NATIONAL UNION OF WORKERS - NATIONAL OFFICE
ABN 19 834 341 836
AND CONTROLLED ENTITIES

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

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FOR WORKPLACE SUPPORT

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This financial report covers both National Union of Workers – National Office as an individual entity (which includes the National Office and the General Branch) and the controlled entities consisting of National Union of Workers – National Office and its subsidiaries. The financial report is presented in the Australian currency.

On 15 November 2011, the General Manager issued a certificate amending the reporting units so that the National Office and the General Branch of the National Union of Workers are combined for the purpose of financial reporting (R2011/115).

The principal place of business is:
National Union of Workers - National Office
833 Bourke Street
DOCKLANDS VIC 3008

The financial report was authorised for issue by the National Committee of Management on 18 October 2019.

OPERATING REPORT

Your Committee present their report on the National Union of Workers - National Office and its controlled entities for the financial year ended 30 June 2019.

Members of National Committee of Management:

The names of the National Committee of Management (NCOM) and period positions were held during the financial year:

Name	*Position*
Caterina Cinanni	General President
Susie Allison	General Vice President
Gary Maas	General Vice President (resigned 1 August 2018)
Dario Mujkic	General Vice President (from 3 August 2018)
Ron Herbert	General Vice President (until 3 September 2018)
Sam Roberts	General Vice President
Jill Batt	General Vice President (until 3 September 2018)
Imogen Beynon	General Vice President (from 3 September 2018)
Martin Cartwright	General Vice President (from 3 September 2018)
Sharon Morris	General Vice President (from 3 September 2018)
Tim Kennedy	General Secretary
Paul Richardson	Assistant General Secretary
Martin Cartwright	Branch Secretary (until 3 September 2018)

Elections for new offices were conducted in May 2018 by the Australian Electoral Commission (E2018/25) with new and re-elected officers commencing their term on 3 September 2018. Except where otherwise noted all persons were members of the committee for the entire reporting period.

Review of Principal activities and results of operations

National Office:

The principal activities of the Union 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 continued to campaign on issues of importance to its members and working men and women generally.

The Union continued to commit significant resources to organising workers employed in the farms sector who are part of the supermarket supply chain. The Union advocates for decent permanent employment for working men and women through "Jobs You Can Count On".

Decisions of the National Committee of Management and the National Council were implemented in furtherance of the above during the reporting period.

OPERATING REPORT (CONTINUED)

Review of Principal activities and results of operations (Continued)

General Branch:

The principal activities of the Union 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 continued to campaign on issues of importance to its members and working men and women generally.

The Union continued to commit significant resources to organising workers employed in the farms sector who are part of the supermarket supply chain. The Union advocates for decent permanent employment for working men and women through "Jobs You Can Count On".

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

Significant changes in state of 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] A copy of the decision of FWC can be viewed at the Union's website – www.nuw.org.au/your-union.

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

No other significant changes in the financial affairs of the entity's operations have occurred during the year.

After Balance Date Events

As detailed in Note 23, the members of both the National Union of Workers and United Voice voted to amalgamate and create the United Workers Union.

National Union of Workers details

National Fund:

The number of full time equivalents employees of at 30 June 2019 was 54.1 (2018: 57.1).

The number of financial members of the whole National Union of Workers at 30 June 2019 was 66,247 (2018: 67,245).

General Branch:

The number of full time equivalents of the General Branch employees at 30 June 2019 was 28.5 (2018:25.9).

The number of financial members of the General Branch at 30 June 2019 was 15,037 (2018:15,135).

OPERATING REPORT (CONTINUED)

Rights of members to resign

National Fund and General Branch

The rules provide at Rule 54.2 – Resignation from membership, that a member of the union may resign from the union in accordance with the Rule. The Rule is similar to s174 and meets all of the requirements of the *Fair Work (Registered Organisations) Act 2009*.

Directorships of Superannuation Fund

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

Officer/ Employee	Position	Trustee Company	Name of Superfund	SGC Contribution
Timothy Kennedy	Director	LUCRF Pty Ltd	LUCRF Super	$7,698
Paul Richardson	Director	LUCRF Pty Ltd	LUCRF Super	$5,412
Caterina Cinanni	Director	LUCRF Pty Ltd	LUCRF Super	$5,700
Sam Roberts	Director	LUCRF Pty Ltd	LUCRF Super	$5,412
Susie Allison	Director	LUCRF Pty Ltd	LUCRF Super	$5,412

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

Directorships of Boards

In terms of the Unions policy on disclosure, the following information is provided regarding directorships of boards and/or entities held by officers during the reporting period:

Name	Board	Principal activity	Reason
Caterina Cinanni	Trade Union Education Foundation	Oversight and development of training	Nominated by the reporting unit
Paul Richardson	Labour Union and Investment Property Services Pty Ltd	Investments	Because he is an officer of the reporting unit (non beneficial shareholder)
	ACTU Member Connect Pty Ltd	Provider of services to ACTU affiliates	Nominated by the reporting unit
	APHEDA Inc	Overseas Aid Agency	Nominated by peak council (ACTU)
	Manufacturing Skills Australia	Industry Skills Council	Nominated by the reporting unit
	ACTU Education Inc	Governing body for trade union education	Nominated by the reporting unit
Tim Kennedy	Per Capita	Policy development	Because he is an officer of the reporting unit
	Labour Union and Investment Property Services Pty Ltd	Investments	Because he is an officer of the reporting unit (non beneficial shareholder)
Sam Roberts	Labour Union and Investment Property Services Pty Ltd	Investments	Because he is an officer of the reporting unit
Susie Allison	McKell Institute	Policy development	Because she is an officer of the reporting unit
Dario Mujkic	Co-operative Power Australia	Energy Co-operative	Because he is an officer of the reporting unit

OPERATING REPORT (CONTINUED)

Directorships of Boards (Continued)

None of the above officers received any remuneration associated with their membership or directorship of any board of which they are a member.

No officer received any remuneration from a related third party of the Union in connection with the performance of their duties. Rule 68(c) prohibits officers undertaking external or secondary employment without the permission of the National Committee of Management. On 15 April 2019, the committee of management approved the secondment of General Vice President Mujkic to United Voice, Victorian Branch for the purposes of assisting with bargaining. No remuneration was received for the reporting period.

The Union maintains a register of interests of all officers and observes procedures for dealing with conflicts of interests in accordance with the provisions of the Amendment Act.

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

All officers in accordance with Rule 14D are required to undertake approved training within six months of assuming office. In accordance with the guidelines issued by the Registered Organisations Commission, officers who are re-elected to the same office are not required to undertake approved training (FS018). A register of participation in approved training is maintained by the Union.

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

On 26 September 2018, the Registered Organisations Commission granted exemptions in accordance with s293M of the Act, from the requirement to undertake approved training on the basis that the following officers had a proper understanding of their responsibilities due to their experience and qualifications

Name	Office	Reference
Susie Allison	General Vice President	GT 2018/12
Imogen Beynon	General Vice President	GT 2018/13
Dario Mujkic	General Vice President	GT 2018/15

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

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

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OPERATING REPORT (CONTINUED)

Remuneration and Disclosures

The Union's Rules were altered with effect from 3 July 2017 to reflect the new reporting and disclosure obligations arising from the operation of the Fair Work (Registered Organisations) Amendment Act 2016. ([2017] FWCD 3231). (the Amendment Act)

As required under the Amendment Act, the Union will file an Officers Disclosure Statement with Registered Organisations Commission by 31 December 2019. The statement will also be posted on the Unions website (www.nuw.org.au). This replaces the previous disclosures on remuneration that otherwise would be contained in the annual financial report.

Signed in accordance with a resolution of the National Committee of Management:

Signature of designated officer: ______________________

Name of designated officer: TIMOTHY KENNEDY

Title of designated officer: GENERAL SECRETARY

Dated: 18/10/19

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STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Consolidated Group		Parent Entity	
		2019	2018 $	2019 $	2018 $
Revenue from continuing operations	4	**10,333,505**	10,216,209	**11,931,607**	10,233,822
Other income	5	**359,332**	584,071	**359,332**	-
Administrative expenses		**(798,550)**	(849,113)	**(798,227)**	(847,858)
Affiliation fee and capitation fee	7	**(656,481)**	(660,559)	**(656,481)**	(660,559)
Campaign expenses		**(182,924)**	(187,960)	**(182,924)**	(187,960)
Delegates & members expenses		**(205,865)**	(144,792)	**(205,865)**	(144,792)
Industrial & services expenses		**(82,159)**	(102,926)	**(82,159)**	(102,926)
Legal and professional fees		**(367,250)**	(207,061)	**(240,913)**	(120,989)
Motor vehicle expenses		**(268,004)**	(294,461)	**(268,004)**	(294,461)
Occupancy expenses		**(715,860)**	(738,689)	**(712,671)**	(707,617)
Official expenses		**(110,837)**	(121,347)	**(110,837)**	(121,347)
Salaries and related expenses	8	**(7,372,197)**	(7,499,940)	**(7,372,197)**	(7,499,940)
Telephone and internet expenses		**(97,643)**	(114,482)	**(97,643)**	(114,482)
Travel & related expenses		**(719,523)**	(520,957)	**(719,523)**	(520,957)
Impairment expenses		**(79,349)**	(4,025)	**(79,349)**	(4,025)
Grant expenses		**(4,774)**	-	**(4,774)**	-
		(11,661,416)	(11,446,312)	**(11,531,567)**	(11,327,913)
Share of net profit of associates and joint ventures accounted for using the equity method		**315,665**	268,728	**315,665**	268,728
Profit (Loss) before income tax		**(652,914)**	(377,304)	**1,075,037**	(825,363)
Income tax expense	9	**(247,502)**	(116,597)	**-**	-
Profit (Loss) attributable to members		**(900,416)**	(493,901)	**1,075,037**	(825,363)
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Share of gain on revaluation of land and buildings of associates and joint ventures		**238,424**	39,738	**238,424**	39,738
Total comprehensive (loss) income for the year		**(661,992)**	(454,163)	**1,313,461**	(785,625)

The above statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

BALANCE SHEETS
AS AT 30 JUNE 2019

	Notes	Consolidated Group		Parent Entity	
		2019 $	2018 $	2019 $	2018 $
ASSETS					
Current assets					
Cash and cash equivalents	10	**5,498,594**	7,285,666	**5,097,599**	4,057,490
Trade and other receivables	11	**613,422**	932,026	**610,606**	839,473
Other assets	12	**129,718**	119,724	**129,718**	119,724
Financial assets	13	**5,321,895**	-	**5,896,897**	-
Intangibles assets	14	**29,423**	-	**29,423**	-
Property, plant and equipment	15	**1,763,324**	-	**1,763,324**	-
Investment properties	16	**219,594**	-	**219,594**	-
Total current assets		**13,575,970**	8,337,416	**13,747,161**	5,016,687
Non-current assets					
Financial assets	13	**-**	4,943,162	**-**	5,518,164
Intangibles assets	14	**-**	53,753	**-**	53,753
Property, plant and equipment	15	**-**	1,196,440	**-**	1,196,440
Investment properties	16	**-**	233,302	**-**	233,302
Total non-current assets		**-**	6,426,657	**-**	7,001,659
Total assets		**13,575,970**	14,764,073	**13,747,161**	12,018,346
LIABILITIES					
Current liabilities					
Trade and other payables	17	**595,679**	976,692	**594,832**	725,043
Borrowings	18	**-**	-	**575,002**	-
Income tax provision	19	**-**	115,661	**-**	-
Employee benefit obligations	20	**2,157,122**	2,186,559	**2,157,122**	2,186,559
Total current liabilities		**2,752,801**	3,278,912	**3,326,956**	2,911,602
Total liabilities		**2,752,801**	3,278,912	**3,326,956**	2,911,602
Net assets		**10,823,169**	11,485,161	**10,420,205**	9,106,744
MEMBERS' FUND					
Reserves	21	**956,333**	762,812	**956,333**	757,852
Retained profits	22	**9,866,836**	10,722,349	**9,463,872**	8,348,892
Total members' fund		**10,823,169**	11,485,161	**10,420,205**	9,106,744

The above balance sheets should be read in conjunction with the accompanying notes.

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

Consolidated Group	Reserves $	Retained profits $	Total $
Balance at 1 July 2017	1,720,762	10,218,562	11,939,324
(Loss) for the year	-	(493,901)	(493,901)
Other comprehensive income	39,738	-	39,738
Transfer from/to reserve	(997,688)	997,688	-
Balance at 30 June 2018	762,812	10,722,349	11,485,161
Balance at 1 July 2018	**762,812**	**10,722,349**	**11,485,161**
(Loss) for the year	**-**	**(900,416)**	**(900,416)**
Other comprehensive income	**238,424**	**-**	**238,424**
Transfer from/to reserve	**(44,903)**	**44,903**	**-**
Balance at 30 June 2019	**956,333**	**9,866,836**	**10,823,169**
Parent Entity			
Balance at 1 July 2017	745,030	9,147,339	9,892,369
(Loss) for the year	-	(825,363)	(825,363)
Other comprehensive income	39,738	-	39,738
Transfer from/to reserve	(26,916)	26,916	-
Balance at 30 June 2018	757,852	8,348,892	9,106,744
Balance at 1 July 2018	**757,852**	**8,348,892**	**9,106,744**
Profit for the year	**-**	**1,075,037**	**1,075,037**
Other comprehensive income	**238,424**	**-**	**238,424**
Transfer from/ to reserve	**(39,943)**	**39,943**	**-**
Balance at 30 June 2019	**956,333**	**9,463,872**	**10,420,205**

The above statements of changes in equity should be read in conjunction with the accompanying notes.

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STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Consolidated Group		Parent Entity	
		2019	2018	2019	2018
		$	$	$	$
Cash flows from operating activities					
Receipts from other reporting units	29(a)	**4,750,183**	4,601,074	**4,750,183**	4,601,074
Membership fees received		**6,046,250**	6,103,113	**6,046,250**	6,103,113
Receipts from controlled entities	29(b)	**-**	-	**1,611,965**	26,400
LUCRF service fee		**657,576**	237,676	**657,576**	237,676
Other income		**99,315**	275,005	**334,206**	270,701
Payments to suppliers and employees		**(12,098,436)**	(11,670,714)	**(12,044,213)**	(11,528,389)
Payments to other reporting units	29(c)	**(599,870)**	(570,264)	**(599,870)**	(570,264)
Dividends/Distribution received		**366,072**	339,854	**366,072**	339,854
Interest received		**62,903**	68,805	**50,840**	62,419
Income tax (paid) refund		**(363,163)**	18,816	**-**	-
Net cash (outflow) inflow from operating activities	29(d)	**(1,079,170)**	(596,635)	**1,173,009**	(457,416)
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		**154,521**	2,719,250	**154,521**	10,250
Payment for property, plant, equipment and other assets		**(861,168)**	(49,346)	**(861,168)**	(49,346)
Payment for investments		**(1,255)**	-	**(1,255)**	-
Net cash inflow (outflow) from investing activities		**(707,902)**	2,669,904	**(707,902)**	(39,096)
Cash flows from financing activities					
Loan received		**-**	-	**575,002**	-
Loan repayment received		**-**	-	**-**	-
Net cash inflow from investing activities		**-**	-	**575,002**	-
Net (decrease) increase in cash and cash equivalents		**(1,787,072)**	2,073,269	**1,040,109**	(496,512)
Cash and cash equivalents at beginning of financial year		**7,285,666**	5,212,397	**4,057,490**	4,554,002
Cash and cash equivalents at end of financial year	10(a)	**5,498,594**	7,285,666	**5,097,599**	4,057,490

The above statements of cash flows should be read in conjunction with the accompanying notes.

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REPORT REQUIRED UNDER SUBSECTION 255(2A)
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 Reporting Unit for the year ended 30 June 2019.

	Consolidated Group		Parent Entity	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Categories of expenditure				
Remuneration and other employment-related costs and expenses - employees	**7,586,050**	7,693,888	**7,586,050**	7,693,888
Advertising	**-**	11,500	**-**	11,500
Operating costs	**3,845,687**	3,295,139	**3,721,355**	3,295,139
Donations to political parties	**-**	300	**-**	-
Legal costs	**150,330**	111,789	**144,813**	98,017

Due to the specific requirements under subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009*, there will likely be some other costs incurred by the reporting unit which do not fall within the above categories. Accordingly the expenditure reported in this report may not represent 100% of the expenditure actually incurred by the reporting unit.

Signature of designated officer: ______________________

Name of designated officer: TIMOTHY KENNEDY

Title of designated officer: GENERAL SECRETARY

Dated: 18/10/19

The above report should be read in conjunction with the accompanying notes.

1: Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial report includes separate financial statements for National Union of Workers – National Office as an individual entity ("The Parent Entity) and the consolidated group consisting of National Union of Workers – National Office and its subsidiaries ("The Group").

(a) Basis of Preparation

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 – National Office is a not-for-profit entity.

Modified 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 entity, 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 modified 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. Despite the fact that the National Union of Workers will be deregistered, the intention is to amalgamate the National Union of Workers and United Voice and therefore the liquidation basis whereby the value of assets is recorded at their net realisable value and liabilities are recorded at their expected settlement amount is not considered appropriate.

The accounts have therefore been prepared on a modified liquidation basis whereby all assets and liabilities are recorded on a going concern basis but are recorded as current to recognise the fact that the National Union of Workers will cease to exist within a twelve month period.

In adopting this modified liquidation basis, the Committee of Management have continued to apply the disclosure requirements of Australian Accounting Standards, to the extent they are relevant, 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.

1: Summary of significant accounting policies (Continued)

(a) Basis of Preparation (Continued)

Modified Liquidated Basis of Preparation (Continued)

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

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

Compliance with Australian Accounting Standards

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS). A statement of full compliance with IFRS cannot be made due to the group applying the not for profit sector requirements contained in AIFRS

New and amended standards adopted by the group

The group adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Board (AASB) that are relevant to the operations and effective for the current annual reporting period.

The group has assessed the impact of other new and amended standards that came into effect for the first time for the annual reporting period commencing 1 July 2018. These standards did not result in changes to the group's accounting policies and had no effect on the amounts reported for current or prior year financial statements.

Early adoption of standards

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

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group'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 note 2.

Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets, financial assets and liabilities (including derivative instruments)
- certain classes of property, plant and equipment and investment property – measured at fair value
- assets held for sale – measured at fair value less cost of disposal, and
- retirement benefit obligations – plan assets measured at fair value.

1: Summary of significant accounting policies (Continued)

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of National Union of Workers – National Office (''parent entity'') as at 30 June 2019 and the results of all subsidiaries for the year then ended. National Union of Workers – National Office and its subsidiaries together are referred to in this financial report as the Group or the Consolidated Group.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Minority interests in the results and equity of subsidiaries are shown separately in the consolidated income statement and balance sheet respectively.

Investments in subsidiaries are accounted for at cost in the individual financial statements of National Union of Workers – National Office.

(c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major operating activities as follows:

Membership Subscriptions

Membership subscriptions are recognised when the right to receive the fee has been established and the receipt of the fee is certain.

1: Summary of significant accounting policies (Continued)

(c) Revenue Recognition (Continued)

Sustentation Fees

Sustentation fees are recognised when the right to receive the fees has been established.

Directors' fees

Directors' fees are recognised when the right to receive the fee has been established.

Investment revenue

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

Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Other revenue

Other revenue is recognised when the right to receive the revenue has been established.

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

(d) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

1: Summary of significant accounting policies (Continued)

(e) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

In accordance with section 50-15 of the Income Tax Assessment Act, the parent entity as a registered trade union is exempt from income tax.

(f) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

1: Summary of significant accounting policies (Continued)

(g) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(h) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense

Receivables and payables in the balance sheet are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to the ATO as classified as operating cash flow.

(i) 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 group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the group 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 Group'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 Group commits to purchase or sell the asset.

1: Summary of significant accounting policies (Continued)

(i) Financial assets (continued)
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

The Group only has the following financial assets: Financial assets at amortised cost

Financial assets at amortised cost

The Group 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 Group's financial assets at amortised cost includes trade receivables.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or

  b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

1: Summary of significant accounting policies (Continued)

(i) Financial assets (continued)

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 Group 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 Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group 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.

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 Group 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 Group 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 Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group 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.

(j) Financial liabilities

Initial recognition and measurement

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.

The Group’s financial liabilities include trade and other payables and borrowing.

1: Summary of significant accounting policies (Continued)

(j) 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.

(k) 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.

(l) Fair value measurement

The Group measures financial instruments, such as, financial assets as at fair value through the profit and loss, financial assets at fair value through OCI, 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 the Note.

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 group. 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 group 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.

1: Summary of significant accounting policies (Continued)

(l) 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 Group 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 group 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.

(m) Investment in associates

An associate is an entity over which the group 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.

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 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 group 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.

(n) Investment property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the entity. Investment property is carried at cost as is allowed by AASB 140. Cost includes expenditure that is directly attributable to the acquisition of items.

1: Summary of significant accounting policies (Continued)

(o) Intangible assets

Costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to either the software or website intangible assets. Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project. Costs are amortised at the point at which the asset is ready for use. Amortisation is calculated on a straight-line basis over a period of 5 years.

(p) Property, plant and equipment

Each class of property, plant and equipment is carried at historical cost less any accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Depreciation is calculated to allocate cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Class of fixed asset	Depreciation rate	Depreciation basis
Buildings	2.5%	Diminishing Value
Motor Vehicles	18.75 – 25%	Diminishing Value
Office equipment	7.5 – 40%	Diminishing Value
Furniture and fittings	10 – 11.25%	Diminishing Value
Computer equipment	37.5 – 66.66%	Diminishing Value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold; it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

1: Summary of significant accounting policies (Continued)

(q) Employee benefits

(i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long term employee benefit obligations

The liability for long service leave and annual leave are not expected to be settled wholly within 12 months after the period in which the employees rendered the related services. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Retirement benefit obligations

Contributions to the defined contribution section of the group's superannuation fund and other independent defined contribution superannuation funds are recognised as an expense as they become payable.

(r) Comparative figures

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

1: Summary of significant accounting policies (Continued)

(s) New accounting standards and interpretations

In the current year, the group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operation and effective for the accounting period that begins on or after 1 January 2018.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the group include:

Standard	*Effective for annual reporting periods beginning on or after*
AASB 9 Financial Instruments	1 January 2018

Impacts of initial application of AASB 9 Financial Instruments and related amending Standards

In the current year, the group applied AASB Financial Instruments (as amended) and the related consequential amendments to other Accounting Standards that are effective for annual periods that begins on or after 1 January 2018.

AASB 9 introduced new requirements for:
- The classification and measurement of financial assets and financial liabilities;
- Impairment of financial assets, and
- General hedge accounting

The following table explains the original measurement categories under AASB 139 and the new measurement categories under AASB 9 for each class of financial asset and financial liabilities as at 1 July 2018:

	AASB 139 classification	AASB 9 classification	AASB 139 carrying amount $	AASB 9 carrying amount $	AASB 139 carrying amount $	AASB 9 carrying amount $
			Consolidated		**Parent**	
Financial Assets						
Trade and other receivables	Loans and receivables	Amortised cost	1,051,750	932,026	959,197	839,473
Equity securities	Available for sale	FVOCI – equity instrument	714,478	714,478	714,478	714,478
Financial Liabilities						
Trade and other payables	Other financial liabilities	Other financial liabilities	976,692	976,692	725,043	725,043

1: Summary of significant accounting policies (Continued)

(s) New accounting standards and interpretations (Continued)

The effect of classification of changes arising from transitioning from AASB 139 to AASB 9 are shown below:

Group	Available-for-sale financial assets	Equity FVTOCI (AFS under AASB 139) $	Loans and receivables $	Amortised cost (L&R under AASB 139) $
Opening balance under AASB 139, 1 July 2018	714,478	-	1,051,750	-
Re-classification	(714,478)	714,478	(1,051,750)	932,026
Opening balance under AASB 9, 1 July 2018	-	714,478	-	932,026

Parent	Available-for-sale financial assets	Equity FVTOCI (AFS under AASB 139) $	Loans and receivables $	Amortised cost (L&R under AASB 139) $
Opening balance under AASB 139, 1 July 2018	714,478	-	959,197	-
Re-classification	(714,478)	714,478	(959,197)	839,473
Opening balance under AASB 9, 1 July 2018	-	714,478	-	839,473

In relation to the impairment of financial assets, AASB 9 requires an expected credit loss model as opposed to an incurred credit loss model under AASB 139. The expected credit loss model requires the group to account for the expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, AASB 9 requires the group to recognise a loss allowance for expected credit losses on:

- Debt investments measured subsequently at amortised cost or at FVTOCI;
- Lease receivables;
- Trade receivables and contract assets; and
- Financial guarantee contracts to which the impairment requirements of AASB 9 apply.

In particular, AASB 9 requires the group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the group is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. AASB 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

The assessment of impairment of financial assets under AASB 9 didn't have an impact on the group's financial position, profit or loss, other comprehensive income or total comprehensive income in either 2017 or 2018.

1: Summary of significant accounting policies (Continued)

(t) New and amended standards adopted by the group

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods. The group's assessment of the impact of these new standards and interpretations is set out below.

Title of Standard	**AASB 16 Leases (AASB 16)**
Nature of change	AASB 16 was issued in January 2016 and it replaces AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation-115 Operating Leases-Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under AASB 16 is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases. When this standard is first adopted for the year ending 31 December 2019, there will be no material impact on the transactions and balances recognised in the financial statements.
Application date	For NFP entities, AASB 16 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 16. The group plans to adopt AASB 16 on the required effective date of using full retrospective method.

1: Summary of significant accounting policies (Continued)

(t) New accounting standards and interpretations (Continued)

Title of Standard	**AASB 1058 Income of Not-for-Profit Entities (AASB 1058) and AASB 15 Revenue from Contracts with Customers (AASB 15)**
Nature of change	AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities in conjunction with AASB 15. AASB 1058 and AASB 15 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. When this standard is first adopted, there will be no material impact on the transactions and balances recognised in the financial statements.
Application date	For NFP entities, both AASB 1058 and 15 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 15. The Group plans to adopt AASB 15 on the required effective date of using full retrospective method.
Title of Standard	**AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation**
Nature of change	The amendments to AASB 9 clarify that a financial asset passes the solely payments of principal and interest criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. When this standard is first adopted, there will be no material impact on the transactions and balances recognised in the financial statements.
Application date	The amendments apply retrospectively and are effective from 1 January 2019, with earlier application permitted.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2: Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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.

Impairment
The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

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.

(b) Critical judgments in applying the group's accounting policies

Employee entitlements
Management judgement is applies in determining the following key assumptions in the calculation of long service leave at balance date:

- future increase in wages and salaries;
- future on-costs rates; and
- experience of employees departures and period of service.

3: 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 subsection (1) to (3) of sections 272, which read as follows:

Information to be provided to members or the Commissioner:

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

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

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

4: Revenue

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
From continuing operations				
- sustentation fees				
- NUW NSW Branch	**1,285,328**	1,343,165	**1,285,328**	1,343,165
- NUW Vic Branch	**2,339,518**	2,260,583	**2,339,518**	2,260,583
- membership subscriptions	**5,509,839**	5,478,525	**5,509,839**	5,478,525
	9,134,685	9,082,273	**9,134,685**	9,082,273
Other revenue				
- interest	**60,743**	66,745	**48,680**	60,358
- reimbursements from Branches				
- NUW Vic Branch	**122,627**	104,065	**122,627**	104,065
- NUW NSW Branch	**18,788**	-	**18,788**	-
- LUCRF service fee	**416,299**	400,909	**416,299**	400,909
- management fee	**-**	18,143	**-**	18,143
- director fees	**317,927**	318,323	**335,927**	342,323
- investment income	**40,231**	61,115	**40,231**	61,115
- dividends	**7,972**	7,665	**1,600,137**	7,665
- rent	**104,807**	90,919	**104,807**	90,919
- donations	**10,210**	11,620	**10,210**	11,620
- sponsorship	**11,000**	11,000	**11,000**	11,000
- contribution – ACTU Change the Rules	**2,870**	10,620	**2,870**	10,620
- other revenue	**85,346**	32,812	**85,346**	32,812
	10,333,505	10,216,209	**11,931,607**	10,233,822

5: Other income

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Net gain on disposal of property, plant and equipment and investments	**130,419**	584,071	**130,419**	-
Net gain on revaluation of investments	**228,913**	-	**228,913**	-
	359,332	584,071	**359,332**	-

6: Expenses

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
(Loss) profit before income tax expenses includes the following specific expenses:				
Depreciation	**283,514**	370,686	**283,514**	370,686
Amortisation of intangible assets	**24,330**	45,342	**24,330**	45,342
	307,844	416,028	**307,844**	416,028
Defined contribution superannuation expense	**896,047**	939,004	**896,047**	939,004
Rental expenses relating to operating leases				
Minimum lease payments	**520,421**	518,275	**520,421**	518,275
Loss on disposal of property, plant and equipment	**-**	4,611	**-**	4,611
Compulsory levies	**-**	11,510	**-**	11,510
Consideration to employers for payroll deduction	**12,790**	18,934	**12,790**	18,934
Conference and meeting allowances	**141,212**	119,546	**141,212**	119,546
Conference and meeting expenses	**17,186**	10,451	**17,186**	10,451
Donations:				
Total paid that were $1,000 or less	**200**	750	**200**	750
Total paid that exceeded $1,000	**125,556**	25,000	**125,556**	25,000
Sponsorship	**52,359**	12,807	**52,359**	12,807
Grants:				
Total paid that exceeded $1,000	**21,774**	26,385	**21,774**	26,385
Legal fees				
Litigation	**305,241**	340,956	**305,241**	340,956
Litigation funded (a)	**(285,559)**	(259,488)	**(285,559)**	(259,488)
	19,682	81,468	**19,682**	81,468
Other legal matters	**130,648**	30,321	**125,131**	16,549
Total legal fees	**150,330**	111,789	**144,813**	98,017

(a) Litigation Funding

Funding has been provided by an external entity for certain legal fees. This funding is in terms of the indemnity given by the funder under a litigation funding agreement for a class action of which the NUW – General Branch is a party. In terms of the agreement the funders are entitled to claim the amount paid from any successful judgment or out-of-court settlement.

7: Affiliation & capitation fees

	Consolidated Group		Parent Entity	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Affiliation fees				
- ACTU	**424,972**	439,815	**424,972**	439,815
- AIER	**-**	5,000	**-**	5,000
- ALP NT	**309**	295	**309**	295
- ALP Qld	**31,494**	25,336	**31,494**	25,336
- ALP SA	**14,950**	14,874	**14,950**	14,874
- ALP TAS	**1,915**	2,968	**1,915**	2,968
- ALP Vic	**7,322**	6,756	**7,322**	6,756
- ALP WA	**7,753**	7,679	**7,753**	7,679
- APHEDA	**3,819**	3,819	**3,819**	3,819
- Cooperative Power Australia Limited	**1,900**	-	**1,900**	-
- IUF	**96,224**	89,022	**96,224**	89,022
- IUF Regional	**8,000**	8,000	**8,000**	8,000
- Pacific Development	**-**	1,500	**-**	1,500
- QCU	**34,500**	31,520	**34,500**	31,520
- Union TAS	**2,725**	3,270	**2,725**	3,270
- Unions SA	**13,678**	12,936	**13,678**	12,936
- Unions WA	**6,920**	7,769	**6,920**	7,769
	656,481	660,559	**656,481**	660,559

8: Salaries and related expenses

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Employees other than holders of office				
- wages and salaries	**4,899,831**	4,935,855	**4,899,831**	4,935,855
- superannuation	**751,644**	772,026	**751,644**	772,026
- leave and other entitlements	**30,272**	(48,002)	**30,272**	(48,002)
- other employee expenses *(note a)*	**442,610**	443,174	**442,610**	443,174
	6,124,357	6,103,053	**6,124,357**	6,103,053
Holders of office (NCOM)				
- wages and salaries	**876,366**	934,694	**876,366**	934,694
- superannuation	**136,161**	152,796	**136,161**	152,796
- leave and other entitlements	**23,464**	57,207	**23,464**	57,207
- other employee expenses *(note a)*	**79,164**	83,923	**79,164**	83,923
	1,115,155	1,228,620	**1,115,155**	1,228,620
Other staff costs (note b)	**132,685**	168,267	**132,685**	168,267
	7,372,197	7,449,940	**7,372,197**	7,449,940

(a) Other employee expenses primarily comprise employee insurance, payroll tax and workcover.
(b) Other staff costs primarily comprise contract staff, recruitment expenses and training expenses.

9: Income tax expense

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
(a) Income of tax expense:				
Current tax	**247,502**	116,597	**-**	-
Deferred tax	**-**	-	**-**	-
	247,502	116,597	**-**	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable:				
Profit (Loss) from continuing operations before income tax expense	**(652,914)**	(377,304)	**1,075,037**	(825,363)
Prima facie income tax payable on (loss) profit before income tax at 27.5% (2018 – 27.5%)	**(179,551)**	(103,759)	**295,635**	(247,609)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Other adjustments	**-**	(27,253)	**-**	-
Prior year adjustment for subsidiary	**247,502**	-	**-**	-
Tax losses not recognised	**37,740**	-	**-**	-
Non-taxable income	**141,811**	247,609	**(295,635)**	247,609
Income tax expense attributable to (loss) profit	**247,502**	116,597	**-**	-

10: Cash and cash equivalents

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Cash In hand	**444**	205	**444**	205
Cash at bank	**4,833,349**	5,972,461	**4,742,155**	3,002,285
Term deposits	**664,801**	1,313,000	**355,000**	1,055,000
	5,498,594	7,285,666	**5,097,599**	4,057,490

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statements of cash flows as follows:

Balances as above	**5,498,594**	7,285,666	**5,097,599**	4,057,490
Bank overdrafts	**-**	-	**-**	-
Balances per statement of cash flows	**5,498,594**	7,285,666	**5,097,599**	4,057,490

11: Trade and other receivables

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Receivable from other reporting units				
NUW NSW Branch	**107,371**	130,752	**107,371**	130,752
NUW Victorian Branch	**251,188**	274,646	**251,188**	274,646
	358,559	405,398	**358,559**	405,398
Loss Allowance	**-**	-	**-**	-
	358,559	405,398	**358,559**	405,398
Other				
Other receivables	**254,863**	526,628	**252,047**	434,075
Distribution receivables – IPP Trust	**178,222**	178,222	**178,222**	178,222
Loss Allowance	**(178,222)**	(178,222)	**(178,222)**	(178,222)
	254,863	526,628	**252,047**	434,075
	613,422	932,026	**610,606**	839,473

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore classified as current. No interest is charged on outstanding trade receivables. Trade receivables are recognised initially at the transaction amount. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. Trade receivables consists of many members and customers, spread across diverse industries and geographical areas. The Group does not have any significant credit risk exposure to any single party or group of counter parties having similar characteristics and the maximum exposure to credit risk is equal to the value of our receivables. The movement in the allowance for impairment in respect of trade receivables is as follows.

(d) Movements in the loss allowance

	2019	2018
	$	$
At 1 July	**178,222**	178,222
Loss allowance	**-**	-
At 30 June	**178,222**	178,222

Fair value of trade and other receivables

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

12: Other assets

	Consolidated Group 2019 $	Consolidated Group 2018 $	Parent Entity 2019 $	Parent Entity 2018 $
Prepayments	**129,718**	119,724	**129,718**	119,724

13: Financial assets

		Consolidated Group 2019 $	Consolidated Group 2018 $	Parent Entity 2019 $	Parent Entity 2018 $
Available-for-sale financial assets	a	**-**	714,478	**-**	714,478
Financial assets at fair value thought other comprehensive income (FVOCI)	a	**756,010**	-	**756,010**	-
Other investments	b	**-**	-	**575,002**	575,002
Investments accounted for using the equity method	c	**4,565,885**	4,228,684	**4,565,885**	4,228,684
		5,321,895	4,943,162	**5,896,897**	5,518,164

		Consolidated Group 2019	Consolidated Group 2018	Parent Entity 2019	Parent Entity 2018
(a) Financial assets at fair value thought other comprehensive income (FVOCI)					
Listed investment, at fair value		**$**	$	**$**	$
- shares in listed trusts and shares	d	**732,179**	-	**732,179**	-
Unlisted investment, at cost					
- units in unit trusts	e	**23,688**	-	**23,688**	-
- shares in unlisted companies	f	**143**	-	**143**	-
		756,010	-	**756,010**	-
Available-for-sale financial assets					
Listed investment, at fair value					
- shares in listed trusts and shares	d	**-**	690,747	**-**	690,747
Unlisted investment, at cost					
- units in unit trusts	e	**-**	23,688	**-**	23,688
- shares in unlisted companies	f	**-**	43	**-**	43
		-	714,478	**-**	714,478

	Consolidated Group 2019 $	Consolidated Group 2018 $	Parent Entity 2019 $	Parent Entity 2018 $
(b) Other investments:				
Shares in subsidiaries	**-**	-	**575,002**	575,002
	-	-	**575,002**	575,002

13: Financial assets (Continued)

(c) Investments accounted for using the equity method

Set out below are the associates and joint ventures of the group as at 30 June 2019 which, in the opinion of the directors, are material to the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Country of incorporation	Nature of ownership	% of ownership 2019	% of ownership 2018	Carrying amount 2019 $	Carrying amount 2018 $
833 Bourke Street Unit Trust	Australia	Associate (1)	15.89%	15.89%	**3,757,906**	3,519,481
87 St Vincent Unit Trust	Australia	Associate (2)	25%	25%	**737,257**	548,620
IPP Pty Ltd & Trust	Australia	Associate (3)	8%	8%	**70,722**	160,583
					4,565,885	4,228,684

- the above are private entities and therefore no quoted prices are available.

(1) 833 Bourke Street Unit Trust operates as a property investor. The National Office and Victorian Branch of the National Union of Workers jointly hold units in the trust. These units are registered in the name of the “National Union of Workers”. Because of this, it is considered that the necessary significant influence exists to require that the investment is accounted for using the equity method.

(2) 87 St Vincent Unit Trust operates as a property investor.

(3) IPP Pty Ltd and the associated trust provide marketing, graphic design and communication services. The National Office and Victorian Branch of the National Union of Workers jointly hold shares in Industrial Printing and Publishing Pty Ltd and units in IPP Property Trust. These units and shares are registered in the name of the “National Union of Workers”. Because of this, it is considered that the necessary significant influence exists to require that the investment is accounted for using the equity method.

(i) There are no commitments or contingent liabilities in respect of the associates.

13: Financial assets (Continued)

(c) Investments accounted for using the equity method (Continued)

(ii) Summarised financial information for associates

The tables below provide summarised financial information for those associates that are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not National Union of Workers-National Office's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

	833 Bourke St Unit Trust		87 St Vincent Unit Trust		IPP Pty Ltd & Trust	
Summarised balance sheet	**2019 $**	**2018 $**	**2019 $**	**2018 $**	**2019 $**	**2018 $**
Total current assets	**309,639**	327,887	**125,138**	370,007	**586,626**	335,366
Total non-current assets	**23,500,000**	22,000,000	**2,850,000**	1,850,000	**5,912,215**	5,980,929
Total assets	**23,809,639**	22,327,887	**2,975,138**	2,220,007	**6,498,841**	6,316,295
Total current liabilities	**167,575**	185,823	**26,111**	25,525	**2,984,199**	2,849,283
Total non-current liabilities	**-**	-	**-**	-	**1,623,783**	1,443,721
Total liabilities	**167,575**	185,823	**26,111**	25,525	**4,607,982**	4,293,004
Net assets	**23,642,064**	22,142,064	**2,949,027**	2,194,482	**1,890,859**	2,023,291
Reconciliation to carrying amounts						
Opening net assets 1 July	**22,142,064**	**21,892,064**	**2,194,482**	2,194,482	**2,023,291**	2,472,199
Profit (loss) for the period	**3,320,512**	**2,035,012**	**901,768**	82,516	**(132,432)**	(448,908)
Other comprehensive income	**-**	**-**	**-**	-	**-**	-
Distribution/Dividends paid	**(1,820,512)**	**(1,785,012)**	**(147,223)**	(82,516)	**-**	-
Closing net assets	**23,642,064**	**22,142,064**	**2,949,027**	2,194,482	**1,890,859**	2,023,291
Group's share in %	**15.89%**	15.89%	**25%**	25%	**8%**	8%
Group's share in $	**3,757,906**	3,519,481	**737,257**	548,620	**150,071**	160,583
Additional impairment	**-**	-	**-**	-	**(79,349)**	-
Carrying amount	**3,757,906**	3,519,481	**737,257**	548,620	**70,722**	160,583

13: Financial assets (Continued)

(c) Investments accounted for using the equity method (Continued)

(ii) Summarised financial information for associates (Continued)

	833 Bourke St Unit Trust		87 St Vincent Unit Trust		IPP Pty Ltd & Trust	
Summarised statement of comprehensive income	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**	**$**	**$**
Revenue	**3,341,497**	**1,813,520**	**937,308**	106,348	**4,274,739**	4,121,769
Profit from continuing operation	**3,320,512**	**2,035,012**	**901,768**	82,516	**(132,432)**	(448,908)
Profit from discontinued operation	**-**	**-**	**-**	-	**-**	-
Profit for the period	**3,320,512**	**2,035,012**	**901,768**	82,516	**(132,432)**	(448,908)
Other comprehensive income	**-**	**-**	**-**	-	**-**	-
Total comprehensive income	**3,320,512**	**2,035,012**	**901,768**	82,516	**(132,432)**	(448,908)
Distribution / Dividends received from associates	**289,370**	**283,728**	**36,806**	20,629	**-**	-

	Consolidated Group		Parent Entity	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
(d) Movements in fair value of listed investment during the financial year:				
Opening balance	**690,747**	694,772	**690,747**	694,772
Net Additions	**1,155**	-	**1,155**	-
Fair value adjustment	**40,277**	(4,025)	**40,277**	(4,025)
Closing balance	**732,179**	690,747	**732,179**	690,747
(e) Movements in unlisted investment (units in unit trusts) – at cost during the financial year:				
Opening balance	**23,688**	23,688	**23,688**	23,688
Addition – at cost	**-**	-	**-**	-
Closing balance	**23,688**	23,688	**23,688**	23,688
(f) Movements in unlisted investment (units in unit trusts) – at cost during the financial year:				
Opening balance	**43**	43	**43**	43
Addition – at cost	**100**	-	**100**	-
Closing balance	**143**	43	**143**	43

14: Intangible assets

	Consolidated Group		Parent Entity	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Website				
Costs	**279,584**	279,584	**279,584**	279,584
Less: accumulated amortisation	**(256,323)**	(236,923)	**(256,323)**	(236,923)
	23,261	42,661	**23,261**	42,661
Software				
Costs	**24,650**	24,651	**24,650**	24,651
Less: accumulated amortisation	**(18,488)**	(13,559)	**(18,488)**	(13,559)
	6,162	11,092	**6,162**	11,092
Total intangible assets	**29,423**	53,753	**29,423**	53,753

Reconciliation of the Opening and Closing Balances of Intangibles:

	Consolidated Group 2019	Consolidated Group 2018	Parent Entity 2019	Parent Entity 2018
Website				
Opening net book amount	**42,661**	83,073	**42,661**	83,073
Amortisation	**(19,400)**	(40,412)	**(19,400)**	(40,412)
Closing net book amount	**23,261**	42,661	**23,261**	42,661
Software				
Opening net book amount	**11,092**	16,022	**11,092**	16,022
Amortisation	**(4,930)**	(4,930)	**(4,930)**	(4,930)
Closing net book amount	**6,162**	11,092	**6,162**	11,092
Total intangible assets	**29,423**	53,753	**29,423**	53,753

15: Property, plant and equipment

	Consolidated Group		Parent Entity	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Buildings				
At cost	**282,205**	282,205	**282,205**	282,205
Less accumulated depreciation	**(78,031)**	(73,864)	**(78,031)**	(73,864)
	204,174	208,341	**204,174**	208,341
Total property	**204,174**	208,341	**204,174**	208,341
PLANT AND EQUIPMENT				
Motor vehicles				
At cost	**1,076,179**	951,060	**1,076,179**	951,060
Less accumulated depreciation	**(295,552)**	(847,760)	**(295,552)**	(847,760)
	780,627	103,300	**780,627**	103,300
Office equipment				
At cost	**154,130**	148,511	**154,130**	148,511
Less accumulated depreciation	**(121,352)**	(116,779)	**(121,352)**	(116,779)
	32,778	31,732	**32,778**	31,732
Computer equipment				
At cost	**392,685**	384,695	**392,685**	384,695
Less accumulated depreciation	**(324,590)**	(263,253)	**(324,590)**	(263,253)
	68,095	121,442	**68,095**	121,442
Furniture, fixtures and fittings				
At cost	**1,275,660**	1,272,319	**1,275,660**	1,272,319
Less accumulated depreciation	**(598,010)**	(540,694)	**(598,010)**	(540,694)
	677,650	731,625	**677,650**	731,625
Total plant and equipment	**1,559,150**	988,099	**1,559,150**	988,099
Total property, plant and equipment	**1,763,324**	1,196,440	**1,763,324**	1,196,440

15: Property, plant and equipment (Continued)

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the year:

2018 – Group	Freehold buildings	Furniture, fixture & fittings	Vehicles	Office equipment	Computer equipment	Total
	$	$	$	$	$	$
Opening net book amount	212,593	789,372	338,305	38,237	140,993	1,519,500
Additions	-	61	-	2,467	46,818	49,346
Disposals	-	-	(11,284)	(3,412)	(787)	(15,483)
Depreciation	(4,252)	(57,808)	(223,721)	(5,560)	(65,582)	(356,923)
Closing net book amount	208,341	731,625	103,300	31,732	121,442	1,196,440

2019 – Group	Freehold buildings	Furniture, fixture & fittings	Vehicles	Office equipment	Computer equipment	Total
	$	$	$	$	$	$
Opening net book amount	**208,341**	**731,625**	**103,300**	**31,732**	**121,442**	**1,196,440**
Additions	**-**	**3,340**	**844,220**	**5,619**	**7,989**	**861,168**
Disposals	**-**	**-**	**(24,475)**	**-**	**-**	**(24,475)**
Depreciation	**(4,167)**	**(57,315)**	**(142,418)**	**(4,573)**	**(61,336)**	**(269,809)**
Closing net book amount	**204,174**	**677,650**	**780,627**	**32,778**	**68,095**	**1,763,324**

2018 - Parent	Freehold buildings	Furniture, fixture & fittings	Vehicles	Office equipment	Computer equipment	Total
	$	$	$	$	$	$
Opening net book amount	212,593	789,372	338,305	38,237	140,993	1,519,500
Additions	-	61	-	2,467	46,818	49,346
Disposals	-	-	(11,284)	(3,412)	(787)	(15,483)
Depreciation	(4,252)	(57,808)	(223,721)	(5,560)	(65,582)	(356,923)
Closing net book amount	208,341	731,625	103,300	31,732	121,442	1,196,440

2019 - Parent	Freehold buildings	Furniture, fixture & fittings	Vehicles	Office equipment	Computer equipment	Total
	$	$	$	$	$	$
Opening net book amount	**208,341**	**731,625**	**103,300**	**31,732**	**121,442**	**1,196,440**
Additions	**-**	**3,340**	**844,220**	**5,619**	**7,989**	**861,168**
Disposals	**-**	**-**	**(24,475)**	**-**	**-**	**(24,475)**
Depreciation	**(4,167)**	**(57,315)**	**(142,418)**	**(4,573)**	**(61,336)**	**(269,809)**
Closing net book amount	**204,174**	**677,650**	**780,627**	**32,778**	**68,095**	**1,763,324**

(b) Non-current assets pledged as security

None of the non-current assets pledged as security by the parent entity and its controlled entity.

16: Investment property

	Consolidated		Parent entity	
	2019	2018	2019	2018
	$	$	$	$
At cost or fair value	**330,839**	330,839	**330,839**	330,839
Less accumulated depreciation	**(111,245)**	(97,537)	**(111,245)**	(97,537)
	219,594	233,302	**219,594**	233,302

(a) Amounts recognised in the statement of comprehensive income for investment properties

Rental income	**133,353**	117,364	**133,353**	117,364
Direct operating expenses from property that generated rental income	**(39,055)**	(38,391)	**(39,055)**	(38,391)
Direct operating expenses from property that did not generate rental income	**-**	-	**-**	-
	94,298	78,973	**94,298**	78,973

(b) Leasing arrangements

Investment properties are leased to tenants under long-term operating leases with the rental payable monthly. Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:

Within one year	**89,012**	89,012	**89,012**	89,012
Later than one year but not later than five years	**311,542**	400,554	**311,542**	400,554
Later than five years	**-**	-	**-**	-
	400,554	489,566	**400,554**	489,566

(c) Movements

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Opening net book amount	**233,302**	2,198,730	**233,302**	247,065
Disposals	**-**	(1,951,665)	**-**	-
Depreciation charge	**(13,708)**	(13,763)	**(13,708)**	(13,763)
Closing net book amount	**219,594**	233,302	**219,594**	233,302

17: Trade and other payables

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Unsecured				
Trade payables	**166,564**	148,953	**166,564**	148,851
Legal cost payables – litigation	**24,137**	26,943	**24,137**	26,943
Amount payables to other reporting units				
- NUW Victorian Branch	**31,350**	36,685	**31,350**	36,685
Other payables	**373,628**	764,111	**372,781**	512,564
	595,679	976,692	**594,832**	725,043

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

18: Borrowing

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Amount due to subsidiary	**-**	-	**575,002**	-

19: Tax provision

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Income tax payable	**-**	115,661	**-**	-

20: Employee benefit obligations

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Holders of office (NCOM):				
Annual leave	**325,568**	384,928	**325,568**	384,928
Long service leave	**430,566**	420,938	**430,566**	420,938
Total holders of office	**756,134**	805,866	**756,134**	805,866

20: Employee benefit obligations (Continued)

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Employees other than holders of office:				
Annual leave	**668,448**	660,066	**668,448**	660,066
Long service leave	**732,540**	720,627	**732,540**	720,627
Total employees other than office holders:	**1,400,988**	1,380,693	**1,400,988**	1,380,693
Total employee provisions	**2,157,122**	2,186,559	**2,157,122**	2,186,559

(a) Employee benefits - long service leave

A provision has been recognised for future employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on an assessment of the individual employee's circumstances. The measurement and recognition criteria for employee benefits have been included in Note 1.

21: Reserves

		Consolidated Group		Parent Entity	
		2019	2018	2019	2018
		$	$	$	$
Strike/Distress fund reserve	a	**-**	42,813	**-**	42,813
ACTU Change the rules reserve	b	**13,490**	10,620	**13,490**	10,620
Asset revaluation reserve	c	**942,843**	704,419	**942,843**	704,419
Capital profit reserve	d	**-**	4,960	**-**	-
		956,333	762,812	**956,333**	757,852

(a) Strike / Distress fund reserve	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Movements in reserve were as follows:				
Balance 1 July	**42,813**	80,349	**42,813**	80,349
Net transfer from retained profits consists of:				
- Interest received	**132**	836	**132**	836
- Contributions received	**7,725**	30,900	**7,725**	30,900
- Expenses incurred	**(17,291)**	(69,272)	**(17,291)**	(69,272)
- Closure of distress fund bank account	**(33,379)**	-	**(33,379)**	-
Net transfer from retained profits	**(42,813)**	(37,536)	**(42,813)**	(37,536)
Balance 30 June	**-**	42,813	**-**	42,813

The strike/distress fund reserve was established to cover emergency assistance to members.

21: Reserves (Continued)

(b) ACTU Change the rules reserve

	Consolidated Group		Parent Entity	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Movements in reserve were as follows:				
Balance 1 July	**10,620**	-	**10,620**	-
Net transfer from retained profits consists of:				
- Contributions received	**2,870**	10,620	**2,870**	10,620
- Expenses incurred	**-**	-	**-**	-
Net transfer from retained profits	**2,870**	10,620	**2,870**	10,620
Balance 30 June	**13,490**	10,620	**13,490**	10,620

The ACTU Change the rules reserve consists of voluntary contributions received and payments made in connection with the ACTU Change the rules campaign.

(c) Asset revaluation reserve

	Consolidated Group		Parent Entity	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Movements in reserve were as follows:				
Balance 1 July	**704,419**	1,635,453	**704,419**	664,681
Share of revaluation surplus	**238,424**	39,738	**238,424**	39,738
Movement during the year	**-**	(970,772)	**-**	-
Balance 30 June	**942,843**	704,419	**942,843**	704,419

The asset revaluation reserve records the revaluation of capital assets.

(d) Capital profit reserve

	Consolidated Group		Parent Entity	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Movements in reserve were as follows:				
Balance 1 July	**4,960**	4,960	**-**	-
Movement during the year	**(4,960)**	-	**-**	-
Balance 30 June	**-**	4,960	**-**	-

The capital profit reserve records non-taxable profits on sale of capital assets.

22: Retained profits

	Consolidated Group		Parent Entity	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Movements in retained profits were as follows:				
Balance 1 July	**10,722,349**	10,218,562	**8,348,892**	9,147,339
Transfer to reserves	**-**	(10,620)	**-**	(10,620)
Transfer from reserves	**44,903**	1,008,308	**39,943**	37,536
Net (loss) profit for the year	**(900,416)**	(493,901)	**1,075,037**	(825,363)
Balance 30 June	**9,866,836**	10,722,349	**9,463,872**	8,348,892

No specific funds or accounts have been operated in respect of compulsory levies or voluntary contributions.

23: Events occurring after reporting date

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 translated 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.

Apart from the above, no other matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the Group, the results of those activities or the state of affairs of the Group in the ensuing or any subsequent financial year.

24: Contingencies

At 30 June 2019, no contingencies exist.

25: Commitments

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year	**196,184**	**196,184**	**196,184**	196,184
Later than one year but not later than five years	**587,072**	**783,256**	**587,072**	783,256
More than 5 years	**-**	**-**	**-**	-
	783,256	**979,440**	**783,256**	979,440

The group leases office and equipment under non-cancellable operating leases expiring within one to five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated

26: Auditor's remuneration

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
During the year the following fees were paid or payable for services provided by the auditor of the parent entity and non-related audit firms:				
(a) Audit and other assurance services – parent entity audit				
Audit or review of the financial report	**45,550**	44,730	**45,550**	44,730
Other audits	**4,125**	4,855	**4,125**	4,855
Other services	**7,300**	7,200	**7,300**	7,200
	56,975	56,785	**56,975**	56,785
(b) Remuneration of other auditors of subsidiaries				
Audit or review of the financial report	**4,500**	4,300	-	-
Other services	**1,820**	3,000	-	-
	6,320	7,300	-	-

27: Related party transactions

(a) Parent entity
The parent entity within the Group is National Union of Workers – National Office.

(b) Subsidiaries
The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of shares	Equity holding 2019	Equity holding 2018
Labour Union Investment & Property Services Pty Ltd	Australia	Ordinary	100%	100%

(c) Transactions with related parties

	Consolidated Group	
	2019	2018
	$	$
Sales of goods and services		
Sustentation fees received from Branches	**3,624,846**	3,603,748
Purchases of goods and services		
Reimbursements to Branches	**141,415**	104,065

(d) Outstanding balances arising from sales/purchases of goods and services
These balances are included in the notes on receivables and payables.

There is no allowance account for impaired receivable in relation to any outstanding balances, and no expense has been recognised in respect of any impaired receivables due from related parties.

(e) Other transactions

- As part of directorship arrangement, director fees earned by any officers or employees who are directors of a company or trustee of superannuation scheme due to their positions of the entity, are paid to the group directly. The superannuation contributions related to the director fees paid are paid to the officer's superannuation fund.
- There were no transactions between the officers of the branch other than those relating to reimbursement by the branch in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which is reasonable to expect would have been adopted by parties at arm's length.

(f) Loans to key management personnel

There are no loans between key management personnel and the group.

27: Related party transactions (Continued)

(g) The names of the National Committee of Management (NCOM) and period positions held during the financial year

Name	*Position*
Caterina Cinanni	General President
Susie Allison	General Vice President
Gary Maas	General Vice President (resigned 1 August 2018)
Dario Mujkic	General Vice President (from 3 August 2018)
Ron Herbert	General Vice President (until 3 September 2018)
Sam Roberts	General Vice President
Jill Batt	General Vice President (until 3 September 2018)
Imogen Beynon	General Vice President (from 3 September 2018)
Martin Cartwright	General Vice President (from 3 September 2018)
Sharon Morris	General Vice President (from 3 September 2018)
Tim Kennedy	General Secretary
Paul Richardson	Assistant General Secretary
Martin Cartwright	Branch Secretary (until 3 September 2018)

Elections for new offices were conducted in May 2018 by the Australian Electoral Commission (E2018/25) with new and re-elected officers commencing their term on 3 September 2018. Except where otherwise noted all persons were members of the committee for the entire reporting period.

(h) Key management personnel compensation	**Consolidated Group**		**Parent Entity**	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
The aggregate compensation made to key management personnel of the Group is as follows:				
Short-term employee benefits				
Salary (including leave taken)	**802,952**	908,826	**802,952**	908,826
Annual leave accrued	**99,645**	107,787	**99,645**	107,787
Total short-term employee benefits	**902,597**	1,016,613	**902,597**	1,016,613
Post-employment benefits:				
Superannuation	**136,161**	152,796	**136,161**	152,796
Total post-employment benefits	**136,161**	152,796	**136,161**	152,796
Other long-term benefits:				
Long-service leave accrued	**25,907**	28,025	**25,907**	28,025
Total other long-term benefits	**25,907**	28,025	**25,907**	28,025
Termination benefits	**-**	-	**-**	-
Total	**1,064,665**	1,197,434	**1,064,665**	1,197,434

28:Analysis of comprehensive income of parent entity

In order for the members of the General Branch to more readily understand the operations of the branch the following analysis is presented:

	This year			Last year		
	$	$	$	$	$	$
	General Branch	National Office	Total	General Branch	National Office	Total
Revenue from continuing operations	**74,829**	**11,856,778**	**11,931,607**	44,270	10,189,552	10,233,822
Other income	**-**	**359,332**	**359,332**	-	-	-
Administrative expenses	**(73,018)**	**(725,209)**	**(798,227)**	(170,996)	(676,862)	(847,858)
Affiliation fee	**(123,466)**	**(533,015)**	**(656,481)**	(113,403)	(547,156)	(660,559)
Campaign expenses	**-**	**(182,924)**	**(182,924)**	(11,510)	(176,450)	(187,960)
Delegates and members expenses	**(204,261)**	**(1,603)**	**(205,864)**	(139,238)	(5,554)	(144,792)
Industrial and service expenses	**(53,502)**	**(28,657)**	**(82,159)**	(39,761)	(63,165)	(102,926)
Legal and professional fees	**(48,001)**	**(192,913)**	**(240,914)**	(71,274)	(49,715)	(120,989)
Motor vehicle expenses	**(198,203)**	**(69,801)**	**(268,004)**	(214,090)	(80,371)	(294,461)
Occupancy expenses	**-**	**(712,671)**	**(712,671)**	(312,886)	(394,731)	(707,617)
Official conference expenses	**(57,434)**	**(53,403)**	**(110,837)**	(47,204)	(74,143)	(121,347)
Salaries and related expenses	**(3,536,950)**	**(3,835,247)**	**(7,372,197)**	(3,923,757)	(3,576,183)	(7,499,940)
Telephone and internet expenses	**(1,421)**	**(96,222)**	**(97,643)**	(70,758)	(43,724)	(114,482)
Travel and related expenses	**(523,792)**	**(195,731)**	**(719,523)**	(316,055)	(204,902)	(520,957)
Impairment of financial assets	**-**	**(79,349)**	**(79,349)**	-	(4,025)	(4,025)
Grant expenses	**-**	**(4,774)**	**(4,774)**	-	-	-
Total expenses	**(4,820,048)**	**(6,711,519)**	**(11,531,567)**	(5,430,932)	(5,896,981)	(11,327,913)
Share of net profit of associates & joint ventures accounted for using the equity method	**-**	**315,665**	**315,665**	-	268,728	268,728
(Loss)/Profit before income tax	**(4,745,219)**	**5,820,256**	**1,075,037**	(5,386,662)	4,561,299	(825,363)
Income tax expense	-	-	-	-	-	-
(Loss)/Profit attributable to members	**(4,745,219)**	**5,820,256**	**1,075,037**	(5,386,662)	4,561,299	(825,363)
Other comprehensive income	**-**	**238,424**	**238,424**	-	39,738	39,738
Total comprehensive (loss) income for the year	**(4,745,219)**	**6,058,680**	**1,313,461**	(5,386,662)	4,601,037	(785,625)

Attention is drawn to Rule 32 of the NUW Rules which effectively considers all income including membership contributions being part of the National Fund (National Office). The General Branch is funded by an allocation of money by the National Fund (National Office). This is reflected in the above analysis.

29: Cash flow information

(a) Receipts from other reporting units

(Sustentation fees and reimbursements)	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Branches				
New South Wales	**1,490,117**	1,514,001	**1,490,117**	1,514,001
Other reporting units				
Victoria	**3,227,704**	3,087,073	**3,227,704**	3,087,073
United Voice Queensland Branch	**32,362**	-	**32,362**	-
	4,750,183	4,601,074	**4,750,183**	4,601,074

(b) Receipts from controlled entities	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Dividend received from Labour Union Investment & Property Services Pty Ltd	**-**	-	**1,592,165**	-
Director fees from Labour Union Investment & Property Services Pty Ltd	**-**	-	**19,800**	26,400
	-	-	**1,611,965**	26,400

(c) Payments to other reporting units	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Branches				
New South Wales	**31,902**	27,564	**31,902**	27,564
Victoria	**436,543**	542,700	**436,543**	542,700
Other reporting units				
United Voice - WA Branch	**19,816**	-	**19,816**	-
United Voice National Council	**95,844**	-	**95,844**	-
United Voice Queensland Branch	**15,765**	-	**15,765**	-
	599,870	570,264	**599,870**	570,264

29: Cash flow information (Continued)

(d) Reconciliation of cash flow from operations with (loss) profit after income tax	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
(Loss) profit after income tax	**(900,416)**	(493,901)	**1,075,037**	(825,363)
Non-cash flows in (loss) profit				
Depreciation & amortisation	**307,844**	416,028	**307,844**	416,028
Unrealised (gain) on investments	**(228,913)**	-	**(228,913)**	-
Impairment expenses	**79,349**	4,025	**79,349**	4,025
Non-cash distribution	**10,510**	36,249	**10,510**	36,249
Net (profit) loss on disposal of property, plant and equipment	**(130,042)**	(579,460)	**(130,042)**	4,611
Changes in assets and liabilities				
(Increase) Decrease in receivables	**308,610**	(133,142)	**218,873**	(127,821)
(Decrease) Increase in payables	**(381,015)**	(7,663)	**(130,213)**	9,039
(Decrease) Increase in income tax provision	**(115,661)**	135,413	**-**	-
(Decrease) Increase in provisions	**(29,436)**	25,816	**(29,436)**	25,816
Net cash flows from operating activities	**(1,079,170)**	(596,635)	**1,173,009**	(457,416)

30: Capital management

The group manages its capital to ensure that it will be able to continue as a going concern while maximising the return on investments. The Committee of Management ensure that the overall risk management strategy is in line with this objective.

The capital structure of the group consists of cash and cash equivalents, listed securities and members' funds, comprising reserves and retained earnings.

The Committee of Management effectively manages the group's capital by assessing the group's financial risk and responding to changes in these risks and in the market. These responses may include the consideration of debts levels. There have been no changes to the strategy adopted by Committee of Management to control capital of the group since the previous year. No operations of the group are subject to external imposed capital requirements.

31: Financial risk management

The group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group. The group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, other price risks and aging analysis for credit risk.

Risk management is carried out by management under policies as advised to the National Committee of Management (NCOM). The management identifies, evaluates and hedges financial risks as part of regular meetings. This identification and analysis includes an analysis of interest rate exposure and the evaluation of strategies in the context of most recent economic conditions.

(a) Market risk
(i) Foreign exchange risk
The Group is not exposed to foreign exchange risk.

(ii) Price risk
The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the balance sheet either as available-for-sale or at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the group only maintains a small portfolio.

The Group is not exposed to commodity price risk.

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

The table below summarises the impact of increases/decreases of the indexes on the Group's post-tax profit for the year and on equity. The analysis is based on the assumption that the equity indexes had increased/(decreased) by 10% (2018 - 10%) with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index.

	Consolidated Group		Parent Entity	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Effect on equity:				
Increase of equity index by 10%	**73,218**	69,074	**73,218**	69,074
Decrease of equity index by 10%	**(73,218)**	(69,074)	**(73,218)**	(69,074)

Equity would further increase/decrease as a result of gains/ (losses) on equity securities classified as available-for-sale.

The price risk for the unlisted securities is immaterial in terms of the possible impact on profit or loss or total equity. It has therefore not been included in the sensitivity analysis.

(iii) Cash flow and fair value interest rate risk
The group has no borrowings and is therefore not exposed to interest rate risk on liabilities. The group has investments in a variety of interest-bearing assets which have fixed interest rates and therefore are not subject to interest rate volatility.

31: Financial risk management (Continued)

(b) Credit risk
Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. Cash transactions are limited to high credit quality financial institutions. Currently the investments are held in Australian banks. The group has no significant concentrations of credit risk. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

The credit quality of financial assets can be assessed by reference to external credit ratings as follows:

	Consolidated Group		Parent Entity	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Cash at bank:				
AA- Rating	**5,227,302**	6,846,282	**4,826,307**	3,618,107
BBB Rating	**270,848**	439,179	**270,848**	439,178
	5,498,150	7,285,461	**5,097,155**	4,057,285

(c) Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions

(d) Sensitivity analysis

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

	Consolidated Group		Parent Entity	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Effect on results:				
Increase of interest rates by 2%	**109,963**	145,709	**101,943**	81,145
Decrease of interest rates by 2%	**(109,963)**	(145,709)	**(101,943)**	(81,145)

31: Financial risk management (Continued)

(e) Maturity profile of financial instruments
The maturity profile of financial assets and liabilities held are detailed below

Group
2019

	Weighted Average Interest rate	Floating Interest rate	1 year or less	1 to 2 years	2 to 5 years	Non Interest bearing	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash at bank	1.01	4,833,349	664,801	-	-	444	5,498,594
Amounts due from branches		-	-	-	-	358,559	358,559
Other receivables		-	-	-	-	254,863	254,863
Investments	7	5,321,895	-	-	-	-	5,321,895
		10,155,244	664,801	-	-	613,866	11,433,911
Financial Liabilities							
Trade creditors		-	-	-	-	222,051	222,051
Other payables		-	-	-	-	373,628	373,628
		-	-	-	-	595,679	595,679
Net Financial Assets		10,155,244	664,801	-	-	18,387	10,838,232

Group
2018

	Weighted Average Interest rate	Floating Interest rate	1 year or less	1 to 2 years	2 to 5 years	Non Interest bearing	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash at bank	0.95	5,972,461	1,313,000	-	-	205	7,285,666
Amounts due from branches		-	-	-	-	405,398	405,398
Other receivables		-	-	-	-	526,628	526,628
Investments	7	4,943,162	-	-	-	-	4,943,162
		10,915,623	1,313,000	-	-	932,231	13,160,854
Financial Liabilities							
Trade creditors		-	-	-	-	212,581	212,581
Other payables		-	-	-	-	764,111	764,111
		-	-	-	-	976,692	976,692
Net Financial Assets (Liabilities)		10,915,623	1,313,000	-	-	(44,461)	12,184,162

31: Financial risk management (Continued)

(e) Maturity profile of financial instruments (Continued)

Parent
2019

	Weighted Average Interest rate	Floating Interest rate	1 year or less	1 to 2 years	2 to 5 years	Non Interest bearing	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash on hand	0.95	4,742,155	355,000	-	-	444	5,097,599
Amounts due from branches		-	-	-	-	358,559	358,559
Other receivables		-	-	-	-	252,047	252,047
Investments	6	5,896,897	-	-	-	-	5,896,897
		10,639,052	355,000	-	-	611,050	11,605,102
Financial Liabilities							
Trade creditors		-	-	-	-	222,051	222,051
Other payables		-	-	-	-	372,781	372,781
Borrowing		-	-	-	-	575,002	575,002
		-	-	-	-	1,169,834	1,169,834
Net Financial Assets (Liabilities)		10,639,052	355,000	-	-	(558,784)	10,435,268

Parent
2018

	Weighted Average Interest rate	Floating Interest rate	1 year or less	1 to 2 years	2 to 5 years	Non Interest bearing	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash on hand	1.52	3,002,285	1,055,000	-	-	205	4,057,490
Amounts due from branches		-	-	-	-	405,398	405,398
Other receivables		-	-	-	-	434,075	434,075
Investments	6	5,518,164	-	-	-	-	5,518,164
		8,520,449	1,055,000	-	-	839,678	10,415,127
Financial Liabilities							
Trade creditors		-	-	-	-	212,479	212,479
Other payables		-	-	-	-	512,564	512,564
		-	-	-	-	725,043	725,043
Net Financial Assets		8,520,449	1,055,000	-	-	114,635	9,690,084

32: Fair Value Measurements

(a) Financial assets and liabilities

Management of the entity assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the group's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2019 was assessed to be insignificant
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the entity based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2019 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

Group	2019		2018	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
	$	**$**	**$**	**$**
Financial assets				
Cash on hand	**5,498,594**	**5,498,594**	7,285,666	7,285,666
Trade and other receivables	**613,422**	**613,422**	932,026	932,026
Financial assets	**5,321,895**	**5,321,895**	4,943,162	4,943,162
Total financial assets	**11,513,260**	**11,513,260**	13,160,854	13,160,854
Financial liabilities				
Trade and other payables	**595,679**	**595,679**	976,692	976,692
Total financial liabilities	**595,679**	**595,679**	976,692	976,692

32: Fair Value Measurements (Continued)

(b) Financial and Non-financial Assets and Liabilities Fair Value Hierarchy

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

Group	Level 1	Level 2	Level 3	Total
	$	$	$	$
2019				
Financial assets				
Fin assets at fair value thought other comprehensive income (FVOCI)	**732,179**	**-**	**23,831**	**756,010**
Total financial assets	**732,179**	**-**	**23,831**	**756,010**
Non-financial assets				
Land and building	**-**	**-**	**204,174**	**204,174**
Investment property	**-**	**-**	**219,594**	**219,594**
Total non-financial assets recognised at fair value	**-**	**-**	**423,768**	**423,768**

Group	Level 1	Level 2	Level 3	Total
	$	$	$	$
2018				
Financial assets				
Available-for-sale financial assets	690,747	-	23,731	714,478
Total financial assets	690,747	-	23,731	714,478
Non-financial assets				
Land and building	-	-	208,341	208,341
Investment property	-	-	233,302	233,302
Total non-financial assets recognised at fair value	-	-	441,643	441,643

Fair value of the entity's land and building is estimated based on appraisals performed by independent, professionally-qualified property valuers. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Committee at each reporting date

There were no transfers between Levels 1 and 2 for assets measured at fair value on a recurring basis during the reporting period (2018: $NIL).

32: Fair Value Measurements (Continued)

(c) Disclosed fair value measurements

The following assets and liabilities are not measured at fair value in the balance sheet but their fair values are disclosed in the notes:

- accounts receivable and other debtors;
- accounts payable and other payables

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used.

Description	Fair Value Hierarchy Level	Valuation Technique	Inputs Used
Accounts receivable and other debtors	3	Income approach using discounted cash flow	Market interest rates for similar assets
Land and building	3	Direct comparison method	Sales values for for similar assets
Accounts payable and other payables	3	Income approach using discounted cash flow	Market interest rates for similar liabilities

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.

NATIONAL UNION OF WORKERS - NATIONAL OFFICE
ABN 19 834 341 836
AND CONTROLLED ENTITIES

OFFICER DECLARATION STATEMENT

I, Timothy Kennedy, being the officer of the National Union of Workers – National Office, 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
- agree to provide financial support to another reporting unit to ensure they continue as a going concern
- 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 revenue via compulsory levies
- receive grants
- receive revenue from undertaking recovery of wages activity
- pay capitation fees or any other expense to another reporting unit
- pay compulsory levies
- pay a grant that was $1,000 or less
- pay separation and redundancy to holders of office
- pay separation and redundancy to employees (other than holders of office)
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a payable in respect of legal costs relating to other legal matters
- have a separation and redundancy provision in respect of holders of office
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signature of designated officer: ______________________

Name of designated officer: TIMOTHY KENNEDY

Title of designated officer: GENERAL SECRETARY

Dated: 18/10/19

NATIONAL UNION OF WORKERS - NATIONAL OFFICE
ABN 19 834 341 836
AND CONTROLLED ENTITIES

STATEMENT BY COMMITTEE OF MANAGEMENT

On 18/10/2019, the National Committee of Management of National Union of Workers – National Office passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2019:

The National Committee of Management declares that in its opinion:

1. the financial statements and notes comply with Australian Accounting Standards;
2. 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);
3. 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;
4. there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the GPFR relates and since the end of that year:
    a. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
    b. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
    c. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
    d. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
    e. where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
    f. where any order for inspection of financial records has been 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 National Committee of Management.

Signature of designated officer: ______________________

Name of designated officer: TIMOTHY KENNEDY

Title of designated officer: GENERAL SECRETARY

Dated: 18/10/19

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL UNION OF WORKERS - NATIONAL OFFICE

Report on Audit of the Financial Report

Opinion

We have audited the financial report of the National Union of Workers – National Office and consolidated entities which comprises the consolidated balance sheet as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in funds and consolidated statement of cash flows for the year then ended, notes to the financial statement including comprising a summary of significant accounting policies and other explanatory information and the Committee of Management Statement and the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion:

(i) the accompanying financial report of National Union of Workers – National Office:

a) presents fairly, in all material respects, the financial position of National Union of Workers – National Office as at 30 June 2019 and the results of its operations, its changes in equity and cash flows for the year then ended; and

b) complying the Australian Accounting Standards; and

c) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

(ii) the Committee of Management's use of the going concern basis of accounting in the preparation of the entity's financial statements is appropriate.

Basis for Opinion

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

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

Independence

We are independent of the group in accordance with auditor independent requirements ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 Code of Ethics for Professional Accountants (the "Code") that are relevant to our audit of the financial report in Australia. We have fulfilled our other ethnical responsibilities in accordance with the Code.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL UNION OF WORKERS - NATIONAL OFFICE (Continued)

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

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

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

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

Committee of Management 's responsibility for the financial report

The Committee of Management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009* and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management are responsible for assessing the Group'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 group or to cease operations, or have no realistic alternative but to do so.

Auditor 's responsibility for the audit of the financial report

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL UNION OF WORKERS - NATIONAL OFFICE (Continued)

Auditor 's responsibility for the audit of the financial report (Continued)

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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 in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause an entity 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 statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the Group or activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL UNION OF WORKERS - NATIONAL OFFICE (Continued)

I declare that I am an auditor registered under the RO Act.

BGL Partners

BGL Partners
Chartered Accountants

I. A. Hinds - C.A. – Partner
Registration number (as registered by the RO Commissioner under RO Act): AA2017/87

Melbourne
18 October 2019

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND