

**NATIONAL UNION OF WORKERS, NEW SOUTH WALES BRANCH  
A.B.N. 89 572 801 634  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2018**

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**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF NATIONAL UNION OF WORKERS, NSW BRANCH**

**ABN: 89 572 801 634**

**Report on the Audit of the Financial Report**

***Opinion***

I have audited the financial report of National Union of Workers, NSW Branch (the Reporting Unit), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 30 June 2018, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of National Union of Workers, NSW Branch as at 30 June 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

The scope of our work did extend to the recovery of wages activity, However as noted in the Committee of Management Statement, no such activity was undertaken during the reporting period.

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

**Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

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

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

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

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

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

#### **Responsibilities of Committee of Management for the Financial Report**

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

#### ***Auditor's Responsibilities for the Audit of the Financial Report***

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

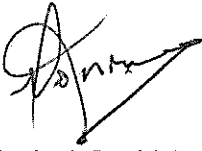
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

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

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

**Conroy Audit & Advisory**

A handwritten signature in black ink, appearing to read 'D Conroy', with a long horizontal flourish extending to the right.

**Principal: David Conroy FCA**

Address: Level 2, 154 Elizabeth St Sydney NSW 2000

Dated : 19 November 2018

**NATIONAL UNION OF WORKERS, NEW SOUTH WALES BRANCH**

**Certificate by Prescribed Designated Officer  
For the year ended 30 June 2018**

I, Martin Cartwright, being the Branch Secretary of the National Union of Workers, New South Wales Branch certify:

- that the documents lodged herewith are copies of the full report for the National Union of Workers, New South Wales Branch for the period ended 30/6/2018 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the NSW Branch on 19/11/2018 ; and
- that the full report was presented to the NSW Branch Committee of Management on the 13 December 2018 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer: .....

Name of prescribed designated officer: Martin Cartwright

Title of prescribed designated officer: Branch secretary

Dated:

**NATIONAL UNION OF WORKERS, NEW SOUTH WALES BRANCH  
 REPORT REQUIRED UNDER SUBSECTION 255(2A)  
 FOR THE YEAR ENDED 30 JUNE 2018**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2018

Categories of expenditures		2018	2017
Remuneration and other employment-related costs and expenses - employees		\$ 2,758,170	\$ 3,303,579
Advertising		\$ 182,070	\$ 144,139
Operating costs		\$ 2,972,123	\$ 3,596,850
Donations to political parties		\$ 62,071	\$ -

Signature of prescribed designated officer:  .....

Name of prescribed designated officer: Martin Cartwright

Title of prescribed designated officer: Branch Secretary

Date: 19 November 2018

## **NATIONAL UNION OF WORKERS, NEW SOUTH WALES BRANCH**

### **OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2018**

The Committee of Management presents its reports on the reporting unit for the financial year ended 30 June 2018.

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

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

During the reporting period the Union made submissions to a number of public enquiries and either launched or fostered campaigns around issues of importance to its members and working men and women generally.

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

No significant change occurred in the nature of those activities during the year.

The reporting unit has not undertaken any recovery of wages activity in the financial year.

#### **Significant Changes in financial affairs**

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

#### **Rights of Members to resign**

All members have the right to resign from the Union in accordance with Rule 59 of the Union Rules (and section 174 of the Fair Work (Registered Organisations) Act 2009); namely by providing written notice addressed and delivered to the Secretary of the Branch, including via email.

#### **Officers & employees who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee**

No officers and/or members of the Branch are directors of the companies that are trustees of superannuation funds which require one or more of their directors to be a member of a registered organisation.

**Number of members**

The number of persons that were at the end of the financial year recorded in the register of members for sec. 230 of Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the Branch under sec. 244 of the Fair Work (Registered Organisations) Act 2009 was eleven thousand five hundred and ninety four. (11,594)


**Number of employees**

The number of persons who were at the end of the financial year employees of the Branch including both full-time and part-time employees measured on a full-time equivalent basis was twenty three (23)

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

The names of the Branch Committee of Management (BCOM) in office at any time during the financial year are:

<b>Name</b>	<b>Position Held</b>	<b>Period position held</b>
Sharon Morris	President	01/07/17 to 30/06/18
Jason Perry	Vice President	01/07/17 to 30/06/18
Martin Cartwright	Branch Secretary	01/07/17 to 30/06/18
Bruno Mendonca	Assistant Branch Secretary	01/07/17 to 30/06/18
Terry McQuillan	Trustee	01/07/17 to 30/06/18
John Anderson	Trustee	01/07/17 to 30/06/18
Geoff Pearson	Branch Committee of Management Member	01/07/17 to 30/06/18
Russell Gibbons	Branch Committee of Management Member	01/07/17 to 30/06/18
Patrick Luxford	Branch Committee of Management Member	01/07/17 to 30/06/18
Colin Minns	Branch Committee of Management Member	01/07/17 to 30/06/18
Lance Nicholson	Branch Committee of Management Member	01/07/17 to 30/06/18
Jeffrey Pearling	Branch Committee of Management Member	01/07/17 to 30/06/18
Sherelle Roberts	Branch Committee of Management Member	01/07/17 to 30/06/18
John Rowbotham	Branch Committee of Management Member	01/07/17 to 30/06/18
Guyen Yagci	Branch Committee of Management Member	01/07/17 to 30/06/18

Signature of prescribed designated officer:  .....

Name of prescribed designated officer: Martin Cartwright

Title of prescribed designated officer: Branch Secretary

Date: 19 November 2018



NATIONAL UNION OF WORKERS, NEW SOUTH WALES BRANCH

COMMITTEE OF MANAGEMENT STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2018

On 19 /11 / 2018 the The Committee of Management of the the National Union of Workers, New South Wales Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2018:

The Committee of Management declares that in its opinion:

a) the financial statements and notes comply with the Australian Accounting Standards;

b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);

c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;

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

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

i) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned; and

ii) the financial affairs of the National Union of Workers, New South Wales Branch have been kept and maintained in accordance with the rules of the organisation including the rules of the branch concerned; and

iii) the financial records of the National Union of Workers, New South Wales Branch have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009;

iv) where the organisation consists of 2 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;

v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the Fair Work (Registered Organisations) Act 2009, that information has been provided to the member or Commissioner; and

vi) where any order for inspections of financial records has been made by the Fair work Commission under section 273 of the Fair Work (Registered Organisations) Act 2009, there has been compliance.

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

Name of prescribed designated officer: Martin Cartwright

Title of prescribed designated officer: Branch Secretary

Date: 19 November 2018

NATIONAL UNION OF WORKERS, NEW SOUTH WALES BRANCH  
A.B.N. 89 572 801 634  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018

	Note	CONSOLIDATED	
		2018 \$	2017 \$
<b>REVENUE</b>			
Membership Subscription		6,800,766	6,898,528
Capitation fees and other revenue from another reporting unit	3A	-	-
Levies	3B	-	-
Dividends received		212	162
Interest received	3C	62,365	68,441
Rental revenue	3D	49,021	48,060
Other revenue		9,902	82,522
<b>TOTAL REVENUE</b>		<b>6,922,265</b>	<b>7,097,713</b>
<b>TOTAL INCOME</b>			
Sales- National Training Group Pty Ltd			- 189,123
GST Adjustment-National Training Group Pty Ltd			975,438
Net gains from sale of assets	3F	1,457	11,632
<b>TOTAL OTHER INCOME</b>		<b>1,457</b>	<b>797,947</b>
<b>TOTAL INCOME</b>		<b>6,923,722</b>	<b>7,895,660</b>
<b>EXPENSES</b>			
Employee expenses	4A	2,758,170	3,303,579
Capitation Fees and other expense to another reporting unit	4B	1,224,058	1,360,107
Affiliation fees	4C	63,690	2,924
Administration expenses	4D	1,440,198	1,545,566
Grants or donations	4E	34,103	35,476
Depreciation and amortisation	4F	217,769	322,961
Finance Costs	4G	1,697	11,372
Legal Costs	4H	178,683	253,735
NUW Lawyers	4H		163,865
Audit Fees	14	56,066	40,014
Share of net loss from associate	6E	-	-
Write down and impairment of assets	4I	-	225
Net losses from sale of assets	4J	-	4,744
Other expenses	4K	-	-
<b>TOTAL EXPENSES</b>		<b>5,974,434</b>	<b>7,044,568</b>
<b>SURPLUS/(DEFICIT) BEFORE TAX FOR</b>		<b>949,288</b>	<b>851,092</b>
Income tax refund			177,810
<b>SURPLUS/(DEFICIT) AFTER TAX FOR</b>		<b>949,288</b>	<b>1,028,902</b>
Non-Controlling Interest			
<b>SURPLUS/DEFICIT FOR THE YEAR</b>		<b>949,288</b>	<b>1,028,902</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will be subsequently reclassified to profit or loss			
Net gain on available for sale investments			
Items that will not be subsequently reclassified to profit or loss			
Gain/(loss) on revaluation of assets		45,553	2,522,823
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>994,841</b>	<b>3,551,725</b>
<b>TOTAL COMPREHENSIVE INCOME</b>			
Members of NUW (Parent Entity)		994,841	3,551,725
Non-controlling interest		-	-
<b>TOTAL</b>		<b>994,841</b>	<b>3,551,725</b>

The above statement should be read in conjunction with the notes

**NATIONAL UNION OF WORKERS , NEW SOUTH WALES**  
**A.B.N. 89 572 801 634**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 30 JUNE 2018**

		CONSOLIDATED	
	Note	2018	2017
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5A	3,989,565	3,074,919
Trade and other receivables	5B	630,409	643,271
Other current assets	5C	39,197	71,229
<b>TOTAL CURRENT ASSETS</b>		<u>4,659,171</u>	<u>3,789,419</u>
<b>NON-CURRENT ASSETS</b>			
Land and buildings	6A	4,530,001	4,530,000
Property, plant & equipment	6B	358,799	516,039
Investment property	6C	-	-
Intangibles	6D	2,701	20,813
Investments in Associates	6E	-	-
Other investments	6F	5,323	4,231
Other non current assets	6G	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u>4,896,824</u>	<u>5,071,083</u>
<b>TOTAL ASSETS</b>		<u>9,555,995</u>	<u>8,860,502</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade payables	7A	105,390	237,632
Other Payables	7B	165,256	303,985
Employee provisions	8A	423,390	533,176
<b>TOTAL CURRENT LIABILITIES</b>		<u>694,036</u>	<u>1,074,793</u>
<b>NON-CURRENT LIABILITIES</b>			
Employee provisions	8A	460,790	379,380
Other non-current liabilities	9A	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>460,790</u>	<u>379,380</u>
<b>TOTAL LIABILITIES</b>		<u>1,154,826</u>	<u>1,454,173</u>
<b>NET ASSETS</b>		<u>8,401,169</u>	<u>7,406,329</u>
<b>EQUITY</b>			
General fund	10A	4,803,050	3,853,762
Distress fund	10B	163,572	163,572
Revaluation reserve	10A	3,434,547	3,388,995
<b>TOTAL EQUITY</b>		<u>8,401,169</u>	<u>7,406,329</u>

The above statement should be read in conjunction with the notes

NATIONAL UNION OF WORKERS, NEW SOUTH WALES BRANCH  
A.B.N. 89 572 801 634  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2018

Consolidated	Notes	General funds \$	Revaluation reserve	Members' distress funds \$	Non-controlling interest \$	Total equity \$
Balance as at 1 July 2016		2,799,428	866,172	163,572	25,432	3,854,604
Adjustment for errors						
Adjustment for changes in accounting policies						
Surplus/(deficit)		1,028,902	2,522,823	-	-	3,551,725
Other comprehensive income						-
Transfer to/from	10A	25,431			- 25,432	
Closing balance as at 30 June 2017		<u>3,853,761</u>	<u>3,388,995</u>	<u>163,572</u>	<u>-</u>	<u>7,406,328</u>
Adjustment for errors						
Adjustment for changes in accounting policies						
Surplus/(deficit)		949,288	45553	-		994,841
Other comprehensive income						-
Transfer to/from	10A	-			-	-
Closing balance as at 30 June, 2018		<u>4,803,049</u>	<u>3,434,548</u>	<u>163,572</u>	<u>-</u>	<u>8,401,169</u>

The above statement should be read in conjunction with the notes

NATIONAL UNION OF WORKERS, NEW SOUTH WALES BRANCH  
A.B.N. 89 572 801 634  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2018

		CONSOLIDATED	
	Note	2018 \$	2017 \$
<b>OPERATING ACTIVITIES</b>			
<i>Cash received</i>			
Receipts from other reporting units/controlled entity(s)		6,720,008	6,874,400
Interest received		62,365	68,441
Other income received		61,743	- 59,417
<i>Cash used</i>			
Employees	-	2,737,358	- 3,204,324
Suppliers	-	1,803,988	- 2,191,721
Payments to other reporting units/controlled entity/s	-	1,391,625	- 1,360,107
<b>Net cash from (used by) operating activities</b>	<b>11A</b>	<b>911,145</b>	<b>127,272</b>
<b>INVESTING ACTIVITIES</b>			
<i>Cash received</i>			
Proceeds from sale of plant and equipment		20,000	49,133
Proceed from sale of land and buildings			-
<i>Cash used</i>			
Purchase of plant & equipment	-	16,499	- 143,993
Purchase of land and buildings			-
Other		-	-
<b>Net cash from(used by) investing activities</b>		<b>3,501</b>	<b>- 94,860</b>
<b>FINANCING ACTIVITIES</b>			
<i>Cash received</i>			
Contributed equity			-
Other			-
<i>Cash used</i>			
Payment of Borrowings		-	- 27,136
Other			-
<b>Net cash from/(used by) financing activities</b>		<b>-</b>	<b>- 27,136</b>
<b>Net increase/(decrease) in cash held</b>	<b>11B</b>	<b>914,646</b>	<b>5,276</b>
Cash & cash equivalent at the beginning of the reporting year		3,074,919	3,069,643
<b>Cash &amp; cash equivalent at the end of the reporting year</b>	<b>5A</b>	<b>3,989,565</b>	<b>3,074,919</b>

The above statement should be read in conjunction with the notes

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NATIONAL UNION OF WORKERS, NEW SOUTH WALES BRANCH  
A.B.N. 89 572 801 634  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

**1 Summary of Significant Accounting Policies**

The principal place of business for the National Union of Workers - NSW Branch (the Union) is 3-5 Bridge Granville NSW. The business operates in one segment being the support of its members within NSW.

**1.1 Basis of Preparation of the Financial Report**

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

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

**1.2 Comparative amounts**

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

**1.3 Significant Accounting Judgements and Estimates**

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.

**(a) Basis of Consolidation**

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purposes of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 6E to the financial statements

**Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

NATIONAL UNION OF WORKERS, NEW SOUTH WALES BRANCH  
A.B.N. 89 572 801 634  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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.

**1.4 New Australian Accounting Standards**

*Adoption of the new Australian Accounting Standards requirements*

**New Standards and interpretations not yet adopted**

**AASB 9 Financial Instruments**

AASB 9 replaces the existing guidance in AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from AASB 139.

AASB 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The Union is assessing the potential impact on its financial statements resulting from the application of AASB 9.

**AASB 15 Revenue from Contracts with Customers**

AASB 15 established a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 Revenue, AASB 111 Construction Contracts and AASB Interpretation 13 Customer Loyalty Programmes.

AASB 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The Union is assessing the potential impact on its financial statements resulting from the application of AASB 15.

**AASB 16 Leases**

AASB 16 Leases removes the classification of leases as either operating lease or finance leases - for the lessee - effectively treating all leases as finance leases. Short-term leases (less than 12 months) and leases of low value assets (such as computers) are exempt from the lease accounting requirements. There are also changes in accounting over the life of the lease. In particular, companies will recognise a front-loaded pattern of expenses for most leases, even when they pay constant rentals.

AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted where AASB 15 Revenue from Contracts with Customers is adopted at the same time.

The Union is assessing the potential impact on its financial statements resulting from the application of AASB 16.

**1.5 Investments in associates and joint arrangements**

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

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing the joint operation.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the individual assets and obligations for the liabilities of the joint operation.

The results and assets and liabilities of associates and its joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance



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with AASB 5 'Non-current Asset Held for Sale and Discontinued Operations. 'Under the equity method, an investment in an associate or joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate or joint venture exceeds the interest in that associate, the Union discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss

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

the Union did not acquire an asset of Liability due to an amalgamation under Part 2 of chapter 3 of the RO Act, a restructuring of the branches of the organisation, a determination or revocation by the General Manager of the Fair work Commission under subsections 245(12) or 249 (1) of the RO Act.

**1.7 Revenue**

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

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

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

Donation income is recognised when it is received.

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

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

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

**1.8 Government Grants**

Government grants are not recognised until there is reasonable assurance that the Union 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 Union recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Union 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 Union with no future related costs are recognised in profit or loss in the period in which they become receivable.

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**1.9 Gains**

**Sale of Assets**

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

**1.10 Capitation fees and levies**

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

**1.11 Employee benefits**

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

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

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

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

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

**1.12 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense

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

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**1.12 Leases cont.**

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

**1.13 Borrowing Costs**

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

**1.14 Cash**

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

**1.15 Financial instruments**

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**1.16 Financial assets**

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

***Fair value through profit or loss***

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

A financial asset is classified as held for trading if:

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

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

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

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

***Held-to maturity investments***

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

***Available-for-sale***

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

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

***Loan and receivables***

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

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*Effective interest Method*

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

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

*Impairment of financial assets*

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

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

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

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

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

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

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

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

**Derecognition of financial assets**

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

**1.17 Financial Liabilities**

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

***Fair value through profit or loss***

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

A financial liability is classified as held for trading if:

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

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

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

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

**Other financial liabilities**

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

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

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*Derecognition of financial assets*

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

**1.18 Contingent Liabilities and Contingent Assets**

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

A contingent liability exists in connection with an investigation commenced by the Registered Organisation Commission (ROC) into the events leading up to the Trade union Royal Commission as they impacted on NUW N.S.W Branch for the period up to November 2015 when the Royal Commissions finding were handed down. The ROC investigation was on going at the date of this report.

**1.19 Land, Buildings, Plant and Equipment**

*Asset Recognition Threshold*

Purchase of land, buildings, plant & equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost if 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 accumulation 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 revaluated amount.

*Depreciation*

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

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

	2018	2017
Land & buildings	40 years	40 years
Plant and Equipment	3 to 20 years	3 to 20 years



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**Derecognition**

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

**1.20 Investment Property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

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

**1.21 Intangibles**

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of the Union's intangible assets are:

	2018	2017
Software 2014		1 Year
Software 2015	1 Year	2 Years

**Derecognition**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

**1.22 Impairment of non-financial assets**

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

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The recoverable amount of an asset is the higher of its fair value less costs to sell 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 placed if the Union were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**1.23 Non current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

**1.24 Taxation**

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

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

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; 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 cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

**1.25 Fair Value Measurement**

The Union 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 buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

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

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

The principal or the most advantageous market must be accessible by the Union. 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.

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Union 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 Union has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

**1.26 Going concern**

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

**2 Event after the reporting period**

At the meeting of the Union held on 5th September 2018 it was resolved by the Committee to forgive the loan owing by the wholly owned subsidiary National Training Group Pty Ltd. National Training Group Pty Ltd ceased trading in the 2017 financial year.  
The company will be deregistered in the 2019 financial year.

**2.1 Contingent Assets**

access to some of NUW (NSW)'s financial records and issued summons to a number of officer holders and staff. The Royal Commission's hearings into NUW (NSW) have concluded and its findings issued.

During the hearings, it became apparent that NUW (NSW) had been defrauded by some of its officers and staff with at least one staff member admitting to unauthorised credit card use. NUW (NSW) are investigating these omissions and allegations and intend on seeking recovery of misappropriated funds.

Two of the formal officeholders and staff were charged by the police and cases were before court in 2017/2018. The Union as part of its legal advice with regard to the recovery of funds, has been able to retrieve some of the outstanding funds and continues to pursue avenues for the further recovery of misappropriated monies. However, it is to be noted that with regards to Danielle O'Brien, she has declared herself bankrupt and future dealings will be with her trustee in bankruptcy.

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CONSOLIDATED

3	Income	2018	2017
3A	Capitation fees	-	-
	<b>Total capitation fees</b>	<b>-</b>	<b>-</b>
3B	Levies		
	No Levies were made during in the year	-	-
	<b>Total levies</b>	<b>-</b>	<b>-</b>
3C	Interest		
	Deposits	62,365	68,441
	Loans	-	-
	<b>Total interest</b>	<b>62,365</b>	<b>68,441</b>
3D	Rental revenue		
	Properties	49,021	48,060
	Other	-	-
	<b>Total rental revenue</b>	<b>49,021</b>	<b>48,060</b>
3E	Grants or donations		
	Grants or donations	-	-
	Donations	-	-
	<b>Total grants or donations</b>	<b>-</b>	<b>-</b>
3F	Net gains from the sale of Assets		
	Land & buildings	0	0
	Plant & Equipment	1,457	11,632
	Intangibles	0	0
	<b>Total net gains from the sale of Assots</b>	<b>1,457</b>	<b>11,632</b>

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		CONSOLIDATED	
		2018	2017
4	<b>Expenses</b>		
4A	<b>Employee expenses</b>		
	The total in the Statement of comprehensive income includes a component for redundancies and are made up as follows.		
	<b>Holders of Office:</b>		
	Wages and salaries	1,493,880	1,563,061
	Superannuation	279,360	274,977
	Leave and other entitlements	254,819	505,521
	Separation and redundancies	10,656	38,462
	Other employee expenses	180,288	180,152
	<b>Subtotal employee expenses holders of office</b>	2,219,003	2,562,173
	<b>Employees other than office holders:</b>		
	Wages and salaries - NUW	406,127	521,810
	Superannuation - NUW	71,813	98,845
	Leave and other entitlements	19,436	84,994
	Separation and redundancies	10,440	1,538
	Other employee expenses	31,351	34,219
	<b>Subtotal employee expenses employee other than office holders</b>	539,167	741,406
	<b>Total employee expenses</b>	2,758,170	3,303,579
4B	<b>Capitation fees</b>		
	Capitation fees payable to the National Council	1,224,058	1,360,107
	<b>Total capitation fees</b>	1,224,058	1,360,107
4C	<b>Affiliation Fees</b>		
	Affiliation Fees are paid to:		
	Newcastle Trades Hall	250	372
	Workers Health Centre	1315	2,551
	Unions NSW	3,000	
	Asbestos Disease Foundation of Aust	54	
	ALP NSW	59,071	
	<b>Total Affiliation Fees/Subscriptions</b>	63,690	2,924

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		CONSOLIDATED	
		2018	2017
<b>4D</b>	<b>Administration Expenses</b>		
	Consideration to employers for payroll deductors	-	-
	Compulsory levies	-	-
	Fees/allowances-mtg and conference	79,078	133,284
	Conferences and meeting expenses	71,761	53,928
	Contractors/consultants		90,143
	Property Expenses	51,651	32,064
	Office Expenses	59,816	51,018
	Information communications technology	205,422	141,136
	Other	972,470	1,043,993
	<b>Subtotal administration expense</b>	<u>1,440,198</u>	<u>1,545,566</u>
	Operating Lease rentals		
	Minimum lease payments	-	-
	<b>Total administration expenses</b>	<u>1,440,198</u>	<u>1,545,566</u>
<b>4E</b>	<b>Grants or donations</b>		
	Grants		
	Total paid that were \$1,000 or less		
	Total paid that exceeded \$1,000		
	Donations		
	Total paid that were \$1,000 or less	2,243	758
	Total paid that exceeded \$1,000	31,860	34,718
	<b>Total grants or donations</b>	<u>34,103</u>	<u>35,476</u>
<b>4F</b>	<b>Depreciation &amp; amortisation</b>		
	Depreciation		
	Buildings & improvements	44,461	46,461
	Property, plant and equipment	155,196	221,665
	<b>Total depreciation</b>	<u>199,657</u>	<u>268,126</u>
	Amortisation		
	Intangibles - Software	18,112	54,835
	<b>Total amortisation</b>	<u>18,112</u>	<u>54,835</u>
	<b>Total depreciation and amortisation</b>	<u>217,769</u>	<u>322,961</u>
<b>4G</b>	<b>Finance costs</b>		
	Interest ATO ICA	1697	11,372
	<b>Total finance costs</b>	<u>1,697</u>	<u>11,372</u>

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		CONSOLIDATED	
		2018	2017
4H	<b>Legal costs</b>		
	Litigation Expenses	70,636	139,134
	Other Legal matters	108,047	114,501
	<b>Total Legal Expenses</b>	<u>178,683</u>	<u>253,735</u>
	NUW Lawyers		163,865
4I	<b>Written-down and impairment of assets</b>		
	Asset write downs and impairments of		
	Investment in Trade Union Medical Centre		225
	<b>Total write down and impairment of assets</b>	<u>0</u>	<u>225</u>
4J	<b>Net Losses from Sale of Assets</b>		
	Plant and Equipment	-	4,744
	<b>Total net losses from asset sales</b>	<u>-</u>	<u>4,744</u>
4K	<b>Other Expenses</b>		
	Penalties - via RO Act or RO Regulations	0	0
		<u>0</u>	<u>0</u>
4L	<b>Significant revenue and expenses</b>		
	<b>Revenue</b>		
	ATO GST adjustment/NTG		975438
	Legal action recovery		83000
			<u>1058438</u>
	<b>Expenses</b>		
	Payout ultimate training centre		138931
	Income tax expense (provision not required)		-177810
	Payout NUW Lawyers		163865
			<u>163865</u>

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		CONSOLIDATED	
		2018	2017
		\$	\$
<b>5</b>	<b>Current Assets</b>		
<b>5A</b>	<b>Cash &amp; cash equivalents</b>		
	Cash at bank (members equity - LSL)		
	Cash at bank - Distress Fund( CBA CMT)	130,122	74
	Cash at bank (Cheque Account)	374,073	191,504
	Cash at bank (NTG)	16,370	1,479
	Cash at bank (Members Equity - at call)	729,627	715,588
	CAB- 6566	650,000	123,004
	ME Security Deposit	2,082,251	2,034,195
	Trust Account - NTG	- 442	- 206
	Saver Account - NTG	1	11
	Cash on hand	64	476
	Accrued Interest	7,499	8,794
		<u>3,989,565</u>	<u>3,074,919</u>
<b>5B</b>	<b>Trade &amp; Other Receivables</b>		
	<b>Receivables from other reporting units</b>		
	There is no amount receivable from other reporting units	-	-
	<b>Total receivables from other reporting units</b>	<u>-</u>	<u>-</u>
	<b>Less provision for doubtful debts</b>		
	There are no provision for doubtful debts from other reporting units	-	-
	<b>Total provision for doubtful debts</b>	<u>-</u>	<u>-</u>
	<b>Receivable from other reporting unit</b>	<u>-</u>	<u>-</u>
	<b>Receivable from other reporting units (net)</b>	<u>-</u>	<u>-</u>
	<b>Other receivables</b>		
	Accounts Receivable	630,409	579,204
	Income Tax	-	59,247
	Sundry Loans etc	-	4,820
		<u>630,409</u>	<u>643,271</u>
<b>5C</b>	<b>Other Non current Assets</b>		
	Prepayments	<u>39,197</u>	<u>71,229</u>



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		CONSOLIDATED	
		2018	2017
		\$	\$
<b>Note 6</b>	<b>Non-Current Assets</b>		
<b>Note 6A:</b>	<b>Land &amp; Buildings</b>		
	Land and buildings:		
	fair value	4,530,000	3,040,900
	accumulated depreciation	- 1,077,434	- 1,032,974
	revaluation increment	1,077,434	2,522,074
	<b>Total land &amp; buildings</b>	<b>4,530,000</b>	<b>4,530,000</b>

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

<b>As at 1 July</b>			
	Gross book value	4,530,000	3,030,160
	Accumulated depreciation and impairment	- 1,032,973	- 986,512
	<b>Net book value 1 July</b>	<b>3,497,027</b>	<b>2,043,648</b>
Additions:			
	By purchase		10,740
	Revaluations	1,077,435	2,522,074
	Depreciation expense	- 44,461	- 46,462
	<b>Net book value 30 June</b>	<b>4,530,001</b>	<b>4,530,000</b>

**Net book value as of 30 June represented by:**

	Gross book value	4,530,001	4,530,000
	Accumulated depreciation and impairment		
	<b>Net book value 30 June</b>	<b>4,530,001</b>	<b>4,530,000</b>

The revalued land and buildings consist of \$4,530,000. Management determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. As at the date of revaluation, 31 December 2016, the properties' fair values are based on valuations performed by Craig Ray AAPI/Certified Valuer.

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		CONSOLIDATED	
		2018	2017
		\$	\$
6B	<b>Plant &amp; Equipment</b>		
	<b>Motor Vehicles</b>		
	Motor vehicles, at cost	787,270	822,426
	accumulated depreciation	- 528,480	- 405,558
	<b>Total Motor Vehicles</b>	<u>258,790</u>	<u>416,868</u>
	<b>Office Furniture &amp; Fittings</b>		
	Furniture & fittings, at cost	778,636	762,386
	accumulated depreciation	- 678,627	- 663,215
	<b>Total Office Furniture &amp; Fittings</b>	<u>100,009</u>	<u>99,171</u>
	<b>Total Plant &amp; Equipment</b>	<u>358,799</u>	<u>516,039</u>
 <i>Reconciliation of the Opening and Closing Balances of Plant and Equipment</i>			
	<b>As at 1 July</b>		
	Gross book value	1,584,812	1,694,066
	Less: Accumulated depreciation and impairment	- 1,068,773	- 1,047,371
	<b>Net book value 1 July</b>	<u>516,039</u>	<u>646,695</u>
	<b>Additions</b>		
	By purchase	16,499	133,253
	Depreciation expense	- 155,196	- 221,664
	Disposals	- 18,543	- 42,245
	<b>Net book value 30 June</b>	<u>358,799</u>	<u>516,039</u>
	<b>Net book value as of 30 June represented by:</b>		
	Gross book value	1,565,906	1,584,812
	Accumulated depreciation and impairment	- 1,207,107	- 1,068,773
	<b>Net book value 30 June</b>	<u>358,799</u>	<u>516,039</u>
6D	<b>Intangibles</b>		
	<b>Computer software</b>		
	Internally developed	315,205	315,205
	accumulated amortisation	- 312,504	- 294,392
	<b>total intangibles</b>	<u>2,701</u>	<u>20,813</u>

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	CONSOLIDATED	
	2018	2017
<i>Reconciliation of the Opening and Closing Balances of Intangibles</i>		
<b>As at 1 July</b>		
Gross book value	315,205	315,205
Less: Accumulated amortisation and impairment	- 294,392	- 239,557
<b>Net book value 1 July</b>	<u>20,813</u>	<u>75,648</u>
Additions		
Amortisation	- 18,112	
<b>Net book value 30 June</b>	<u>2,701</u>	<u>75,648</u>
<b>Net book value as of 30 June represented by:</b>		
Gross book value	315,205	315,205
Accumulated amortisation and impairment	- 312,504	- 294,392
<b>Net book value 30 June</b>	<u>2,701</u>	<u>20,813</u>

**Note 6E Investment in Subsidiary Companies**

National Union of Workers owns 100% of interest in National Training Group Pty Ltd (NTG) (A.B.N. 62 149 171 264, established on 7 February 2011). This ownership was reflected in the consolidated financial statements in 2014 for the first time.

**Investment in Subsidiaries**

National Training Group Pty Ltd (NTG)	5	5
<b>Total Investments</b>	<u>5</u>	<u>5</u>

**Details of Investment in Subsidiary**

	Ownership	
National Training Group Pty Ltd	100%	100%

The financial results of the abovenamed subsidiary company has been consolidated as a group as required by Australian Accounting Standards. National Training Group Pty Ltd (NTG) recorded a loss for the year of \$7,598. There is significant uncertainty NTG will be able to continue as a going concern and will be deregistered in the 2018/2019 year.

The loan from NUW NSW branch to NTG authorised by the Committee of Management under the Secretaryship of Derrick Belan will be written off following the deregistration process. - refer Note 2

**Note 6F Other Investments**

Deposits	-	-
<i>Shares, listed companies, at fair value</i>		
Insurance Australia Group Limited	5,323	4,231
<i>Shares, unlisted companies, at cost</i>		
Trade Union Medical Centre	-	-
	<u>5,323</u>	<u>4,231</u>

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		CONSOLIDATED	
		2018	2017
<b>Note 7</b>	<b>Current Liabilities</b>		
<b>Note 7A</b>	<b>Trade &amp; Other Payables</b>		
	Sundry Creditors & Accruals	105,390	70,065
		<u>105,390</u>	<u>70,065</u>
	<b>Payables to other reporting units</b>		
	Sustentation Fees - National Office		167,567
	<b>Subtotal payable to other reporting unit</b>	-	<u>167,567</u>
	<b>Total trade payables</b>	<u>105,390</u>	<u>237,632</u>
<b>Note 7B</b>	<b>Other payables</b>		
	Wages and salaries	54,162	59,366
	Superannuation	17,310	19,669
	Consideration to employers for Payroll deductions	-	-
	Legal costs		
	Litigation		24,517
	GST Payable	93,784	200,433
	Other	-	-
	<b>Total other payables</b>	<u>165,256</u>	<u>303,985</u>
<b>Note 8</b>	<b>Employee Provisions</b>		
<b>Note 8A</b>	<b>Provisions - Current Liabilities</b>		
	<b>Office Holders</b>		
	Annual Leave	353,310	428,029
	Long service leave	354,575	281,993
	Separations and other redundancies	-	-
	<b>Subtotal employee provisions - office holders</b>	<u>707,885</u>	<u>710,022</u>
	<b>Employee other than Office Holders</b>		
	Annual Leave	70,080	105,147
	Long service leave	106,215	97,387
	Separations and other reduncancies	-	-
	<b>Subtotal employee provisions-employees other than office holders</b>	<u>176,295</u>	<u>202,534</u>
	<b>Total employee provisions</b>	<u>884,180</u>	<u>912,556</u>
	Current	423,390	533,176
	Non current	460,790	379,380
	<b>Total Employee Provisions</b>	<u>884,180</u>	<u>912,556</u>

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**Note 9 Non-current Liabilities**

<b>9A: Other non-current liabilities</b>		
Chattel Mortgage	-	-
<b>Total other non-current liabilities</b>	<u>-</u>	<u>-</u>

**10 Equity**

**Note 10A: Funds**

<b>General funds</b>		
Balance as at start of year	3,853,762	2,799,428
Transferred to reserve	949,288	1,054,334
Transferred out of reserve		
<b>Balance as at end of year</b>	<u>4,803,050</u>	<u>3,853,762</u>
<b>Revaluation reserve fund</b>		
Balance as at start of year	3,388,994	866,172
Transferred to reserve	45,553	2,522,823
<b>Balance as at end of year</b>	<u>3,434,547</u>	<u>3,388,995</u>
<b>Distress fund</b>		
Balance as at start of year	163,572	163,572
Transferred to reserve		
Transferred out of reserve		
<b>Balance as at end of year</b>	<u>163,572</u>	<u>163,572</u>
<b>Total Reserves</b>	<u>8,401,169</u>	<u>7,406,329</u>

**Note 10B: Other Specific disclosures - Funds**

<b>Compulsory levy/voluntary contribution fund- if invested in assets</b>		
<b>Distress fund</b>		
Balance as at start of year	163,572	163,572
Transferred to reserve		
Transferred out of reserve		
<b>Balance as at end of year</b>	<u>163,572</u>	<u>163,572</u>

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		CONSOLIDATED	
		2018	2017
		\$	\$
11	Cash Flows		
11A	Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
	<b>Cash and cash equivalents</b>		
	Cash at bank Distress Fund CMT	130,122	74
	Cash at bank (Cheque Account)	374,073	191,504
	Cash at bank (NTG)	16,370	1,479
	Members Equity (At call Account)	729,627	715,588
	Cash CBS CMT Account	650,000	123,004
	ME Security Deposit	2,082,251	2,034,195
	Trust Account - NTG	-442	206
	Saver Account - NTG	1	10
	Cash on hand	64	476
	Accrued Interest	7,499	8,794
		<u>3,989,565</u>	<u>3,074,918</u>
	Cash flow statement		
	Balance Sheet		
		- 914,646	- 5,276
		<u>3,501</u>	<u>121,995</u>
		<u>- 911,145</u>	<u>- 127,272</u>
	<b>Reconciliation of surplus/(deficit) to net cash from operating activities</b>		
11A	Net comprehensive income		
	<b>Adjustments for non-cash items</b>	994,841	3,551,725
	Depreciation/amortisation	217,769	322,961
	Net write-down of non financial assets	- 45,553	- 2,522,823
	Fair value movements in investment property		
	Bad debts written off		15,282
	Gain(Loss) on disposal of assets	- 1,457	- 6,663
	<b>Changes in assets/liabilities</b>		
	(Increase)/decrease in net receivables	12,862	- 162,409
	(Increase)/decrease in prepayments	32,032	95,507
	Increase/(decrease) in supplier payables	- 214,102	- 1,234,344
	Increase/(decrease) in other payables	- 85,247	
	Increase/(decrease) in employee provisions		98,600
	<b>Net cash from/(used by) operating activities</b>	<u>911,145</u>	<u>127,272</u>

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		CONSOLIDATED	
		2018	2017
		\$	\$
<b>Note 11B:</b>	<b>Cash flow information</b>		
	Cash inflows		
	National Union of Workers NSW	6,862,693	6,907,420
	National Training Group Pty Ltd	1,423	13,507
		6,864,116	6,920,927
	Cash outflows		
	National Union of Workers NSW	- 5,940,448	- 6,752,591
	National Training Group Pty Ltd	- 9,022	- 163,060
		- 5,949,470	- 6,915,651

**Note 12** **Contingent Liabilities, Assets and Commitments**  
refer Note 1.18 & 2.1

**13** **Related Party Disclosures**

**13A** **Related Party Transactions for the Reporting Period**

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members

There were no related party transactions for the Reporting Period.

**Note 14:** **Remuneration of Auditors**

<b>Value of the services provided</b>			
Financial statement audit services		56,066	40,014
Other services		-	-
<b>Total remuneration of auditors</b>		56,066	40,014

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**Note 15: Financial Instruments**

**Financial Risk Management Policies**

The finance committee is responsible for, among other issues, monitoring and managing financial risk exposures of the Union. The Committee monitors the Union's transactions and reviews the effectiveness of controls relating to the credit risk and interest rate risk.

Discussions on monitoring and managing financial risk exposures are held monthly and reported to and minuted by the finance committee quarterly.

The Committee's overall risk management strategy seeks to ensure that the Union meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

**Specific Financial Risk Exposures and Management**

The main risks the Union is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and equity price risk.

**a. Interest rate risk**

The Union is not exposed to any significant interest rate risk since cash balances are maintained at variable rates and borrowings of the Union are not considered significant.

**a. Liquidity risk**

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

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid subscriptions.

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 finance leases reflect the earliest contractual settlement dates.

The Unions financial instruments consist mainly of deposits with banks, short term investments and accounts receivable.

The carrying amounts for each category of financial instruments measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements are as follows:

		2018	2017
		\$	\$
<b>Financial assets</b>			
Cash and equivalents	5A	3,989,565	3,074,919
Loans and receivables	5B	630,409	643,271
<b>Total financial assets</b>		<u>4,619,974</u>	<u>3,718,190</u>
<b>Financial Liabilities</b>			
Trade payables	7A	105,390	237,632
Other payables	7B	165,256	303,985
<b>Total financial liabilities</b>		<u>270,646</u>	<u>541,617</u>



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**Note 16: Key Management Personnel Compensation**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the the entity, directly or indirectly, including any director(whether executive or otherwise) of that entity, is considered key management personnel (KMP).

The totals of remuneration paid to KMP of the Union during the year are as follows:

	2018	2017
	\$	\$
KMP compensation	2,037,513	2,562,173

**Note 17 Section 272 Fair Work (Registered organisations) Act 2009**

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

Information to be provided to members or Commissioner:

(1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specific 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 Section (1).

Note: This subsection is a civil penalty provision (see section 305)

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**Note 18** Parent entity

The following has been extracted from the books and records of the parent, National Union of Workers New South Wales Division and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, National Union of Workers New South Wales has been prepared on the same basis as the consolidated financial statements except as disclosed below.

*Investments in subsidiaries, associates and joint ventures*

Investment in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity. Dividends received from associates are recognised in the parent entity of the profit and loss, rather than being deducted from the carrying amounts of these Investments.

	Note	PARENT	
		2018	2017
<b>BALANCE SHEET</b>			
<b>Assets</b>			
Current Assets		5,285,420	4,367,219
Non-current Assets		4,896,829	5,071,089
<b>Total Assets</b>		<u>10,182,249</u>	<u>9,438,308</u>
<b>Liabilities</b>			
Current Liabilities		742,656	1,033,255
Non current Liabilities		460,789	379,381
<b>Total Liabilities</b>		<u>1,203,445</u>	<u>1,412,636</u>
<b>Equity</b>			
Retained Earnings		8,978,804	8,025,672
<b>TOTAL EQUITY</b>		<u>8,978,804</u>	<u>8,025,672</u>
<b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>			
Total profit or -loss for the year		956,887	217,617
Other comprehensive income		45,553	2,522,822
<b>Total comprehensive income</b>		<u>1,002,440</u>	<u>2,740,439</u>