** | - |

***Reconciliation of Opening and Closing Balances of Library***

| | | |
|---|---|---|
| **As at 1 July** | | |
| Gross book value | **-** | - |
| Accumulated depreciation and impairment | **-** | - |
| **Net book value 1 July** | **-** | - |
| Additions: | | |
| By purchase | **-** | - |
| Depreciation expense | **-** | - |
| Disposals: | | |
| By sale | **-** | - |
| **Net book value end of year** | **-** | - |
| **Net book value represented by:** | | |
| Gross book value | **218,504** | 218,504 |
| Accumulated depreciation and impairment | **(218,504)** | (218,504) |
| **Net book value end of year** | **-** | - |

| | 10 Nov 19 | 30 June 19 |
|---|---|---|
| | $ | $ |
| **6I: Capital Work in Progress** | | |
| Capital work in progress: | | |
| at cost | **2,554,184** | 2,365,204 |
| accumulated depreciation | **-** | - |
| **Total capital work in progress** | **2,554,184** | 2,365,204 |

***Reconciliation of Opening and Closing Balances of Capital Work in Progress***

| | | |
|---|---|---|
| **As at 1 July** | | |
| Gross book value | **2,365,204** | - |
| Accumulated depreciation and impairment | **-** | - |
| **Net book value 1 July** | **2,365,204** | - |
| Additions: | | |
| By purchase | **188,980** | 2,365,204 |
| Depreciation expense | **-** | - |
| Disposals: | | |
| By sale | **-** | - |
| **Net book value end of year** | **2,554,184** | 2,365,204 |
| **Net book value represented by:** | | |
| Gross book value | **2,554,184** | 2,365,204 |
| Accumulated depreciation and impairment | **-** | - |
| **Net book value end of year** | **2,554,184** | 2,365,204 |

During the year the 30 June 2019 financial year (in conjunction with the United Voice – National Council) made a 10% deposit for the purchase of land and buildings located at 37 Greek Street, Glebe NSW 2037. The above amount represents the Branch's 50% share of the deposit (refer Note 11 for further details regarding capital commitments).

| | **10 Nov 19** | 30 June 19 |
|---|---|---|
| | **$** | $ |

**Note 6J: Joint Arrangements – Thomas Street Property**

Detailed below is the Branch's 50% share of the assets, liabilities, revenue and expenses for the joint operation in the property located at 187 Thomas Street, Haymarket. This property was held in partnership with United Voice – National Council for the purpose of earning a rental income. In October 2018, the property was sold and the net proceeds were distributed between both the Branch and United Voice – National Council.

**Summarised Financial Position**

| | **10 Nov 19** | 30 June 19 |
|---|---|---|
| Current Assets | | |
| Cash and cash equivalents | **-** | - |
| Security deposits and sundry debtors | **-** | - |
| Investments | **-** | - |
| Prepayments | **-** | - |
| Accrued interest | **-** | - |
| Non-current assets held for sale | **-** | - |
| **Total current assets** | **-** | - |
| Non-current assets | | |
| Investment property – at fair value | **-** | - |
| accumulated depreciation | **-** | - |
| | **-** | - |
| Building improvements – at cost | **-** | - |
| Accumulated depreciation | **-** | - |
| | **-** | - |
| **Total non-current assets** | **-** | - |
| **Total assets** | **-** | - |
| **Current liabilities** | | |
| Sundry creditors | **-** | - |
| **Non-current liabilities** | **-** | - |
| **Total liabilities** | **-** | - |
| **Net assets** | **-** | - |

**Note 6J: Joint Arrangements – Thomas Street Property (continued)**

**Summarised Financial Performance**

| | **10 Nov 19 $** | 30 June 19 $ |
|---|---|---|
| Income | | |
| Interest income | **-** | 40,343 |
| Rental income | **-** | 529,461 |
| Gain on sale of building | **-** | 471,158 |
| **Total income** | **-** | 1,040,962 |
| Expenditure | | |
| Building running expenses | **-** | (208,340) |
| Property running costs | **-** | (7,815) |
| General operational expenses | **-** | (1,725) |
| Leasing and management fees | **-** | (6,200) |
| Level 9 rent paid to United Voice - National Council | **-** | (77,081) |
| **Total expenditure** | **-** | (301,161) |
| Operating surplus for the year | **-** | 739,801 |
| Gain on revaluation of property | **-** | - |
| **Surplus for the year** | **-** | 739,801 |

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
**FOR THE PERIOD 1 JULY 2019 - 10 NOVEMBER 2019**

## Note 7 Current Liabilities

### Note 7A: Trade payables

| | 10 Nov 19<br>$ | 30 June 19<br>$ |
|---|---|---|
| Trade creditors and accruals | **293,888** | 404,414 |
| **Subtotal trade creditors** | **293,888** | 404,414 |
| | | |
| **Payables to other reporting units** | | |
| United Voice – National Council | **292,208** | 337,972 |
| United Voice – Queensland Branch and controlled entities | **-** | 8,314 |
| **Subtotal payables to other reporting units** | **292,208** | 346,286 |
| | | |
| **Total trade payables** | **586,096** | 750,700 |

Settlement is usually made within 30 days.

### Note 7B: Other payables

| | 10 Nov 19<br>$ | 30 June 19<br>$ |
|---|---|---|
| Superannuation | **-** | 11,905 |
| Legal costs | | |
| Litigation | **-** | 1,153 |
| Other legal matters | **-** | 12,650 |
| ATO payable | **5,527** | 115,806 |
| **Total other payables** | **5,527** | 141,514 |
| | | |
| Total other payables are expected to be settled in: | | |
| No more than 12 months | **5,527** | 141,514 |
| More than 12 months | **-** | - |
| ***Total other payables*** | **5,527** | 141,514 |

| | **10 Nov 19** | 30 June 19 |
|---|---|---|
| | **$** | $ |
| **Note 8 Provisions** | | |
| **Note 8A: Employee Provisions** | | |
| **Office Holders:** | | |
| Annual leave | **72,375** | 109,564 |
| Long service leave | **102,397** | 141,378 |
| ***Subtotal employee provisions—office holders*** | **174,772** | 250,942 |
| **Employees other than office holders:** | | |
| Annual leave | **748,540** | 769,095 |
| Long service leave | **854,247** | 946,462 |
| ***Subtotal employee provisions—employees other than office holders*** | | |
| **Total employee provisions** | **1,602,787** | 1,966,499 |
| | | |
| Current | **1,777,559** | 1,966,499 |
| Non-Current | **-** | - |
| ***Total employee provisions*** | **1,777,559** | 1,966,499 |

**Note 9 Reserves**

**Note 9A: Asset Revaluation Reserve**

The asset revaluation reserve records revaluation of land and buildings held by the Branch.

| | | |
|---|---|---|
| Opening balance at beginning of period | **4,363,935** | 3,217,619 |
| Fair value gain on revaluation land and buildings | **-** | 1,146,316 |
| **Closing balance at end of period** | **4,363,935** | 4,363,935 |

| | **1 July 19 – 10 Nov 19** | 1 July 18 – 30 June 19 |
|---|---|---|
| | **$** | $ |

## Note 10 Cash Flow

### Note 10A: Cash Flow Reconciliation

**Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:**

| | | |
|---|---|---|
| **Cash and cash equivalents as per:** | | |
| Cash flow statement | **3,779,892** | 1,505,974 |
| Statement of financial position | **3,779,892** | 1,505,974 |
| ***Difference*** | **-** | - |

**Reconciliation of deficit to net cash from operating activities:**

| | | |
|---|---|---|
| Deficit for the year | **(2,889,822)** | (143,403) |
| **Adjustments for non-cash items** | | |
| Depreciation/ amortisation | **586,935** | 226,046 |
| Impairment loss on revaluation of investments | **855,351** | - |
| Gain on disposal of property, plant and equipment | **-** | (467,327) |
| (Gain)/ loss on revaluation of shares | **(704)** | 1,235 |
| **Changes in assets/ liabilities** | | |
| (Increase)/ decrease in net receivables | **(40,538)** | 149,230 |
| (Increase)/ decrease in prepayments | **(128,455)** | 608 |
| (Increase)/ decrease in accrued income | **19,288** | 52,994 |
| Increase/ (decrease) in trade and other creditors | **(300,591)** | (168,058) |
| Increase/ (decrease) in employee provisions | **(188,940)** | 135,916 |
| **Net cash used in by operating activities** | **(2,087,476)** | (212,759) |

### Note 10B: Cash flow information

| | | |
|---|---|---|
| Operating cash inflows from other reporting units | | |
| United Voice – National Council | **-** | 113,235 |
| United Voice – Queensland Branch and controlled entities | **27,419** | 29,986 |
| United Voice – Victoria | **-** | 98 |
| **Total cash inflows** | **27,419** | 143,319 |
| Operating Cash outflows to other reporting units | | |
| United Voice – National Council | **(398,933)** | (1,263,659) |
| United Voice – Queensland Branch and controlled entities | **(86,037)** | (125,983) |
| United Voice – Victoria Branch | **-** | (12,358) |
| **Total cash outflows** | **(484,970)** | (1,402,000) |

Note: Cash flow information to/ from other reporting units disclosed include 10% GST on applicable transactions.

**Note 10C: Credit standby arrangements and loan facilities**

The Branch has a credit card facility amounting to $30,000 (30 June 2019: $30,000). This may be terminated at any time at the option of the bank. The balance of this facility is cleared monthly and interest rates are variable.

**Note 10D: Non-cash transactions**

There have been no non-cash financing or investing activities during the period ended 10 November 2019 (30 June 2019: Nil).

| | **10 Nov 19** | 30 June 19 |
|---|---|---|
| | **$** | $ |
| **Note 10E: Net debt reconciliation** | | |
| Cash and cash equivalents | **3,779,892** | 1,505,974 |
| Borrowings – repayable within one year | **-** | - |
| Borrowings – repayable after one year | **-** | - |
| Net debt | **3,779,892** | 1,505,974 |

**Note 10F: Reconciliation of movements of liabilities to cash flows arising from financing activities**

| | **Other Assets** | **Liabilities from financing activities** | | |
|---|---|---|---|---|
| | **Cash assets** | **Borrowings – due within 1 year** | **Borrowings – due after 1 year** | **Total** |
| **Net debt at 1 July 2018** | 1,924,912 | - | - | 1,924,912 |
| Cash flows | (418,938) | - | - | (418,938) |
| **Net debt at 30 June 2019** | 1,505,974 | - | - | 1,505,974 |
| **Cash flows** | **2,273,918** | **-** | **-** | **2,273,918** |
| **Net debt at 10 November 2019** | **3,779,892** | **-** | **-** | **3,779,892** |

## Note 11 Contingent Liabilities, Assets and Commitments

### Note 11A: Commitments and Contingencies

**Capital commitments**

| | 10 Nov 19 | 30 June 19 |
|---|---|---|
| | **$** | $ |

**Capital Commitments**

During the year, the Branch (in conjunction with United Voice – National Council), entered into a purchase contract for the land and buildings located at 19-37 Greek Street, Glebe NSW 2037

It has been agreed by both the Branch and United Voice – National Council to jointly purchase the building. The terms of the agreement are:

| | | |
|---|---|---|
| Purchase consideration | **42,963,975** | 42,963,975 |
| Less: 10% deposit | **(4,296,397)** | (4,296,397) |
| Remaining capital commitment | **38,667,578** | 38,667,578 |
| Total capital commitment of the Branch (representing 50%) | **19,333,789** | 19,333,789 |

It is anticipated that the building will be settled during the 2020 calendar year.

**Other contingent assets or liabilities (i.e. legal claims)**

The Committee of Management is not aware of any other contingent assets or liabilities that are likely to have a material effect on the results of the Branch.

**Leasing Commitments**

**Property leases (as a lessee)**

Non-cancellable property leases rentals are payable as follows.

| | | |
|---|---|---|
| **Payable – Minimum lease payments** | | |
| not later than 12 months | **191,352** | 287,029 |
| between 12 months and 5 years | **-** | - |
| greater than 5 years | **-** | - |
| **Minimum lease payments** | **191,352** | 287,029 |

The Branch leases Level 1, 187 Thomas Street, Haymarket. The lease was for a 12 month period expiring on 4 October 2019, with 2 x 6 month extensions available to the Branch, which the Committee of Management exercised.

## Note 12 Related Party Disclosures

### Note 12A: Related Party Transactions for the Reporting Period

For financial reporting purposes, under the *Fair Work (Registered Organisations) Act 2009*, United Voice is divided into the following separate reporting units (and deemed related parties):

United Voice– National Council (UV – National Council – incorporating Tasmania, Northern Territory and Australian Capital Territory Branches)
United Voice – Queensland Branch and controlled entities (UV – Qld Branch)
United Voice – New South Wales Branch (UV NSW Branch)
United Voice – Victoria Branch (UV VIC Branch)
United Voice – South Australia Branch (UV SA Branch)
United Voice – Western Australia Branch (UV WA Branch)

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

| | **1 July 19 – 10 Nov 19** | 1 July 18 – 30 June 19 |
|---|---|---|
| | **$** | $ |
| **Revenues received from United Voice – National Council includes the following:** | | |
| Reimbursement of office, travel and administration expenses | **-** | 60,862 |
| Sponsorship | **-** | 37,727 |
| Transfer of membership | **-** | 4,352 |
| **Expenses paid to United Voice – National Council includes the following:** | | |
| Sustentation fees | **265,643** | 1,067,403 |
| Insurance premiums and other costs changed by National Council | **5,308** | 26,478 |
| Property costs associated with Greek Street property | **50,112** | 42,276 |
| **Amounts owed to United Voice – National Council include the following:** | | |
| Sustentation fees | **292,208** | 291,468 |
| Property costs associated with Greek Street property | **-** | 46,504 |

**Note 12 Related Party Disclosures (Continued)**

**Note 12A: Related Party Transactions for the Reporting Period (Continued)**

| | **1 July 19 – 10 Nov 19 $** | 1 July 18 – 30 June 19 $ |
|---|---|---|
| **Revenues received from United Voice – Qld Branch and controlled entities includes the following:** | | |
| Merchandise | **-** | 87 |
| Interest income | **27,419** | 29,033 |
| **Expenses paid to from United Voice – Qld Branch and controlled entities includes the following:** | | |
| Reimbursement of travel, professional services and other operating expenses | **77,723** | 117,876 |
| Printing expenses | **-** | 3,967 |
| **Amounts owed to United Voice – Qld Branch and controlled entities include the following:** | | |
| Reimbursement of travel, professional services and other operating expenses | **-** | 8,314 |
| **Amounts owed by United Voice – Qld Branch and controlled entities include the following:** | | |
| Loan | **3,000,000** | 3,000,000 |
| **Revenue received from United Voice – Vic Branch includes the following:** | | |
| Transfer of membership | **-** | 98 |
| **Expenses paid to United Voice – Vic Branch includes the following:** | | |
| Transfer of membership | **-** | 119 |
| Payment of long service leave | **-** | 12,239 |

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

**Note 12 Related Party Disclosures (Continued)**

**Note 12A: Related Party Transactions for the Reporting Period (Continued)**

**Note 12B: Key Management Personnel Remuneration for the Reporting Period**

Key management personnel comprise those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Branch. The Branch has determined key management personnel comprise of:

- Melanie Gatfield (Branch Secretary)
- John Hawker (Liquor & Hospitality Divisional Secretary)
- Julie Korlevska (Branch Assistant Secretary)
- David Holder (Liquor & Hospitality Divisional Assistant Secretary)
- All remaining members of the Committee of Management.

| | **1 July 19 – 10 Nov 19 $** | 1 July 18 – 30 June 19 $ |
|---|---|---|
| **Short-term employee benefits** | | |
| Salary (including annual leave accrued) | **223,172** | 593,701 |
| Other | **10,590** | 28,982 |
| **Total short-term employee benefits** | **233,762** | 622,683 |
| **Post-employment benefits:** | | |
| Superannuation | **23,215** | 62,715 |
| **Total post-employment benefits** | **23,215** | 62,715 |
| **Other long-term benefits:** | | |
| Long-service leave | **5,835** | 17,421 |
| **Total other long-term benefits** | **5,835** | 17,421 |
| **Termination benefits** | | |
| **Redundancy** | **436,752** | - |
| **Total** | **699,564** | 702,819 |

No other transactions occurred during the year with elected officers, close family members or other related parties than those related to their membership or employment and on terms no more favourable than those applicable to any other member of employee.

**Note 13 Remuneration of Auditors**

| **Value of the services provided** | | |
|---|---|---|
| Financial statement audit services – NSW Branch | **42,900** | 44,535 |
| Financial statement audit services – Liquor and Hospitality Division | **35,000** | 33,000 |
| **Total remuneration of auditors** | **77,900** | 77,535 |

No non-audit services were provided by the external auditor to the Branch during the year.

## Note 14 Financial Instruments

**Financial Risk Management Policy**
The Branch Committee of Management monitors the Branch's financial risk management policies and exposure and approves financial transactions entered into. It also reviews the effectiveness of internal controls relating to the counterparty credit risk, liquidity risk, market risk and interest rate risk. The Branch Committee of Management meets on a regular basis to review the financial exposure of the Branch.

**(a) Credit Risk**
Exposure to credit risk relating to financial assets arise from the potential non-performance by counterparties of contract obligations that could lead to a financial loss of the Branch. The Branch does not have any material credit risk exposures as its major source of revenue is the receipt of membership fees.

The maximum exposures to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of provisions) as presented in the statement of financial position.

The Branch has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Branch.

On a geographical basis, the Branch's trade and other receivables are all based in Australia.

The following table details the Branch's trade and other receivables exposed to credit risk. Amounts are considered 'past due' when the debt has not been settled, within the terms and conditions agreed between the Branch and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Branch.

The balance of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

**Note 14 Financial Instruments (Continued)**

**Ageing of financial assets that were past due but not impaired for 10 November 2019**

| | **Within trading terms** | **0 to 30 days** | **31 to 60 days** | **61 to 90 days** | **90+ days** | **Total** |
|---|---|---|---|---|---|---|
| | **$** | **$** | **$** | **$** | **$** | **$** |
| **Trade and other receivables** | **117,279** | **-** | **-** | **-** | **-** | **117,279** |
| **Receivables from other reporting units** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total** | **117,279** | **-** | **-** | **-** | **-** | **117,279** |

Ageing of financial assets that were past due but not impaired for 30 June 2019

| | Within trading terms | 0 to 30 days | 31 to 60 days | 61 to 90 days | 90+ days | Total |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ |
| Trade and other receivables | 76,741 | - | - | - | - | 76,741 |
| Receivables from other reporting units | - | - | - | - | - | - |
| Total | 76,741 | - | - | - | - | 76,741 |

The Branch has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved policy. Such policy requires that surplus funds are only invested with counterparties with a strong reputation and backed by the Commonwealth Government's bank guarantee. At 10 November 2019, all funds were held by financial institutions backed by the Commonwealth Government's bank guarantee.

***Collateral held as security***

The Branch does not hold collateral with respect to its receivables at 10 November 2019 (30 June 2019: Nil).

**Note 14 Financial Instruments (Continued)**

**(b) Liquidity Risk**

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

- preparing forward looking cash flow estimates;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the maximized profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Branch does not hold directly any derivative financial liabilities. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

**Financial Instrument Composition and Maturity Analysis**

| | **Within 1 Year** | | **1 to 5 Years** | | **Over 5 Years** | | **Total** | |
|---|---|---|---|---|---|---|---|---|
| | **10 Nov 2019** | 30 June 2019 | **10 Nov 2019** | 30 June 2019 | **10 Nov 2019** | 30 June 2019 | **10 Nov 2019** | 30 June 2019 |
| | **$** | $ | **$** | $ | **$** | $ | **$** | $ |
| **Financial liabilities due for payment** | | | | | | | | |
| Trade payables | **(586,096)** | (750,700) | **-** | - | **-** | - | **(586,096)** | (750,700) |
| Other payables | **(5,527)** | (141,514) | **-** | - | **-** | - | **(5,527)** | (141,514) |
| Total expected outflows | **(591,623)** | (892,214) | **-** | - | **-** | - | **(591,623)** | (892,214) |

**Note 14 Financial Instruments (Continued)**

**(b) Liquidity Risk (continued)**

| | **Within 1 Year** | | **1 to 5 Years** | | **Over 5 Years** | | **Total** | |
|---|---|---|---|---|---|---|---|---|
| | **10 Nov 2019** | 30 June 2019 | **10 Nov 2019** | 30 June 2019 | **10 Nov 2019** | 30 June 2019 | **10 Nov 2019** | 30 June 2019 |
| | **$** | $ | **$** | $ | **$** | $ | **$** | $ |
| **Financial assets – cash flow receivable** | | | | | | | | |
| Cash and cash equivalents | **3,779,892** | 1,505,974 | **-** | - | **-** | - | **3,779,892** | 1,505,974 |
| Trade and other receivables | **117,279** | 76,741 | **-** | - | **-** | - | **117,279** | 76,741 |
| Investments | **74,200,774** | 79,575,628 | **-** | - | **-** | - | **74,200,774** | 79,575,628 |
| Long service leave fund | **-** | 13,820 | **-** | - | **-** | - | **-** | 13,820 |
| Shares | **15,003** | 14,299 | **-** | - | **-** | - | **15,003** | 14,299 |
| Total anticipated inflows | **78,112,948** | 81,186,462 | **-** | - | **-** | - | **78,112,948** | 81,186,462 |
| Net inflow on financial instruments | **77,521,325** | 80,294,248 | **-** | - | **-** | - | **77,521,325** | 80,294,248 |

**Note 14 Financial Instruments (Continued)**

**(c) Market Risk**

i. Interest rate risk
Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Branch is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed using a mix of fixed and floating financial instruments. The effective interest rate expenditure to interest rate financial instruments are as follows:

| | **Weighted Average Effective Interest Rate** | | | |
|---|---|---|---|---|
| | **10 Nov 2019** | 30 June 2019 | **10 Nov 2019** | 30 June 2019 |
| | **%** | % | **$** | $ |
| **Floating rate instruments** | | | | |
| Cash and cash equivalents | **0.34** | 0.02 | **3,779,892** | 1,505,974 |
| Cash investments | **2.62** | 2.47 | **2,497** | 76,575,628 |
| Loan Receivable – United Voice Qld Branch | **2.73** | 3.20 | **3,000,000** | 3,000,000 |
| Long service leave fund | **-** | 0.12 | **-** | 13,820 |

ii. Foreign exchange risk
The Branch is not exposed to direct fluctuations in foreign currencies.

iii. Price risk
The Branch is no exposed to any material commodity price risk.

iv. Interest rate risk
The Branch has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

**Note 14 Financial Instruments (Continued)**

v. Sensitivity Analysis

The following table illustrates sensitivities to the Branch's exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

| *Interest rates* | **Profit $** | **Equity $** |
|---|---|---|
| **Period ended 10 November 2019** | | |
| +2% in interest rates | **135,648** | **135,648** |
| -2% in interest rates | **(72,758)** | **(72,758)** |
| **Year ended 30 June 2019** | | |
| +2% in interest rates | 1,621,908 | 1,621,908 |
| -2% in interest rates | (1,609,484) | (1,609,484) |

The above calculations have been based on the following cash assets of the Branch

| | **Note** | **10 Nov 19 $** | 30 June 19 $ |
|---|---|---|---|
| Cash at bank | 5A | **3,779,892** | 1,505,974 |
| Investments | 5C | **2,497** | 76,575,628 |
| Loan Receivable | 5C | **3,000,000** | 3,000,000 |
| Long service leave fund | 5D | **-** | 13,820 |

| *Morgan Stanley investment (bond, share and cash portfolio)* | | |
|---|---|---|
| **Period ended 10 November 2019** | | |
| +5% in unit prices | 3,559,914 | 3,559,914 |
| -5% in unit prices | (3,559,914) | (3,559,914) |
| **Year ended 30 June 2019** | | |
| +5% in unit prices | - | - |
| -5% in unit prices | - | - |

No sensitivity analysis has been performed on foreign exchange risk as the Branch has no material direct exposures to currency risk. There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

## Note 15 Fair Value Measurement

### Fair Values

*Fair value estimation*

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded.

In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Branch. Most of these instruments, which are carried at amortised cost (i.e. accounts receivable), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Branch.

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

| | | **10 November 2019** | | 30 June 2019 | |
|---|---|---|---|---|---|
| | **Footnote** | **Carrying value** | **Fair value** | Carrying value | Fair value |
| | | **$** | **$** | $ | $ |
| **Financial assets** | | | | | |
| Cash and cash equivalents | (i) | **3,779,892** | **3,779,892** | 1,505,974 | 1,505,974 |
| Trade and other receivables | (i) | **117,279** | **117,279** | 76,741 | 76,741 |
| Investments | (i) | **74,200,774** | **74,200,774** | 79,575,628 | 79,575,628 |
| Long service leave fund | (i) | **-** | **-** | 13,820 | 13,820 |
| Shares | (i) | **15,003** | **15,003** | 14,299 | 14,299 |
| **Total financial assets** | | **78,112,948** | **78,112,948** | 81,186,462 | 81,186,462 |
| | | | | | |
| **Financial liabilities** | | | | | |
| Trade payables | (i) | **586,096** | **586,096** | 750,700 | 750,700 |
| Other payables | (i) | **5,527** | **5,527** | 141,514 | 141,514 |
| **Total financial liabilities** | | **591,623** | **591,623** | 892,214 | 892,214 |

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, accounts receivable, other debtors, investments, shares, accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

**Note 15 Fair Value Measurement (Continued)**

**Fair Value Hierarchy**

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categories fair value measurement into one of the three possible levels based on the lowest level that an input that is significant to the measurement can be maximized into as follows:

**Level 1**

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset of liability, either directly or indirectly.

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximize, to the extent possible, the use of observable market date. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

**Note 15 Fair Value Measurement (Continued)**

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

*Fair value hierarchy – 10 November 2019*

| | **Note** | **Date of Valuation** | **Level 1** | **Level 2** | **Level 3** |
|---|---|---|---|---|---|
| | | | **$** | **$** | **$** |
| **Assets measured at fair value** | | | | | |
| Land and buildings – 19 Argyle Street, Parramatta | **6C** | **12 Aug 2019** | **-** | **4,800,000** | **-** |
| Total | | | **-** | **4,800,000** | **-** |

The Branch does not have any other assets or liabilities that are recorded using a fair value technique.

*Fair value hierarchy – 30 June 2019*

| | Note | Date of Valuation | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|
| | | | $ | $ | $ |
| Assets measured at fair value | | | | | |
| Land and buildings – 19 Argyle Street, Parramatta | 6C | 12 Aug 2019 | - | 4,800,000 | - |
| Total | | | - | 4,800,000 | - |

The Branch does not have any other assets or liabilities that are recorded using a fair value technique.

## Note 16 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 Commission:

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

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

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

## Note 17 Branch Details

The registered office of the Branch is:

Level 1, 187 Thomas Street
Haymarket NSW 2000

## Note 18 Segment Information

The Branch operates solely in one reporting segment, being the provision of industrial services in New South Wales.

**UNITED VOICE – NEW SOUTH WALES BRANCH**

**OFFICER DECLARATION STATEMENT**

I, Jo-anne Schofield, being the President of the United Workers Union (the succeeding union of the United Voice – New South Wales Branch), declare that the following activities did not occur during the reporting period ended 10 November 2019:

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees from another reporting unit
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- pay compulsory levies
- pay a grant that was $1,000 or less
- pay a grant that exceeded $1,000
- Pay a donation that exceeded $1,000
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- pay a penalty imposed under the RO Act or the *Fair Work Act 2009*
- have a receivable with other reporting units
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have other employee provisions in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch

- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

J Schofield

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Jo-anne Schofield
United Workers Union President
(Former United Voice National Secretary)

22 May 2020

Sydney