



25 February 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,

**United Voice - Victorian Branch
Financial Report for the year ended 30 June 2019 – (FR2019/215)**

I acknowledge receipt of the financial report for the year ended 30 June 2019 for the United Voice - Victorian Branch (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 19 December 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 (**RGs**) have been complied with. A primary review does not examine all disclosure requirements.

I make the following comments to assist you when you next prepare a financial report:

You are not required to take any further action in respect of the report lodged. I make the following comments in relation to the lodged financial report.

General purpose financial report

Nil activity disclosures

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

- "Agree to receive financial support from another reporting unit to continue as a going concern" and "agree to provide financial report to another reporting unit to ensure they continue as a going concern" are disclosed in both Note 1.20 and the officer's declaration statement;
- "Receive donations" is disclosed in both Note 3B and the officer's declaration statement;
and

- “Pay a grant that was \$1,000 or less” and “pay a grant that exceeded \$1,000” are disclosed in both Note 4I and the officer’s declaration statement.

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

I also note that the notes and officer’s declaration statement contained nil activity information for all prescribed RG categories except the following:

- Receive capitation fees from another reporting unit (RG13(b)); and
- Receive revenue via compulsory levies (RG13(c)).

Inconsistency in disclosure of financial information

Note 4L *Meeting and conference costs* discloses fees/allowances of \$25,122 for the 2019 financial year (2018: \$13,905). The officer’s declaration statement, however includes a nil disclosure of paying to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit.

Operating report

Prescribed information in Operating report

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

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

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 RGs and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 RGs and Australian Accounting Standards. Access to this information is available via [this link](#).

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

Yours sincerely,



Kylie Ngo
Registered Organisations Commission

REGISTERED ORGANISATIONS COMMISSION

s 268 - Fair Work (Registered Organisations) Act 2009

United Voice – Victorian 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 19 December 2019 is the full report of the former **United Voice – Victorian 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 November 2019.
3. That the full report was presented to the National Executive of the Union on 17 December 2019 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.



TIMOTHY JOHN KENNEDY
NATIONAL SECRETARY
UNITED WORKERS' UNION

Dated this 19th day of December 2019

UNITED VOICE – VICTORIA BRANCH
ABN 19 845 840 893
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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UNITED VOICE – VICTORIA BRANCH
COMMITTEE OF MANAGEMENT'S OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2019

Operating Report

The Committee of Management presents its report on the operations of United Voice – Victoria Branch (the Branch) for the financial year ended 30 June 2019.

Principal Activities

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

- Implementation of the decisions of the Branch Executive and the Branch Council.
- Implementation of the union's agenda, including strategic industry, site organising projects or campaigns.
- Representation of member, site, or industry grievances, disputes, and/ or industrial matters.
- Provision to members of advice and support on legal and legislative matters.
- Provision of training to officials and members on industrial issues and dispute resolution.
- Communication to members through specific and targeted publications.
- Administration of membership system.

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

Operating Result

The statutory surplus for the 2018-19 year was \$2,660,047. The surplus has been impacted by:

- Gain on revaluation of the Drummond Street investment property, which has resulted in a one-off gain of \$2,520,878.
- The adoption of AASB 9 – Financial Instruments, which has resulted in any fair value gains/ losses of the IFS investment portfolio now accounted through profit and loss (previously this was accounted for via the available for sale reserve). This has resulted in a gain of \$145,983 being recorded in this years surplus.

Excluding the above transactions, the operating result of the Branch is a deficit of \$6,814.

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].

**UNITED VOICE – VICTORIA BRANCH
COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

Significant Changes in Financial Affairs (Continued)

As a result, these financial statements have been prepared on a liquidated basis, as the reporting unit will not continue to operate post amalgamation. As a result, the Branch's assets and liabilities have been recorded at their fair value.

Further, required by Australian Accounting Standards, the Branch adopted AASB 9 – Financial Instruments for the first time. A detailed assessment of the impact on adoption of this new accounting standard is listed at Note 1.4.

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

After Balance Date Events

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

Members Right to Resign

All members have 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 30 June 2019: 15,624.

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 57.13.

UNITED VOICE – VICTORIA BRANCH
COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

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
Kerrie Devir	01/07/18 – 30/06/19	Branch President
Danny Hill	01/07/18 – 13/06/19	Deputy President
Jessica Walsh	01/07/18 – 30/06/19*	Branch Secretary
Ben Redford	01/07/18 – 30/06/19**	Branch Assistant Secretary
Margarita Murray-Stark	01/07/18 – 30/06/19	Executive Member
Jeanette Shepherd	01/07/18 – 30/06/19	Executive Member
Victor Barrientos	01/07/18 – 30/06/19	Executive Member
Anthony Hayman	01/07/18 – 30/06/19	Executive Member
David Arthur	01/07/18 – 30/06/19	Executive Member
Lucinda Greed	01/07/18 – 30/06/19	Executive Member
Christine Aicken	01/07/18 – 30/06/19	Executive Member
David Redmond	01/07/18 – 12/06/19	Executive member
Paul Kershaw	01/07/18 – 30/06/19	Executive Member
Sue Szalay	01/07/18 – 30/06/19	Executive Member

* Jessica Walsh resigned as Branch Secretary on 3 July 2019.

** Ben Redford was appointed Acting Branch Secretary effective 3 July 2019.

Wage Recovery Activity

The Branch continuously undertakes 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

No officers/ members or employees of the organisation are Directors of companies that are trustees of superannuation funds where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

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:


 Ben Redford
 Acting Branch Secretary

23 October 2019

North Melbourne

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE COMMITTEE OF MANAGEMENT OF
UNITED VOICE – VICTORIA BRANCH**

As lead auditor for the audit of United Voice – Victoria Branch for the year ended 30 June 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.

M.G.S

MGI Audit Pty Ltd



G I Kent

Director – Audit & Assurance

North Melbourne

23 October 2019

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

**UNITED VOICE – VICTORIA BRANCH
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

On 23 October 2019, the Committee of Management of the Branch passed the following resolution to the General Purpose Financial statements (GPFR) of the reporting unit for the financial year ended 30 June 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 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: Ben Redford

Title of Designated Officer: Acting Branch Secretary

Signature:



.....

Date: 23 October 2019

Independent Audit Report to the Members of United Voice – Victoria Branch

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of United Voice – Victoria Branch (the Branch), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, 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 – Victoria Branch as at 30 June 2019, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

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.

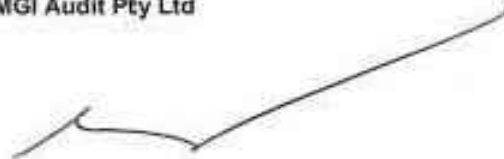
We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

M.G.J

MGI Audit Pty Ltd



G I Kent

Director – Audit & Assurance

North Melbourne

23 October 2019

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

UNITED VOICE – VICTORIA BRANCH

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
Revenue			
Membership subscription		8,836,139	8,555,476
Gain on sale of property, plant and equipment		314	-
Investment income	3A	759,984	899,855
Grants or donations	3B	108,254	462,953
Property revenue	3C	464,406	412,278
Other revenue	3D	3,011,784	173,835
Total revenue		13,180,881	10,504,397
Expenses			
Employee expenses	4A	(7,114,053)	(6,872,559)
Indirect employment costs	4B	(111,044)	(105,685)
Affiliation fees	4C	(213,506)	(207,532)
Administration expenses	4D	(160,116)	(90,637)
Campaign costs	4E	(357,539)	(249,400)
Communication costs	4F	(11,203)	(156,160)
Depreciation and amortisation	4G	(218,691)	(206,925)
Finance costs	4H	(129,281)	(74,609)
Grants and donations	4I	(191,071)	(6,974)
Information technology costs	4J	(84,038)	(62,858)
Legal and professional costs	4K	(192,257)	(268,532)
Meeting and conference costs	4L	(184,580)	(129,814)
Member costs	4M	(17,613)	(21,848)
Property costs	4N	(577,662)	(674,290)
Sustentation fees	4O	(958,180)	(1,006,489)
Total expenses		(10,520,834)	(10,134,312)
Surplus for the year		2,660,047	370,085
Other comprehensive income (net of income tax)			
Fair value gain on revaluation on land and buildings		13,829,904	-
Total comprehensive income for the year		16,489,951	370,085

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

UNITED VOICE – VICTORIA BRANCH
 STATEMENT OF FINANCIAL POSITION
 AS AT 30 JUNE 2019

	Notes	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	634,254	385,238
Trade and other receivables	5B	371,296	450,743
Financial assets	5C	21,553,121	7,314,331
Other current assets	5D	107,503	122,972
Land and buildings	6B	15,400,000	-
Investment properties	6C	2,800,000	-
Motor vehicles	6D	61,651	-
Furniture and equipment	6E	272,054	-
Total current assets		41,199,879	8,273,284
Non-Current Assets			
Financial assets	6A	-	14,190,638
Land and buildings	6B	-	1,227,794
Investment properties	6C	-	288,511
Motor vehicles	6D	-	20,500
Furniture and equipment	6E	-	726,038
Total non-current assets		-	16,453,481
Total assets		41,199,879	24,726,765
LIABILITIES			
Current Liabilities			
Trade payables	7A	537,657	551,620
Other payables	7B	383,798	244,956
Employee provisions	8A	1,239,481	1,298,911
Total current liabilities		2,160,936	2,095,487
Non-Current Liabilities			
Employee provisions	8A	-	82,286
Total non-current liabilities		-	82,286
Total liabilities		2,160,936	2,177,773
Net assets		39,038,943	22,548,992
EQUITY			
Reserves	9	13,829,904	-
Retained earnings		25,209,039	22,548,992
Total equity		39,038,943	22,548,992

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

UNITED VOICE – VICTORIA BRANCH

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	AFS Reserve \$	Asset Revaluation Reserve \$	Retained earnings \$	Total equity \$
Balance as at 1 July 2017		(219,276)	-	22,398,183	22,178,907
Adjustment for change in accounting standards		219,276	-	(219,276)	-
Deficit for the year		-	-	370,085	370,085
Other comprehensive income		-	-	-	-
Closing balance as at 30 June 2018		-	-	22,548,992	22,548,992
Surplus for the year		-	-	2,660,047	2,660,047
Other comprehensive income		-	13,829,904	-	13,829,904
Closing balance as at 30 June 2019		-	13,829,904	25,209,039	39,038,943

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

UNITED VOICE – VICTORIA BRANCH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

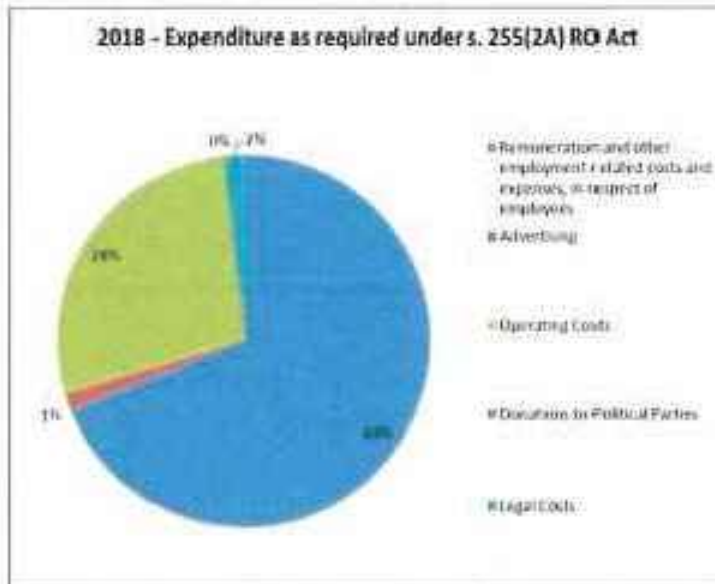
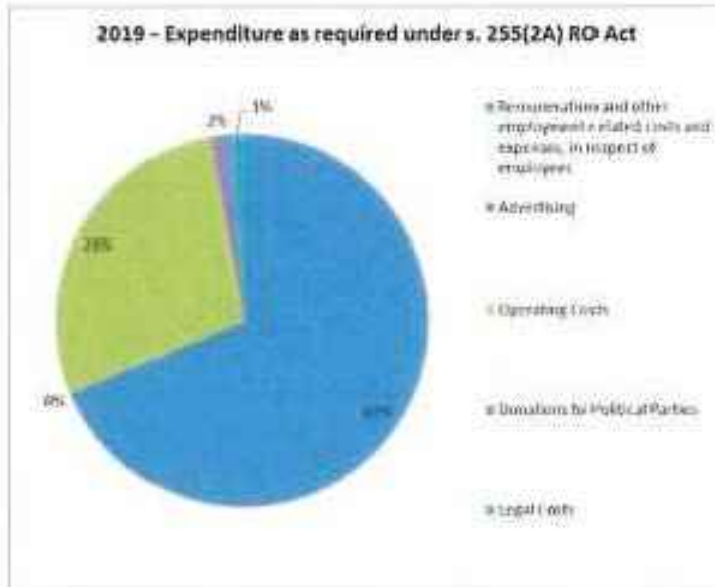
	Notes	2019 \$	2018 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	10B	622,471	436,999
Receipts from members and other customers		10,067,935	10,242,657
Interest and investment receipts		843,942	916,854
		<u>11,534,348</u>	<u>11,596,510</u>
Cash used			
Employees and suppliers		(10,161,746)	(9,554,000)
Payment to other reporting units	10B	(1,082,960)	(1,379,878)
		<u>(11,244,706)</u>	<u>(10,933,878)</u>
Net cash provided by operating activities		<u>289,642</u>	<u>662,632</u>
INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		6,719	-
Proceeds on the repayment of loan from United Voice – Western Australia Branch loan		100,000	100,000
Proceeds on the repayment of loan from United Voice – Queensland Branch loan		2,351,191	148,809
(Payments)/ proceeds from bank bills and term deposits		(2,120,542)	2,321,889
Proceeds on the sale of investments		-	995,610
Payments for property, plant and equipment		(145,176)	(286,688)
Payments to United Voice – Queensland Branch (loan)		-	(2,500,000)
Payments on acquisition of investments		(232,818)	(1,316,056)
Net cash used in investing activities		<u>(40,626)</u>	<u>(536,436)</u>
FINANCING ACTIVITIES			
		<u>-</u>	<u>-</u>
Net increase in cash held		<u>249,016</u>	<u>126,196</u>
Cash & cash equivalents at the beginning of the reporting period		385,238	259,042
Cash & cash equivalents at the end of the reporting period	10A	<u>634,254</u>	<u>385,238</u>

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

UNITED VOICE – VICTORIA BRANCH

**REPORT REQUIRED UNDER SUBSECTION 255(2A) OF THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009
FOR THE YEAR ENDED 30 JUNE 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 year ended 30 June 2019:




Ben Redford
Acting Branch Secretary

23 October 2019
North Melbourne

**UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

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UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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 – Victoria 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.

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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.

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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.

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

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 9 Financial Instruments and relevant amending standards, which replaces AASB 139 Financial Instruments: Recognition and Measurement.

The Branch has adopted AASB 9: Financial Instruments with a date of initial application of 1 July 2018. As a result, the Branch has changed its financial instruments accounting policies as detailed in the significant accounting policies note.

Considering the initial application of AASB 9 during the financial period, financial statement line items have been affected for the current and prior periods. Below in this note are the adjustments made to the affected financial statement line items.

AASB 9 requires retrospective application with some exceptions.

Disclosure: Initial application of AASB 9

There were no financial assets/ liabilities which the Branch had previously designated as fair value through profit or loss under AASB 139: Financial Instruments: Recognition and Measurement that were subject to reclassification/elected reclassification upon the application of AASB 9.

The Branch applied AASB 9 (as revised in July 2014) and the related consequential amendments to other AASBs. New requirements were introduced for the classification and measurement of financial assets and financial liabilities, as well as for impairment.

Financial assets in terms of AASB 9 need to be measured subsequently at either amortised cost or fair value on the basis of the entity's business model and the cash flow characteristics of the financial assets, as follows:

- debt investments that are held within a business model whose goal is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost;
- debt investments that are held within a business model whose goal is both to collect contractual cash flows and to sell it, and that have contractual cash flows that are purely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value through other comprehensive income; and
- all other debt investments and equity investments are measured at fair value through profit or loss.

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

Note 1 Summary of significant accounting policies (Continued)

1.4 New Australian Accounting Standards (Continued)

Disclosure: Initial application of AASB 9 (continued)

Despite the issues mentioned above, the entity may make irrevocable election at initial recognition of a financial asset as follows:

- the entity may choose to present subsequent changes in fair value of an equity investment that is not held for trading and not a contingent consideration in a business combination in other comprehensive income; and
- the entity may choose to present a debt investment that meets the amortised cost or fair value through other comprehensive income criteria as measured at fair value through profit or loss if this choice significantly reduces an accounting mismatch.

When an equity investment at fair value through other comprehensive income has a gain or loss previously recognised in other comprehensive income, it is not reclassified to profit or loss. However, when a debt investment at fair value through other comprehensive income is derecognised, the gain or loss recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Debt instruments that are subsequently measured at amortised cost or at fair value through other comprehensive income are subject to impairment.

The Committee of Management of the Branch determined the existing financial assets as at 1 July 2018 based on the facts and circumstances that were present and determined that the initial application of AASB 9 had the following effect:

- the Branch's investments in equity instruments not held for trading that were previously classified as available-for-sale financial assets and were measured at fair value have been designated as at fair value through profit and loss.
- financial assets as held-to-maturity and loans and receivables that were measured at amortised cost continue to be measured at amortised cost under AASB 9 as they are held to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding; and
- financial assets measured at fair value through profit or loss (AASB 139) are still measured as such under AASB 9. This note contains a table that shows the effect of classification of the financial assets upon initial application.

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

Note 1 Summary of significant accounting policies (Continued)

1.4 New Australian Accounting Standards (Continued)

Disclosure: Initial application of AASB 9 (continued)

Impairment

As per AASB 9, an expected credit loss model is applied, not an incurred credit loss model as per the previous standard applicable (AASB 139). To reflect changes in credit risk, this expected credit loss model requires the Branch to account for expected credit losses since initial recognition.

AASB 9 also determines that a loss allowance for expected credit loss be recognised on debt investments subsequently measured at amortised cost or at fair value through other comprehensive income, lease receivables, contract assets, loan commitments and financial guarantee contracts as the impairment provision would apply to them.

If the credit risk on a financial instrument did not show significant change since initial recognition, an expected credit loss amount equal to 12-month expected credit losses are used. However, a loss allowance is recognised at an amount equal to the lifetime expected credit loss if the credit risk on that financial instrument has increased significantly since initial recognition, or if the instrument is an acquired credit-impaired financial asset.

A simple approach is followed in relation to trade receivables as the loss allowance is measured at lifetime expected credit loss. Given that the only financial assets to which the impairment provision applies are trade and other receivables, the Branch uses the simplified approach and recognises lifetime expected credit loss. This change in approach did not materially impact the expected provision and as such no adjustment was made.

The consequential amendments to AASB 9 have also resulted in more extensive disclosures about the Branch's exposure to credit risk in the consolidated financial statements.

Classification and measurement of financial liabilities AASB 9 determines that the measurement of financial liabilities and also the classification relates to changes in the fair value designated as FVTPL attributable to changes in the credit risk. AASB 9 further states that the movement in the fair value of financial liabilities that is attributable to changes in the credit risk of that liability needs to be shown in other comprehensive income unless the effect of the recognition constitutes accounting mismatch in profit or loss. Changes in fair value in relation to the financial liability's credit risk are transferred to retained earnings when the financial liability is derecognised and not reclassified through profit or loss. AASB 139 requires the fair value amount of the change of the financial liability designated as at FVTPL to be presented in profit or loss.

Apart from the above, the application of AASB 9 has had no impact on the classification and measurement of the Branch's financial liabilities.

UNITED VOICE – VICTORIA BRANCH
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2019

Note 1 Summary of significant accounting policies (Continued)

1.4 New Australian Accounting Standards (Continued)

Disclosure: Initial application of AASB 9 (continued)

The following table represents the classification and measurement of financial assets and financial liabilities under AASB 9 and AASB 139 at the date of initial application, 1 July 2018. There has been no change to the carrying value of the Branch's financial assets.

	<i>AASB 139 Original</i>	<i>AASB 9 New</i>
Financial Assets		
Current and non-current		
Accounts receivable and other debtors	Loans and receivables (amortised cost)	Financial assets at amortised cost
Cash and cash equivalents	Loans and receivables (amortised cost)	Financial assets at amortised cost
Held for trading non-derivative financial assets	Financial assets at fair value through profit or loss	Financial assets at fair value through profit and loss
Listed investments – shares in listed companies/ listed managed investment schemes	Available-for-sale financial assets	Financial assets at fair value through other comprehensive income
Government and fixed interest securities	Held-to-maturity	Financial assets at amortised costs
Financial liabilities		
Current and non-current		
Accounts payable and other payables	Amortised cost	Financial liabilities at amortised costs
Borrowings	Amortised costs	Financial liabilities at amortised cost

The Branch have elected to classify financial assets that were previously categorised as a available for sale financial assets as at fair value through profit or loss at the date of initial application of AASB 9.

This change has resulted in an amount of \$145,983 (refer Note 3D) being recorded in the profit and loss rather than through Other Comprehensive income. The Branch has elected to apply AASB 9 retrospectively and as a result, an amount of \$37,634 has been recorded in the profit and loss for the 30 June 2018 financial year.

As the reserve for financial assets is no longer relevant for the Branch under AASB 9, the Committee of Management have elected to roll the existing reserve into Retained Earnings in the current year.

No other carrying amounts have been amended as a result of the application of AASB 9. No other accounting standard has been adopted earlier than the application date stated in the standard.

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

Note 1 Summary of significant accounting policies (Continued)

1.4 New Australian Accounting Standards (Continued)

Future Australian Accounting Standards Requirements

- AASB 1058 Income of Not-for-Profit Entities (AASB 1058) and AASB 15 Revenue from Contracts with Customers (AASB 15)

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-to-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.

Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment).

Upon initial recognition of the asset, AASB 1058 requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as:

- Contributions by owners;
- Revenue, or a contract liability arising from a contract with a customer;
- A lease liability;
- A financial instrument; or
- A provision.

These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.

The Branch is yet to undertake a detailed assessment of the impact of AASB 1058 and AASB 15. However, based on the Branch's preliminary assessment, the Standards are not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopts for the year ending 30 June 2020.

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

Note 1 Summary of significant accounting policies (Continued)

1.4 New Australian Accounting Standards (Continued)

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

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

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or 25erecogni the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The Committee of Management does not believe the effects of AASB 16 will significantly affect the Branch.

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

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 operating 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.

UNITED VOICE – VICTORIA BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

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 Leases

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

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

1.10 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.

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

Note 1 Summary of significant accounting policies (Continued)

1.11 Financial instruments

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

1.12 Financial assets

Initial recognition and Measurement

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

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

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

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

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

Subsequent measurement

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

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

UNITED VOICE – VICTORIA BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

Note 1 Summary of significant accounting policies (Continued)

1.12 Financial assets (continued)

Financial assets at amortised costs

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

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

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

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

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

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

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

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

Note 1 Summary of significant accounting policies (Continued)

1.12 Financial assets (continued)

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Branch has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) The Branch has transferred substantially all the risks and rewards of the asset, or
 - b) the Branch has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Branch has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Branch continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

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

Impairment

(i) Trade receivables

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

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

UNITED VOICE – VICTORIA BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

Note 1 Summary of significant accounting policies (Continued)

1.12 Financial assets (continued)

(ii) Debt instruments other than trade receivables

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

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Branch considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Branch may also consider a financial asset to be in default when internal or external information indicates that the Branch is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

1.13 Financial Liabilities

Financial liabilities are classified at initial recognition, at amortised cost unless or at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

Subsequent Measurement

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

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

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

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

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

Note 1 Summary of significant accounting policies (Continued)

1.13 Financial Liabilities (continued)

Financial liabilities at amortised cost

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

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

Derecognition

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

1.14 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.

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

Note 1 Summary of significant accounting policies (Continued)

1.15 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:

	2019	2018
Buildings	40 years	40 years
Investment properties	40 years	40 years
Motor vehicles	4.4 years	4.4 years
Furniture and equipment	2.5 – 40 years	2.5 – 40 years

Derecognition

An item of plant and equipment is derecognized 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.

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

Note 1 Summary of significant accounting policies (Continued)

1.16 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 recognised 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.

1.17 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.

UNITED VOICE – VICTORIA BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

Note 1 Summary of significant accounting policies (Continued)

1.18 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.

1.19 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.

UNITED VOICE – VICTORIA BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

Note 1 Summary of significant accounting policies (Continued)

1.19 Fair value measurement (continued)

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.

1.20 Going concern

The Branch is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

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

1.21 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.

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

Note 2 Events after the reporting period

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

Under the proposed structure, all reporting units of the National Union of Workers (80V) and United Voice (108V) (with the exception of the National Council) are to be abolished. Under the scheme, the following is to occur:

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

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

Upon the amalgamation date the United Workers Union will commence operations, resulting in the existing National Union of Workers and United Voice reporting units to cease operations.

UNITED VOICE – VICTORIA BRANCH
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
Note 3		
Income		
Note 3A: Investment income		
Interest income of deposits	528,527	557,554
Interest income on loans receivable – United Voice – Western Australia Branch	9,190	22,471
Interest income on loans receivable– United Voice – Queensland	61,204	44,183
Investment portfolio investment income	161,063	275,647
Total interest	<u>759,984</u>	<u>899,855</u>
Note 3B: Grants or donations		
Grants	108,254	462,953
Donations	-	-
Total grants or donations	<u>108,254</u>	<u>462,953</u>
Note 3C: Property income		
Rental income – Capel Street	386,142	331,959
Rental income – Drummond Street	78,264	80,319
Total property income	<u>464,406</u>	<u>412,278</u>
Note 3D: Other revenue		
Sundry income	79,437	136,201
Legal fee recoveries	265,486	-
Gain on revaluation of financial assets	145,983	37,634
Gain on revaluation of investment properties	2,520,878	-
	<u>3,011,784</u>	<u>173,835</u>

UNITED VOICE – VICTORIA BRANCH
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	418,120	406,582
Superannuation	54,659	61,227
Leave and other entitlements	69,329	67,760
Other employee expenses	40,095	37,988
Subtotal employee expenses holders of office	<u>582,203</u>	<u>573,557</u>
Employees other than office holders:		
Wages and salaries	4,720,208	4,323,236
Superannuation	804,247	742,581
Leave and other entitlements	513,790	641,993
Separation and redundancies	47,010	186,331
Other employee expenses	446,595	404,861
Subtotal employee expenses employees other than office holders	<u>6,531,850</u>	<u>6,299,002</u>
Total employee expenses	<u>7,114,053</u>	<u>6,872,559</u>
Note 4B: Indirect employment costs		
Job advertising	8,189	3,495
Education and staff training	23,504	31,268
Entertainment expenses	13,826	8,678
Motor vehicle expenses	51,398	41,045
Staff amenities	11,131	14,755
Staff uniform	2,996	6,444
Total indirect employment costs	<u>111,044</u>	<u>105,685</u>
Note 4C: Affiliation fees		
Australian Labor Party (Victoria)	82,080	78,722
Victoria Trades Hall Council	118,364	116,182
Ballarat Trades & Labour Council	3,960	3,960
Bendigo Trades & Labour Council	852	1,136
Geelong Trades & Labour Council	3,423	3,361
Gippsland Trades & Labour Council	927	927
Goulburn Valley Trades & Labour Council	245	546
North East Border Trades & Labour Council	1,920	1,920
South West Trades & Labour Council	1,047	375
Sunraysia Trades & Labour Council	688	413
Total affiliation fees	<u>213,506</u>	<u>207,532</u>

UNITED VOICE – VICTORIA BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
Note 4D: Administration expenses		
General administration expenses	50,317	(9,848)
Office equipment	6,623	6,887
Postage and couriers	22,909	19,259
Printing and stationery	39,789	32,543
Repairs and maintenance	-	418
Telephone	40,478	41,378
Total administration expenses	<u>160,116</u>	<u>90,637</u>
Note 4E: Campaign costs		
Campaign costs	357,539	249,400
Total campaign costs	<u>357,539</u>	<u>249,400</u>
Note 4F: Communication costs		
Advertising	2,071	147,741
Publications	9,132	8,419
Total communication costs	<u>11,203</u>	<u>156,160</u>
Note 4G: Depreciation and amortisation		
Depreciation		
Buildings	86,141	76,602
Investment property	9,389	9,052
Motor vehicles	18,188	10,805
Furniture and equipment	104,973	110,466
Total depreciation	<u>218,691</u>	<u>206,925</u>
Amortisation	-	-
Total amortisation	<u>-</u>	<u>-</u>
Total depreciation and amortisation	<u>218,691</u>	<u>206,925</u>
Note 4H: Finance costs		
Bank charges	14,133	14,650
Consideration to employers for payroll deductions	8,008	11,511
Insurance	87,257	19,977
Investment fund charges	19,883	28,471
Total finance costs	<u>129,281</u>	<u>74,609</u>

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
Note 4I: Grants or donations		
Grants:	-	-
Donations:		
Total paid that were \$1,000 or less	6,821	1,974
Total paid that exceeded \$1,000	184,250	5,000
Total grants or donations	<u>191,071</u>	<u>6,974</u>
Note 4J: Information technology costs		
Computer expenses	84,038	62,858
Total information technology costs	<u>84,038</u>	<u>62,858</u>
Note 4K: Legal and professional costs		
Legal costs:		
- Litigation	104,083	188,721
- Other legal matters	20,053	6,488
Accountancy fees	-	5,420
Audit fees	22,950	23,090
Awards and publications	9,256	2,133
Project management fees	-	16,020
Consultancy fees	35,915	26,660
Total legal and professional costs	<u>192,257</u>	<u>288,532</u>
Note 4L: Meeting and conference costs		
Fees/ allowances	25,122	13,905
Conference and meeting expenses	41,678	23,744
Delegate convention expenses	60,849	47,972
Travel expenses	56,931	44,193
Total meeting and conference costs	<u>184,580</u>	<u>129,814</u>
Note 4M: Member costs		
Education and training expenses	17,613	4,039
Insurance	-	17,809
Total member costs	<u>17,613</u>	<u>21,848</u>

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
Note 4N: Property costs		
Cleaning	75,925	70,721
Electricity	111,942	85,139
Insurance	9,407	25,618
Rates and taxes	266,680	240,621
Repairs and maintenance	96,679	216,873
Sundry expenses	17,029	35,318
Total property costs	<u>577,662</u>	<u>674,290</u>
Note 4O: Sustentation		
United Voice – National Council	958,180	1,006,489
Total sustentation	<u>958,180</u>	<u>1,006,489</u>
Note 5 Current Assets		
Note 5A: Cash and Cash Equivalents		
Cash at bank	633,104	384,088
Cash on hand	1,150	1,150
Total cash and cash equivalents	<u>634,254</u>	<u>385,238</u>
Note 5B: Trade and Other Receivables		
Receivables from other reporting units:		
- United Voice – National Council	73,274	137,131
Less provision for doubtful debts (reporting units)	-	-
Receivable from other reporting units (net)	<u>73,274</u>	<u>137,131</u>
Other receivables:		
Other trade receivables	13,893	24,759
Membership fees receivable	173,416	84,660
Income receivable on investments	110,713	204,193
Total trade and other receivables (net)	<u>371,296</u>	<u>450,743</u>

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.

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
Note 5C: Financial assets		
Short term bank deposits	8,977,730	6,857,188
Float rate notes	8,402,766	-
IFS managed investment portfolio (IFS)	4,008,192	-
Loan receivable		
- United Voice – Western Australia Branch	164,433	100,000
- United Voice – Queensland Branch	-	357,143
Total financial assets	21,553,121	7,314,331
Note 5D: Other current assets		
Deposits	10,225	10,225
Stock on hand (clothing)	-	24,347
Prepayments	-	644
Accrued interest	97,278	87,756
Total other current assets	107,503	122,972
Note 6 Non-current Assets		
Note 6A: Financial assets		
Floating rate notes	-	8,402,766
Loan receivable		
- United Voice – Western Australia Branch	-	164,433
- United Voice – Queensland Branch	-	1,994,048
IFS managed investment portfolio (IFS)	-	3,629,391
Total financial assets	-	14,190,638

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
Note 6B: Land and buildings		
Land and buildings:		
At cost	15,400,000	3,801,169
accumulated depreciation	-	(2,573,375)
Total Land and buildings	<u>15,400,000</u>	<u>1,227,794</u>

Reconciliation of Opening and Closing Balances of Land and Buildings

As at 1 July		
Gross book value	3,801,169	3,801,169
Accumulated depreciation and impairment	(2,573,375)	(2,496,773)
Net book value 1 July	<u>1,227,794</u>	<u>1,304,396</u>
Additions:		
By purchase	-	-
By transfer (from furniture and equipment)	428,443	-
By fair value gain	13,829,904	-
Depreciation expense	(86,141)	(76,602)
Disposals:		
By sale	-	-
Net book value 30 June	<u>15,400,000</u>	<u>1,227,794</u>
Net book value as of 30 June represented by:		
Gross book value	15,400,000	3,801,169
Accumulated depreciation and impairment	-	(2,573,375)
Net book value 30 June	<u>15,400,000</u>	<u>1,227,794</u>

Valuation Details

On 11 July 2018, the land and buildings at 117- 131 Capel Street, North Melbourne was valued by Mr Thomas Blencowe AAPI CPV and Mr Chris Smimakos FAPI CPV of Jones Lang LaSalle Advisory Services Pty Ltd. The land and buildings were at \$15,400,000 on a highest and best use, which was determined as commercial office building (the assets current use).

The Committee of Management assessed the key assumptions within the valuation and determined that the fair value of the land and building remains current at 30 June 2019. Therefore the Branch had adopted this value at 30 June 2019.

UNITED VOICE – VICTORIA BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
Note 6C: Investment property		
Investment property – 62 Drummond Street, Carlton		
At cost	2,800,000	462,077
accumulated depreciation	-	(173,566)
Total investment property	2,800,000	288,511

Reconciliation of Opening and Closing Balances of investment property

As at 1 July		
Gross book value	462,077	462,077
Accumulated depreciation and impairment	(173,566)	(164,851)
Net book value 1 July	288,511	297,226
Additions:		
By purchase		-
By fair value gain	2,520,878	-
Depreciation expense	(9,389)	(9,052)
Disposals:		
By sale	-	-
Net book value 30 June	2,800,000	288,511
Net book value as of 30 June represented by:		
Gross book value	2,800,000	462,077
Accumulated depreciation and impairment	-	(173,566)
Net book value 30 June	2,800,000	288,511

Valuation Details

On 11 October 2019 (effective 30 June 2019), the investment property located at 62 Drummond Street, Carlton was valued by Mr Gabe Lindquist AAPI CPV and Mr Chris Smirnakos FAPI CPV of Jones Lang LaSalle Advisory Services Pty Ltd. The land and buildings were valued at \$2,800,000 on a highest and best use, which was determined as commercial office building (the assets current use).

UNITED VOICE – VICTORIA BRANCH
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
Note 6D: Motor Vehicles		
Motor vehicles:		
at cost	120,106	77,233
accumulated depreciation	(58,455)	(56,733)
Total motor vehicles	<u>61,651</u>	<u>20,500</u>

Reconciliation of Opening and Closing Balances of Motor Vehicles

As at 1 July		
Gross book value	77,233	77,233
Accumulated depreciation and impairment	(56,733)	(45,928)
Net book value 1 July	<u>20,500</u>	<u>31,305</u>
Additions:		
By purchase	65,744	-
Depreciation expense	(18,188)	(10,805)
Disposals:		
By sale	(6,405)	-
Net book value 30 June	<u>61,651</u>	<u>20,500</u>
Net book value as of 30 June represented by:		
Gross book value	120,106	77,233
Accumulated depreciation and impairment	(58,455)	(56,733)
Net book value 30 June	<u>61,651</u>	<u>20,500</u>

UNITED VOICE – VICTORIA BRANCH
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
Note 6E: Furniture and equipment		
Furniture and Equipment:		
at cost	551,308	1,661,247
accumulated depreciation	(279,254)	(935,209)
Total furniture and equipment	272,054	726,038
<i>Reconciliation of Opening and Closing Balances of Furniture and Equipment</i>		
As at 1 July		
Gross book value	1,661,247	1,374,559
Accumulated depreciation and impairment	(935,209)	(824,406)
Net book value 1 July	726,038	550,153
Additions:		
By purchase	79,432	286,351
Depreciation expense	(104,973)	(110,466)
Disposals:		
By sale	-	-
By transfer (to land and buildings)	(428,443)	-
Net book value 30 June	272,054	726,038
Net book value as of 30 June represented by:		
Gross book value	551,308	1,661,247
Accumulated depreciation and impairment	(279,254)	(935,209)
Net book value 30 June	272,054	726,038

UNITED VOICE – VICTORIA BRANCH
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	257,498	269,068
Subtotal trade creditors	<u>257,498</u>	<u>269,068</u>
Payables to other reporting units		
United Voice – National Council	279,033	281,940
United Voice – Queensland Branch and controlled entities	1,126	612
Subtotal payables to other reporting units	<u>280,159</u>	<u>282,552</u>
Total trade payables	<u>537,657</u>	<u>551,620</u>
Settlement is usually made within 30 days.		
Note 7B: Other payables		
Legal costs		
Litigation	4,749	9,193
Other legal matters	2,505	-
GST payable	193,210	181,215
Income received in advance	171,784	42,998
Other	11,550	11,550
Total other payables	<u>383,798</u>	<u>244,956</u>
Total other payables are expected to be settled in:		
No more than 12 months	383,798	244,956
More than 12 months	-	-
Total other payables	<u>383,798</u>	<u>244,956</u>

UNITED VOICE – VICTORIA BRANCH
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
Note 8 Provisions		
Note 8A: Employee Provisions		
Office Holders:		
Annual leave	50,072	79,039
Long service leave	153,789	234,505
Subtotal employee provisions—office holders	<u>203,861</u>	<u>313,544</u>
Employees other than office holders:		
Annual leave	470,225	503,897
Long service leave	565,395	563,656
Subtotal employee provisions—employees other than office holders	<u>1,035,620</u>	<u>1,067,653</u>
Total employee provisions	<u>1,218,044</u>	<u>1,381,197</u>
Current	1,239,481	1,298,911
Non-Current	-	82,286
Total employee provisions	<u>1,239,481</u>	<u>1,381,197</u>

Note 9 Reserves

Note 9A: Asset Revaluation Reserve

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

Opening balance – 1 July	-	-
Fair value gain on revaluation land and buildings	13,829,904	-
Closing balance – 30 June	<u>13,829,904</u>	<u>-</u>

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
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	634,254	385,238
Statement of financial position	634,254	385,238
Difference	<u>-</u>	<u>-</u>
Reconciliation of surplus to net cash from operating activities:		
Surplus for the year	2,660,047	370,085
Adjustments for non-cash items		
Depreciation/ amortisation	218,691	206,925
Gain on disposal of property, plant and equipment	(314)	-
Gain on revaluation of financial assets	(145,983)	(37,634)
Gain on revaluation of investment properties	(2,520,878)	-
Changes in assets/liabilities		
(Increase)/ decrease in net receivables	79,447	169,125
(Increase)/ decrease in other current assets	15,469	42,606
Increase/ (decrease) in trade and other creditors	124,879	(57,001)
Increase/ (decrease) in employee provisions	(141,716)	(31,474)
Net cash provided by/ (used in) operating activities	<u>289,642</u>	<u>662,632</u>
Note 10B: Cash flow information		
Cash inflows from other reporting units		
United Voice – National Council	529,115	367,853
United Voice – Western Australia Branch	9,190	22,471
United Voice – South Australia Branch	818	450
United Voice – Queensland Branch and controlled entities	70,990	44,311
United Voice – New South Wales Branch	12,358	1,914
Total cash inflows	<u>622,471</u>	<u>436,999</u>
Cash outflows to other reporting units		
United Voice – National Council	(1,082,862)	(1,379,878)
United Voice – New South Wales Branch	(98)	-
Total cash outflows	<u>1,082,960</u>	<u>(1,379,878)</u>

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

UNITED VOICE – VICTORIA BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

Note 10C: Credit standby arrangements and loan facilities

The Branch has a credit card facility amounting to \$49,000 (2018: \$49,000). 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 year (2018: Nil).

	2019	2018
	\$	\$
Note 10E: Net debt reconciliation		
Cash and cash equivalents	634,254	385,238
Borrowings – repayable within one year	-	-
Borrowings – repayable after one year	-	-
Net debt	<u>634,254</u>	<u>385,238</u>

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 2017	259,042	-	-	259,042
Cash flows	126,196	-	-	126,196
Net debt at 30 June 2018	<u>385,238</u>	-	-	<u>385,238</u>
Cash flows	249,016	-	-	249,016
Net debt at 30 June 2019	<u>634,254</u>	-	-	<u>634,254</u>

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

Note 11 Contingent Liabilities, Assets and Commitments

Note 11A: Commitments and Contingencies

Capital commitments

At 30 June 2019 the Branch did not have any capital commitments (2018: Nil).

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

Operating Leases (as a lessor)

Non-cancellable operating leases rentals are receivable as follows.

	2019	2018
Receivable – Minimum lease payments		
not later than 12 months	333,201	394,485
between 12 months and 5 years	346,040	679,241
greater than 5 years	-	-
Minimum lease payments	<u>679,241</u>	<u>1,073,726</u>

The Branch leases office space at both 62 Drummond Street, Carlton and 117-131 Capel Street, North Melbourne buildings under operating leases. The leases run for a period ranging between 2 to 5 years with an option to renew the lease after that date. Lease payments are reviewed regularly to reflect market rentals.

Operating Leases (as a lessee)

The Branch does not have any material operating leases as a lessor at year end (2018: Nil).

UNITED VOICE – VICTORIA BRANCH**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019****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 – 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.

	2019	2018
	\$	\$
Revenues received from United Voice – National Council includes the following:		
Reimbursement of office, travel and administration expenses	34,109	48,798
Sponsorship	37,727	27,272
Wage reimbursement	-	61,576
Redundancy reimbursement	-	36,737
Legal fees reimbursement	270,573	90,909
Hospo Voice funding	108,254	154,473
Expenses paid to United Voice – National Council includes the following:		
Sustentation fees	958,180	1,006,489
Insurance premiums and other costs charged by National Council	23,192	147,585
Campaign costs recoveries	-	100,000
Transfer of membership	446	-
Amounts owed to United Voice – National Council include the following:		
Sustentation fees	265,638	281,940
Insurance premiums and other costs charged by National Council	13,395	-
Amounts owed by United Voice – National Council include the following:		
Reimbursement of office, travel and administration expenses	43,274	27,109
Hospo Voice funding	-	110,022

UNITED VOICE – VICTORIA BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

Note 12 Related Party Disclosures (Continued)

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

	2019	2018
	\$	\$
Revenues received from United Voice – Qld Branch and controlled entities includes the following:		
Transfer of membership	-	116
Interest on loan	62,440	44,170
Transfer of leave entitlements	8,550	-
Expenses paid to from United Voice – Qld Branch and controlled entities includes the following:		
Printing	-	556
Travel costs reimbursement	1,024	-
Amounts owed by United Voice – Qld Branch and controlled entities include the following:		
Loans receivable	-	2,351,191
Amounts owed to United Voice – Qld Branch and controlled entities include the following:		
Printing	-	612
Travel cost reimbursement	1,126	-
Revenue received from United Voice – NSW Branch includes the following:		
Transfer of membership	119	764
Reimbursement of merchandise costs	-	368
Reimbursement of travel and other expenses	-	608
Payment of long service leave	12,239	-
Expenses paid to United Voice – NSW Branch includes the following:		
Transfer of membership	98	-
Revenue received from United Voice – SA Branch includes the following:		
Reimbursement of merchandise costs	818	409
Revenues received from United Voice – WA Branch includes the following:		
Interest on loan	9,190	22,471
Amounts owed by United Voice – WA Branch include the following:		
Loans receivable	164,433	264,433

UNITED VOICE – VICTORIA BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

Note 12 Related Party Disclosures (Continued)

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

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2019, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2018: 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 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:

- Jessica Walsh (Branch Secretary)
- Danny Hill (Deputy President – 1/7/18 – 13/06/19)
- Ben Redford (Branch Assistant Secretary)
- All remaining members of the Committee of Management.

	2019	2018
	\$	\$
Short-term employee benefits		
Salary (including annual leave)	460,100	454,381
Other	40,095	37,988
Total short-term employee benefits	<u>500,195</u>	<u>492,349</u>
Post-employment benefits:		
Superannuation	69,329	67,760
Total post-employment benefits	<u>69,329</u>	<u>67,760</u>
Other long-term benefits:		
Long-service leave	12,679	13,448
Total other long-term benefits	<u>12,679</u>	<u>13,448</u>
Termination benefits		-
Total	<u>582,203</u>	<u>573,557</u>

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.

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
Note 13		
Remuneration of Auditors		
Value of the services provided		
Financial statement audit services	22,950	22,000
Other services	-	6,510
Total remuneration of auditors	<u>22,950</u>	<u>28,510</u>

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.

UNITED VOICE – VICTORIA BRANCH
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2019

Note 14 Financial Instruments (Continued)

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

	Within trading terms	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$	\$
Trade and other receivables	298,022	-	-	-	-	298,022
Receivables from other reporting units	73,274	-	-	-	-	73,274
Total	371,296	-	-	-	-	371,296

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

	Within trading terms	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$	\$
Trade and other receivables	313,612	-	-	-	-	313,612
Receivables from other reporting units	137,131	-	-	-	-	137,131
Total	450,743	-	-	-	-	450,743

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

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets held by the Branch. The credit quality of the financial assets is reviewed regularly by the Branch Committee of Management and assessed by reference to external credit ratings as following:

	2019	2018
	\$	\$
Cash at bank		
A1+ rating	633,104	384,088
Cash at call and term deposits		
A1+ rating	4,139,688	4,041,519
A2 rating	4,838,042	2,815,669
A- rating		
Floating rate notes		
BBB rating	4,875,300	4,875,300
BBB- rating	3,527,466	3,527,466

Collateral held as security

The Branch does not hold collateral with respect to its receivables at 30 June 2019 (2018: Nil).

UNITED VOICE – VICTORIA BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

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 realisation 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	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade payables	(537,657)	(551,620)	-	-	-	-	(537,657)	(551,620)
Other payables	(383,798)	(244,956)	-	-	-	-	(383,798)	(244,956)
Total expected outflows	(921,455)	(796,576)	-	-	-	-	(921,455)	(796,576)

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

Note 14 Financial Instruments (Continued)

(b) Liquidity Risk (continued)

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets – cash flow receivable								
Cash and cash equivalents	634,254	385,238	-	-	-	-	634,254	385,238
Trade and other receivables	371,296	450,743	-	-	-	-	371,296	450,743
Short-term deposits	8,977,730	6,857,188	-	-	-	-	8,977,730	6,857,188
Loans receivable	164,433	457,143	-	1,593,002	-	565,479	164,433	2,615,624
Financial assets	12,410,958	-	-	12,032,157	-	-	12,410,958	12,032,157
Total anticipated inflows	22,558,671	8,150,312	-	13,625,159	-	565,479	22,558,671	22,340,950
Net inflow on financial instruments	21,637,216	7,353,736	-	13,625,159	-	565,479	21,637,216	21,544,374

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

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			
	2019	2018	2019	2018
	%	%	\$	\$
Floating rate instruments				
Cash and cash equivalents	0.35	0.35	634,254	385,238
Term deposits	2.27	2.55	8,977,730	6,857,188
Loans receivable	4.34	4.56	164,433	2,615,624
Floating rate notes	4.08	4.76	8,402,766	8,402,766

ii. Foreign exchange risk

The Branch is not exposed to direct fluctuations in foreign currencies.

iii. Price risk

The Branch is not 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.

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

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.

	Profit \$	Equity \$
<i>Interest rates</i>		
Year ended 30 June 2019		
+2% in interest rates	363,586	363,586
-2% in interest rates	(346,898)	(346,898)
Year ended 30 June 2018		
+2% in interest rates	365,222	365,222
-2% in interest rates	(358,103)	(358,103)
<i>Units in Managed Funds (IFS)</i>		
Year ended 30 June 2019		
+5% in unit prices	200,410	200,410
-5% in unit prices	(200,410)	(200,410)
Year ended 30 June 2018		
+5% in unit prices	181,470	181,470
-5% in unit prices	(181,470)	(181,470)

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.

UNITED VOICE – VICTORIA BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

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:

	Footnote	2019		2018	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	634,254	634,254	385,238	385,238
Trade and other receivables	(i)	371,296	371,296	450,743	450,743
Short-term bank deposits	(i)	8,977,730	8,977,730	6,857,188	6,857,188
Loans receivable	(i)	164,433	164,433	2,615,624	2,615,624
Floating rate notes	(i)	8,402,766	8,402,766	8,402,766	8,402,766
Managed investment schemes (IFS portfolio)	(i)	4,008,192	4,008,192	3,629,391	3,629,391
Total financial assets		22,558,671	22,558,671	22,340,950	22,340,950
Financial liabilities					
Trade payables	(i)	537,657	537,657	551,620	551,620
Other payables	(i)	383,798	383,798	244,956	244,956
Total financial liabilities		921,455	921,455	796,576	796,576

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, term deposits, loans receivable, floating rate notes, managed investment portfolio and 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.

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

Note 15 Fair Value Measurement (Continued)

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

- (ii) Cash and cash equivalents, accounts receivable and other debtors and 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.

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 categorised 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 or 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 maximise, to the extent possible, the use of observable market data. 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.

UNITED VOICE – VICTORIA BRANCH
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2019

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 – 30 June 2019

	Note	Date of Valuation	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value					
Available-for-sale financial assets	6A	30 June 2019	4,008,192	-	-
Floating rate notes	6A	30 June 2019	8,402,766	-	-
Land and Buildings – 117 – 131 Capel Street, North Melbourne	6B	30 June 2018	-	15,400,000	-
Investment Property – 62 Drummond Street, Carlton	6C	30 June 2019	-	2,800,000	-
Total			12,410,958	18,200,000	-

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

Fair value hierarchy – 30 June 2018

	Note	Date of Valuation	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value					
Available-for-sale financial assets	6A	30 June 2018	3,629,391	-	-
Floating rate notes	6A	30 June 2018	8,402,766	-	-
Total			12,032,157	-	-

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

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

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:

117 – 131 Capel Street
North Melbourne VIC 3051

Note 18 Segment Information

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

UNITED VOICE – VICTORIA BRANCH

OFFICER DECLARATION STATEMENT

I, Ben Redford, being the Acting Branch Secretary of United Voice – Victoria Branch, declare that the following activities did not occur during the reporting period ending 30 June 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 donations
- 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 separation and redundancy to holders of office
- 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 payable to an employer for that employer making payroll deductions of membership subscriptions
- 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

UNITED VOICE – VICTORIA BRANCH

OFFICER DECLARATION STATEMENT (CONTINUED)

- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit



Ben Redford
Acting Branch Secretary

23 October 2019

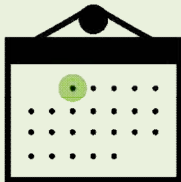
North Melbourne



Australian Government
Registered Organisations Commission

10 December 2019

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



URGENT REMINDER:

The United Voice - Victorian Branch's financial report is due (FR2019/215)

Dear Paul Richardson,

We are writing to remind you of the United Voice - Victorian Branch's obligation to lodge a financial report under section 268 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We hope you are on track to complete your financial report on time. If not, please contact us as soon as possible to discuss ways we can assist you to meet the deadline.

Did you know? The ROC is currently seeking to improve non-compliance with these three areas:

- Providing the full report to members
- Providing the report to members within the deadlines
- Lodging the full report with the ROC within 14 days of the s.266 meeting.



Compliance Calculator

If you are not sure whether your planned dates are consistent with the RO Act, have a look at our [compliance calculator](#). The compliance calculator will help you work out your unique dates for when your report needs to be provided, presented and lodged.

Your steps checklist

Your financial year ended on 30 June 2019. You should be well into the following process.

Pre-lodgement checklist	✓
Draft the financial report and have the committee of management pass the Committee of Management resolution Did you know? This is the first meeting in the financial reporting process	<input type="checkbox"/>
Have the auditor complete and sign the auditor's report Tips: You must use a registered auditor. The SIGNED report is part of the full report. Make sure it is included in what is provided to members	<input type="checkbox"/>
Provide the full report to members This must be done: <ul style="list-style-type: none">• If you are going to a committee of management meeting (requires a 5% rule), within 5 months of 30 June 2019• If you are going to a general meeting of members, 21 days before the meeting	<input type="checkbox"/>
Present the full report to the second meeting. Hints: This meeting must be within 6 months of 30 June 2019. This is either a committee of management meeting (requires a 5% rule) or a general meeting of members	<input type="checkbox"/>
Lodge with the ROC within 14 days of the meeting – regorgs@roc.gov.au TIP: lodge it straight away – there's no need to wait the full 14 days	<input type="checkbox"/>

If you require further advice or assistance please email regorgs@roc.gov.au or call us on 1300 341 665.

Yours sincerely,

Registered Organisations Commission



Penalties apply

We emphasise that sections 253, 254, 265(1)(a), 266 and 268 of the RO Act are civil penalty provisions.

Failure of an organisation to prepare a full report, provide it to members, present it to a meeting and lodge with the ROC within legislative time frames may expose your organisation to Federal Court proceedings with the possibility of a pecuniary penalty being imposed upon an officer and/or the organisation.



2 July 2019

Jessica Walsh
VIC Branch Secretary
United Voice - Victorian Branch
Sent via email: jess.walsh@unitedvoice.org.au

Dear Jessica Walsh,

**Re: Lodgement of Financial Report - FR2019/215
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the United Voice - Victorian Branch (the reporting unit) ended on 30 June 2019. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2019.

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

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

Financial report

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

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on your rules) no later than 31 December 2019 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

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

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

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Auditor's report

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

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

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

Contact

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

Yours faithfully,

Kylie Ngo
Registered Organisations Commission

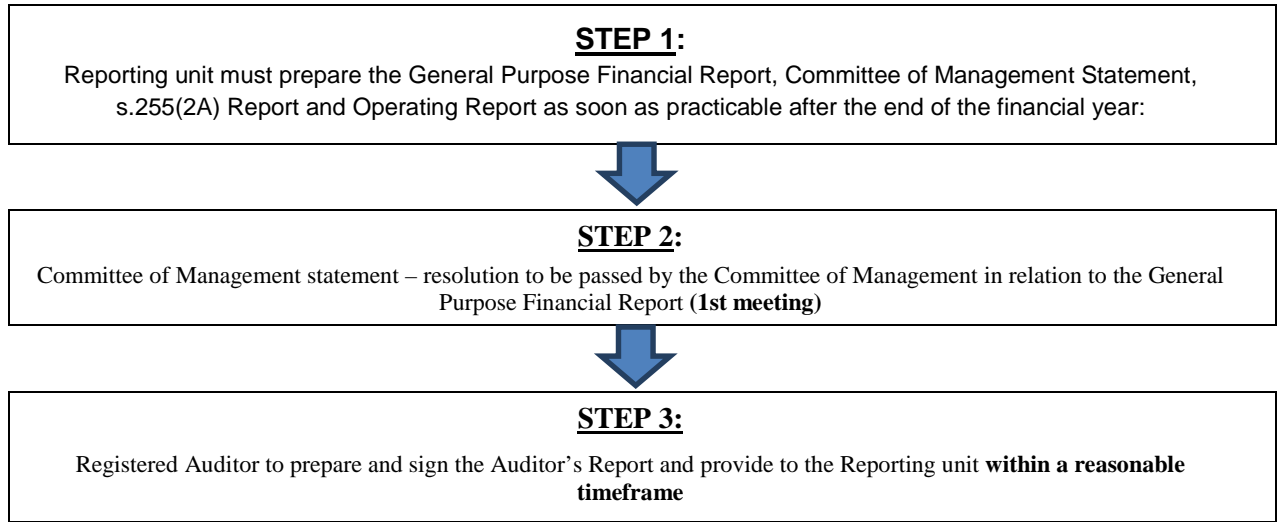


Fact sheet

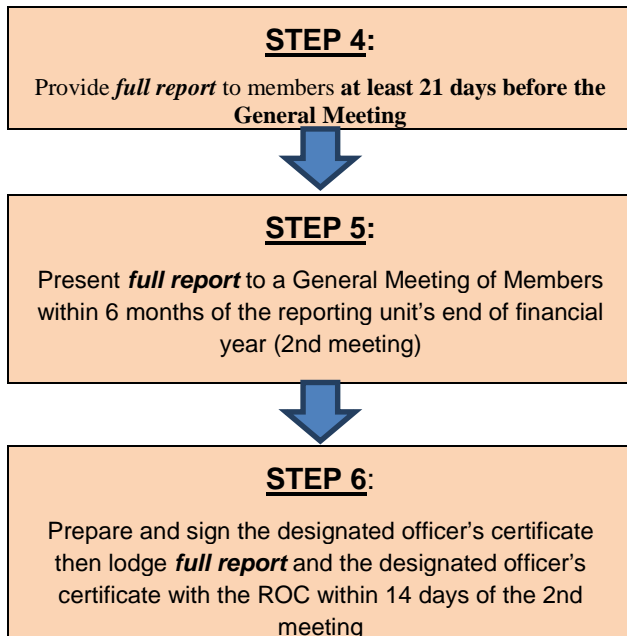
Summary of financial reporting timelines – s.253 financial reports

General Information:

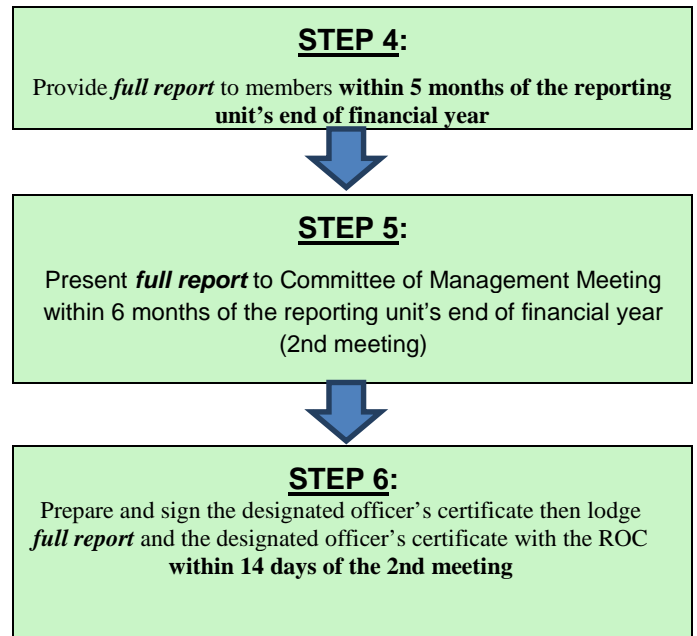
- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).



IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT AT GENERAL MEETING OF MEMBERS
(this is the default process in the RO Act)





















IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT AT COMMITTEE OF MANAGEMENT MEETING
(Special rules must be in the rulebook to use this process)



Misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Financial Reporting Process. They include:

Misconception	Requirement
<p> The Committee of Management statement is just copied from the Reporting Guidelines</p>	<p> The Committee of Management statement must have the date of the Committee of Management resolution recorded upon it and it must be signed and dated BEFORE the auditor signs their report</p> <p>Further, if any of the statements within it need to be modified to suit the reporting unit (for instance not holding meetings) these changes must also be made</p>
<p> The Auditor's Report does not need to be signed until just before it is lodged with the ROC</p>	<p> The Auditor's Report must be signed and dated BEFORE the full report (including the Auditor's Report) is sent to members and presented to the second meeting</p>
<p> The Designated Officer's Certificate must be signed before the report is sent to members</p>	<p> The Designated Officer's Certificate declares what the reporting unit HAS ALREADY DONE to provide the report to members and present it to the meeting. It must be signed and dated AFTER sending the report to members and the second meeting</p>
<p> Documents can be dated when they should have been signed or when the events in the document occurred</p>	<p> Documents must always be dated at the date they are actually signed by an officer or auditor</p>
<p> Any auditor can audit a financial report</p>	<p> Only registered auditors can audit the financial report</p>
<p> The Committee of Management statement can be signed at any time</p>	<p> The resolution passing the Committee of Management Statement must occur and the statement signed and dated BEFORE the auditor's report is signed and dated</p>
<p> Any reporting unit can present the Full Report to a second COM meeting</p>	<p> Only reporting units with a 5% rule in their rulebook are able to present their report to a second Committee of Management Meeting. Otherwise, it must be presented to a General Meeting of members</p>
<p> Everything can be done at one Committee of Management meeting</p>	<p> If the rules allow for presenting the report to the Committee of Management, there must still be <u>two meetings</u>. The first meeting resolves the Committee of Management statement (including signing and dating it). Between the two meetings the Auditor's report is signed and dated. Only then can the full report be presented to the second Committee of Management meeting (if the rules allow)</p>
<p> The reporting unit has 6 months and 14 days to lodge their financial report with the ROC</p>	<p> The reporting unit must lodge the financial report within 14 days of the second meeting</p>

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.



Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

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

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

The Loans, Grants & Donations Statement

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

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

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

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
✘ Only reporting units must lodge the Statement.	✔ All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
✘ Employees can sign the Statement.	✔ The statement must be signed by an elected officer of the relevant branch.
✘ Statements can be lodged with the financial report.	✔ The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

Grants & Donations within the Financial Report

Item 14(e) of the Commissioner's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [ROC's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

Grants:	2017	2016
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner's Reporting Guidelines requires that these line items appear in the financial statements, the notes or in the officer's declaration statement, even if the figures are NIL.

Implications for filing the Financial Report

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

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

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

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

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

Further information

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