

UNITED VOICE – VICTORIA BRANCH

ABN 19 845 840 893

FINANCIAL STATEMENTS

FOR THE PERIOD 1 JULY 2019 - 10 NOVEMBER 2019

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UNITED VOICE – VICTORIA BRANCH
COMMITTEE OF MANAGEMENT’S OPERATING REPORT
FOR THE PERIOD 1 JULY 2019 - 10 NOVEMBER 2019

Operating Report

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

Principal Activities

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

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

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

Operating Result

The statutory deficit for the period ended 10 November 2019 was \$499,667. The deficit has been impacted by:

- Gain on revaluation of investment in managed funds (IFS) of \$143,578 (refer Note 3C)
- Impairment loss on receivables and floating rate notes of \$237,620 (refer Note 4P)
- Decline in membership numbers from 15,624 at 30 June 2019 to 12,071 at 10 November 2019. This decline was predominately been within the Ambulance Sector division.

Significant Changes in Financial Affairs

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

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

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

UNITED VOICE – VICTORIA BRANCH

COMMITTEE OF MANAGEMENT’S OPERATING REPORT (CONTINUED)

FOR THE PERIOD 1 JULY 2019 - 10 NOVEMBER 2019

After Balance Date Events

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

Members Right to Resign

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

Membership of the Branch

Total number of members as at 10 November 2019: 12,071.

Employees of the Branch

The number of persons who were, at the end of the period to which the report relates, employees of the Branch, where the number of employees includes both full-time and part-time employees measured on a full-time equivalent basis is 59.26.

Members of the Committee of Management

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

Name	Period of Appointment	Position
Kerrie Devir	01/07/19 – 10/11/19	Branch President
Jessica Walsh	01/07/18 – 15/07/19	Branch Secretary
Ben Redford	01/07/19 – 10/11/19	Branch Assistant Secretary
Margarita Murray-Stark	01/07/19 – 10/11/19	Executive Member
Jeanette Shepherd	01/07/19 – 10/11/19	Executive Member
Victor Barrientos	01/07/19 – 10/11/19	Executive Member
Anthony Hayman	01/07/19 – 10/11/19	Executive Member
David Arthur	01/07/19 – 10/11/19	Executive Member
Lucinda Greed	01/07/19 – 10/11/19	Executive Member
Christine Aicken	01/07/19 – 10/11/19	Executive Member
Paul Kershaw	01/07/19 – 10/11/19	Executive Member
Sue Szalay	01/07/19 – 10/11/19	Executive Member

UNITED VOICE – VICTORIA BRANCH

COMMITTEE OF MANAGEMENT’S OPERATING REPORT (CONTINUED)

FOR THE PERIOD 1 JULY 2019 - 10 NOVEMBER 2019

Wage Recovery Activity

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

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

The Branch did not have any officers/ members/ employees of the organisation are Directors of companies that are trustees of superannuation funds where a criterion for the officer of member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

Auditor’s Independence Declaration

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

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



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

22 May 2020

Sydney

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

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

MGI Audit Pty Ltd



G I Kent

Director – Audit & Assurance

Brisbane

22 May 2020

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

UNITED VOICE – VICTORIA BRANCH
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE PERIOD 1 JULY 2019 - 10 NOVEMBER 2019

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

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - i. meetings of the Committee of Management of the Branch were held in accordance with the rules of the organisation and the rules of the Branch concerned; and
 - ii. the financial affairs of the Branch have been managed in accordance with the rules of the organisation, including the rules of the branch concerned; and
 - iii. the financial records of the Branch have been kept and maintained in accordance with the *RO Act*; and
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - v. where information has been sought in any request of a member of the reporting unit or Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or Commissioner; and
 - vi. where any order for inspection of financial records made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

Name of Designated Officer: Jo-anne Schofield
Title of Designated Officer: United Workers Union President
(Former United Voice National Secretary)



Date: 22 May 2020

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

Report on the Audit of the Financial Report

Opinion

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

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the United Voice – Victoria Branch as at 10 November 2019, and its financial performance and its cash flows for the period 1 July 2019 – 10 November in accordance with:

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

Basis for Opinion

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

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

Emphasis of Matter Regarding Liquidation Valuation Basis

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

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

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Branch's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

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

- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Branch to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Branch's audit. We remain solely responsible for our audit opinion.

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

Declaration

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

MGI Audit Pty Ltd



G I Kent

Director – Audit & Assurance

Brisbane

22 May 2020

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

UNITED VOICE – VICTORIA BRANCH

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

	Notes	1 July 19 – 10 Nov 19 \$	1 July 18 – 30 June 19 \$
Revenue			
Membership subscription		2,398,505	8,836,139
Gain on sale of property, plant and equipment		-	314
Investment income	3A	203,937	759,984
Grants or donations	3B	30,039	108,254
Property revenue	3C	202,586	464,406
Other revenue	3D	176,543	3,011,784
Total revenue		3,011,610	13,180,881
Expenses			
Employee expenses	4A	(2,279,446)	(7,114,053)
Indirect employment costs	4B	(27,934)	(111,044)
Affiliation fees	4C	(55,658)	(213,506)
Administration expenses	4D	(35,125)	(160,116)
Campaign costs	4E	(128,210)	(357,539)
Communication costs	4F	(1,793)	(11,203)
Depreciation and amortisation	4G	(91,679)	(218,691)
Finance costs	4H	(14,991)	(129,281)
Grants and donations	4I	(30,900)	(191,071)
Information technology costs	4J	(42,746)	(84,038)
Legal and professional costs	4K	(103,158)	(192,257)
Meeting and conference costs	4L	(51,134)	(184,580)
Member costs	4M	(2,841)	(17,613)
Property costs	4N	(217,140)	(577,662)
Sustentation fees	4O	(190,902)	(958,180)
Impairment expense	4P	(237,620)	-
Total expenses		(3,511,277)	(10,520,834)
(Deficit)/ surplus for the year		(499,667)	2,660,047
Other comprehensive income (net of income tax)			
Fair value gain on revaluation on land and buildings		-	13,829,904
Total comprehensive income for the year		(499,667)	16,489,951

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

UNITED VOICE – VICTORIA BRANCH

STATEMENT OF FINANCIAL POSITION
AS AT 10 NOVEMBER 2019

	Notes	10 Nov 19 \$	30 June 19 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	382,474	634,254
Trade and other receivables	5B	104,226	371,296
Financial assets	5C	21,207,497	21,553,121
Other current assets	5D	105,880	107,503
Land and buildings	6A	15,343,536	15,400,000
Investment properties	6B	2,796,677	2,800,000
Motor vehicles	6C	53,657	61,651
Furniture and equipment	6D	253,391	272,054
Total current assets		40,247,338	41,199,879
Non-Current Assets			
		-	-
Total assets		40,247,338	41,199,879
LIABILITIES			
Current Liabilities			
Trade payables	7A	299,953	537,657
Other payables	7B	213,446	383,798
Employee provisions	8A	1,194,663	1,239,481
Total current liabilities		1,708,062	2,160,936
Non-Current Liabilities			
		-	-
Total liabilities		1,708,062	2,160,936
Net assets		38,539,276	39,038,943
EQUITY			
Reserves	9	13,829,904	13,829,904
Retained earnings		24,709,372	25,209,039
Total equity		38,539,276	39,038,943

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

UNITED VOICE – VICTORIA BRANCH

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

	Notes	Asset Revaluation Reserve \$	Retained earnings \$	Total equity \$
Balance as at 1 July 2018		-	22,548,992	22,548,992
Surplus for the year		-	2,660,047	2,660,047
Other comprehensive income		13,829,904	-	13,829,904
Closing balance as at 30 June 2019		13,829,904	25,209,039	39,038,943
Deficit for the year		-	(499,667)	(499,667)
Other comprehensive income		-	-	-
Closing balance as at 10 November 2019		13,829,904	24,709,372	38,539,276

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

UNITED VOICE – VICTORIA BRANCH

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

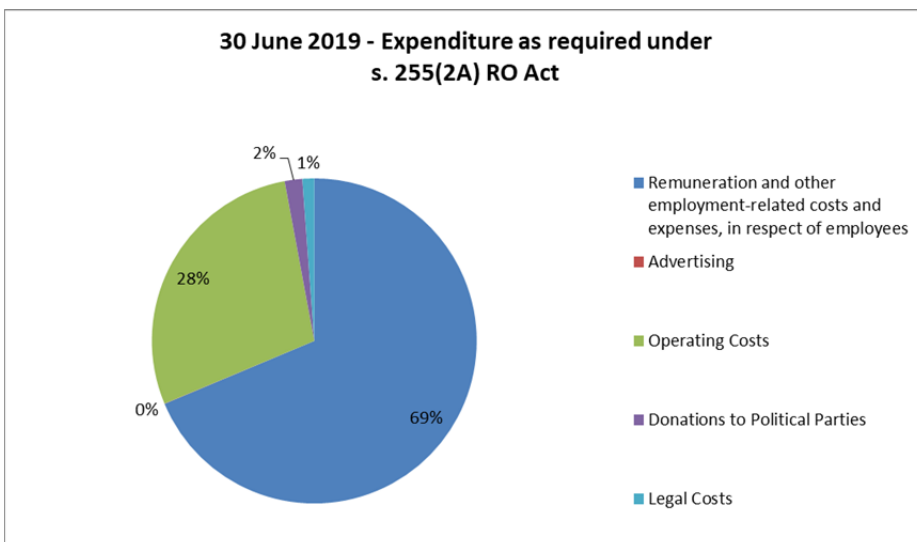
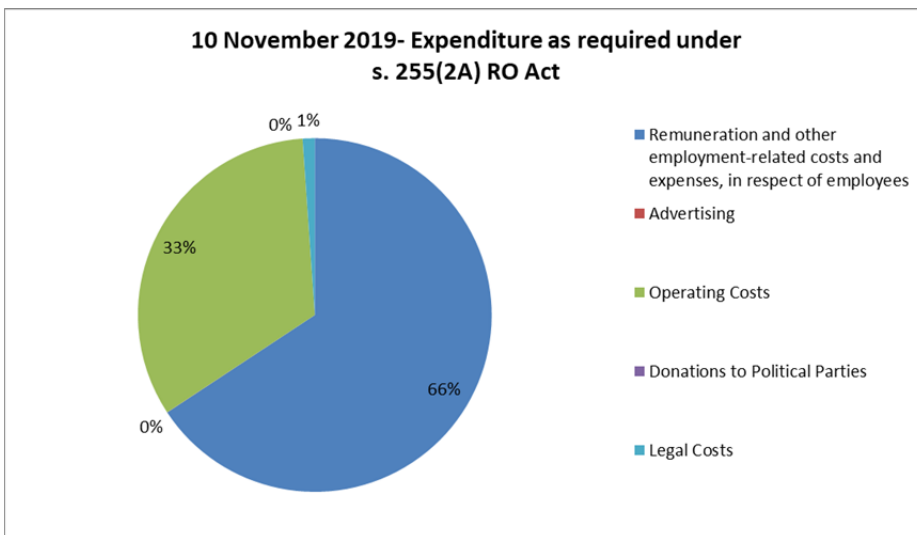
	Notes	1 July 19 – 10 Nov 19 \$	1 July 18 – 30 June 19 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	10B	2,812	622,471
Receipts from members and other customers		2,888,488	10,067,935
Investment income received		306,048	843,942
		3,197,348	11,534,348
Cash used			
Payments to employees and suppliers		(3,524,090)	(10,161,746)
Payment to other reporting units	10B	(297,675)	(1,082,960)
		(3,821,765)	(11,244,706)
Net cash (used in)/ provided by operating activities		(624,417)	289,642
INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	6,719
Proceeds on the repayment of loan from United Voice – Western Australia Branch loan		33,333	100,000
Proceeds on the repayment of loan from United Voice – Queensland Branch loan		-	2,351,191
Proceeds/ (payments) from bank bills and term deposits		455,252	(2,120,542)
Payments for property, plant and equipment		(5,235)	(145,176)
Payments on acquisition of investments		(110,713)	(232,818)
Net cash provided by/ (used in) investing activities		372,637	(40,626)
FINANCING ACTIVITIES			
		-	-
Net (decrease)/ increase in cash held		(251,780)	249,016
Cash & cash equivalents at the beginning of the reporting period		634,254	385,238
Cash & cash equivalents at the end of the reporting period	10A	382,474	634,254

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

UNITED VOICE – VICTORIA BRANCH

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

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



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

22 May 2020

Sydney

UNITED VOICE – VICTORIA BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2019 - 10 NOVEMBER 2019

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UNITED VOICE – VICTORIA BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 1 JULY 2019 - 10 NOVEMBER 2019

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

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

Liquidated Basis of Preparation

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

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

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

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

UNITED VOICE – VICTORIA BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 1 JULY 2019 - 10 NOVEMBER 2019

Note 1 Summary of significant accounting policies (Continued)

1.1 Basis of preparation of the financial statements (Continued)

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

- **AASB 5 Non-current Assets Held for Sale and Discontinued Operations**
Given that the entire reporting unit is to be discontinued, the disclosures under AASB 5 that separate between continuing and discontinuing operations are not considered relevant to users.
- **AASB 7 Financial Instruments: Disclosures**
The information on exposures to financial risks are not considered relevant to users given that the financial risk exposures are not representative of the risks that will exist going forward.

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

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

Significant accounting estimates, judgements and assumptions

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

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

UNITED VOICE – VICTORIA BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 1 JULY 2019 - 10 NOVEMBER 2019

Note 1 Summary of significant accounting policies (Continued)

1.1 Basis of preparation of the financial statements (Continued)

Liquidation value and liquidation expenses

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

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

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

Key Estimates

Impairment – general

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

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

Key Judgements

Useful lives of plant and equipment

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

Provision for impairment of receivables

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

On-cost for employee entitlement provision

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

UNITED VOICE – VICTORIA BRANCH

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

Note 1 Summary of significant accounting policies (Continued)

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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

AASB 16 Leases

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

AASB 15 Revenue from Contracts from Customers

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

AASB 1058 Income of Not for Profit Entities

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

Future Australian Accounting Standards Requirements

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

UNITED VOICE – VICTORIA BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD 1 JULY 2019 - 10 NOVEMBER 2019

Note 1 Summary of significant accounting policies (Continued)

1.5 Revenue

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

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

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

Donation income is recognised when it is received.

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

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

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

1.6 Gains

Sale of assets

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

1.7 Capitation fees and levies

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

UNITED VOICE – VICTORIA BRANCH

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

Note 1 Summary of significant accounting policies (Continued)

1.8 Employee benefits

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

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

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

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

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

1.9 Cash

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

UNITED VOICE – VICTORIA BRANCH

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

Note 1 Summary of significant accounting policies (Continued)

1.10 Leases

Accounting Policy for Leases – Period Ended 10 November 2019

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

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

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

Measurement and recognition of leases as a lessee

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

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

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

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

UNITED VOICE – VICTORIA BRANCH

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

Note 1 Summary of significant accounting policies (Continued)

1.10 Leases (continued)

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

Accounting Policy for Leases – 2019 Financial Year

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

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

1.11 Financial instruments

Initial Recognition and Measurement

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

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

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

UNITED VOICE – VICTORIA BRANCH

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

Note 1 Summary of significant accounting policies (Continued)

1.11 Financial instruments (Continued)

Classification and Subsequent Measurement of Financial Assets

Financial liabilities

Financial liabilities are subsequently measured at:

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

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

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

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

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

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

A financial liability is held for trading if it is:

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

UNITED VOICE – VICTORIA BRANCH

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

Note 1 Summary of significant accounting policies (Continued)

1.11 Financial instruments (continued)

A financial liability is held for trading if it is:

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

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

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

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

A financial liability cannot be reclassified.

Financial guarantee contracts

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

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

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

UNITED VOICE – VICTORIA BRANCH

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

Note 1 Summary of significant accounting policies (Continued)

1.11 Financial instruments (continued)

Financial assets

Financial assets are subsequently measured at:

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

on the basis of the two primary criteria:

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

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

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

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

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

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

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

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

UNITED VOICE – VICTORIA BRANCH

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

Note 1 Summary of significant accounting policies (Continued)

1.11 Financial instruments (continued)

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

Equity instruments

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

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

Derecognition

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

Derecognition of financial liabilities

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

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

Derecognition of financial assets

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

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

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

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

UNITED VOICE – VICTORIA BRANCH

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

Note 1 Summary of significant accounting policies (Continued)

1.11 Financial instruments (continued)

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

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

Impairment

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

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

Loss allowance is not recognised for:

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

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

The Branch use the following approaches to impairment, as applicable under AASB 9:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach

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

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

UNITED VOICE – VICTORIA BRANCH

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

Note 1 Summary of significant accounting policies (Continued)

1.11 Financial instruments (continued)

Simplified approach

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

This approach is applicable to:

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

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

Purchased or originated credit impaired approach

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

Evidence of credit impairment includes:

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

Low credit risk operational simplification approach

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

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

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

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

UNITED VOICE – VICTORIA BRANCH

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

Note 1 Summary of significant accounting policies (Continued)

1.11 Financial instruments (continued)

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

Recognition of expected credit losses in financial statements

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

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

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

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

1.12 Contingent Liabilities and Contingent Assets

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

UNITED VOICE – VICTORIA BRANCH

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

Note 1 Summary of significant accounting policies (Continued)

1.13 Plant and Equipment

Asset Recognition Threshold

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

Revaluations—Land and Buildings

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

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

Depreciation

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

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

	10 November 2019	30 June 2019
Buildings	40 years	40 years
Investment properties	40 years	40 years
Motor vehicles	4.4 years	4.4 years
Plant and equipment	2.5 – 40 years	2.5 – 40 years

Derecognition

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

UNITED VOICE – VICTORIA BRANCH

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

Note 1 Summary of significant accounting policies (Continued)

1.14 Impairment of non-financial assets

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

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

1.15 Taxation

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

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

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

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

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

1.16 Government Grants

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

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

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

UNITED VOICE – VICTORIA BRANCH

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

Note 1 Summary of significant accounting policies (Continued)

1.17 Fair value measurement

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

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

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

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

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

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

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

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

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

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

UNITED VOICE – VICTORIA BRANCH

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

Note 1 Summary of significant accounting policies (Continued)

1.18 Investment Property

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

Subsequent costs

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

Derecognition of investment property

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

Note 2 Events after the reporting period

COVID-19

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

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

UNITED VOICE – VICTORIA BRANCH

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

	1 July 19 – 10 Nov 19	1 July 18 – 30 June 19
	\$	\$
Note 3		
Income		
Note 3A: Investment income		
Interest income of deposits	201,815	528,527
Interest income on loans receivable – United Voice – Western Australia Branch	2,122	9,190
Interest income on loans receivable– United Voice – Queensland	-	61,204
Investment portfolio investment income	-	161,063
Total investment income	203,937	759,984
Note 3B: Grants or donations		
Grant income	30,039	108,254
Total grants or donations	30,039	108,254
Note 3C: Property income		
Rental income – Capel Street	163,749	386,142
Rental income – Drummond Street	38,837	78,264
Total property income	202,586	464,406
Note 3D: Other revenue		
Sundry income	32,965	79,437
Legal fee recoveries	-	265,486
Unrealised gain on revaluation of financial assets	143,578	145,983
Gain on revaluation of investment properties	-	2,520,878
Total other revenue	176,543	3,011,784

UNITED VOICE – VICTORIA BRANCH

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

	1 July 19 – 10 Nov 19	1 July 18 – 30 June 19
	\$	\$
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	52,073	418,120
Superannuation	6,991	54,659
Leave and other entitlements	10,438	69,329
Other employee expenses	1,742	40,095
Subtotal employee expenses holders of office	71,244	582,203
Employees other than office holders:		
Wages and salaries	1,713,632	4,720,208
Superannuation	276,531	804,247
Leave and other entitlements	164,045	513,790
Separation and redundancies	-	47,010
Other employee expenses	53,994	446,595
Subtotal employee expenses employees other than office holders	2,208,202	6,531,850
Total employee expenses	2,279,446	7,114,053
Note 4B: Indirect employment costs		
Job advertising	705	8,189
Education and staff training	2,233	23,504
Entertainment expenses	6,866	13,826
Motor vehicle expenses	11,990	51,398
Staff amenities	5,854	11,131
Staff uniform	286	2,996
Total indirect employment costs	27,934	111,044
Note 4C: Affiliation fees		
Australian Labor Party (Victoria)	20,877	82,080
Victoria Trades Hall Council	29,591	118,364
Ballarat Trades & Labour Council	2,056	3,960
Bendigo Trades & Labour Council	568	852
Geelong Trades & Labour Council	869	3,423
Gippsland Trades & Labour Council	464	927
Goulburn Valley Trades & Labour Council	136	245
North East Border Trades & Labour Council	960	1,920
South West Trades & Labour Council	-	1,047
Sunraysia Trades & Labour Council	137	688
Total affiliation fees	55,658	213,506

UNITED VOICE – VICTORIA BRANCH

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

	1 July 19 – 10 Nov 19	1 July 18 – 30 June 19
	\$	\$
Note 4D: Administration expenses		
General administration expenses	3,699	50,317
Office equipment	2,822	6,623
Postage and couriers	4,639	22,909
Printing and stationery	10,007	39,789
Telephone	13,958	40,478
Total administration expenses	35,125	160,116
Note 4E: Campaign costs		
Campaign costs	128,210	357,539
Total campaign costs	128,210	357,539
Note 4F: Communication costs		
Advertising	502	2,071
Publications	1,291	9,132
Total communication costs	1,793	11,203
Note 4G: Depreciation and amortisation		
<i>Depreciation</i>		
Buildings	56,464	86,141
Investment property	3,323	9,389
Motor vehicles	7,994	18,188
Furniture and equipment	23,898	104,973
Total depreciation	91,679	218,691
<i>Amortisation</i>		
Plant and equipment	-	-
Total amortisation	-	-
Total depreciation and amortisation	91,679	218,691
Note 4H: Finance costs		
Bank charges	5,063	14,133
Consideration to employers for payroll deductions	-	8,008
Insurance	9,928	87,257
Investment fund charges	-	19,883
Total finance costs	14,991	129,281

UNITED VOICE – VICTORIA BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD 1 JULY 2019 - 10 NOVEMBER 2019

	1 July 19 – 10 Nov 19	1 July 18 – 30 June 19
	\$	\$
Note 4I: Grants or donations		
Donations:		
Total paid that were \$1,000 or less	900	6,821
Total paid that exceeded \$1,000	30,000	184,250
Total grants or donations	<u>30,900</u>	<u>191,071</u>
Note 4J: Information technology costs		
Computer expenses	<u>42,746</u>	84,038
Total information technology costs	<u>42,746</u>	<u>84,038</u>
Note 4K: Legal and professional costs		
Litigation	11,670	104,083
Other legal matters	27,023	20,053
Audit and accounting fees	57,546	22,950
Awards and publications	2,819	9,256
Consultancy fees	4,100	35,915
Total legal and professional costs	<u>103,158</u>	<u>192,257</u>
Note 4L: Meeting and conference costs		
Fees/ allowances	7,795	25,122
Conference and meeting expenses	7,625	41,678
Delegate convention expenses	3,902	60,849
Travel expenses	31,812	56,931
Total meeting and conference costs	<u>51,134</u>	<u>184,580</u>
Note 4M: Member costs		
Education and training expenses	<u>2,841</u>	17,613
Total member costs	<u>2,841</u>	<u>17,613</u>

UNITED VOICE – VICTORIA BRANCH

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

	1 July 19 – 10 Nov 19	1 July 18 – 30 June 19
	\$	\$
Note 4N: Property costs		
Cleaning	20,436	75,925
Electricity	25,296	111,942
Insurance	-	9,407
Rates and taxes	141,784	266,680
Repairs and maintenance	25,012	96,679
Sundry expenses	4,612	17,029
Total property costs	217,140	577,662
Note 4O: Sustentation		
United Voice – National Council	190,902	958,180
Total sustentation	190,902	958,180
Note 4P: Impairment expense		
Unrealised loss on revaluation of financial assets	111,330	-
Impairment of trade and other debtors	126,290	-
Total impairment expense	237,620	-

UNITED VOICE – VICTORIA BRANCH

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

	10 Nov 19	30 June 19
	\$	\$
Note 5 Current Assets		
Note 5A: Cash and Cash Equivalents		
Cash at bank	381,324	633,104
Cash on hand	1,150	1,150
Total cash and cash equivalents	382,474	634,254
Note 5B: Trade and Other Receivables		
Receivables from other reporting units		
- United Voice – National Council	-	73,274
Less provision for doubtful debts (reporting units)	-	-
Receivable from other reporting units (net)	-	73,274
Other receivables		
Other trade receivables	28,524	13,893
Membership fees receivable	75,702	173,416
Income receivable on investments	-	110,713
Total trade and other receivables (net)	104,226	371,296
Provision for Doubtful Debts		
A provision is recognised for doubtful debts when membership subscription fees owing has been given to a third party for collection or where full recoverability is unlikely.		
Note 5C: Financial assets		
Short term bank deposits	8,522,478	8,977,730
Floating rate notes	8,291,436	8,402,766
IFS managed investment portfolio (IFS)	4,262,483	4,008,192
Loan receivable	131,100	164,433
- United Voice – Western Australia Branch		
Total financial assets	21,207,497	21,553,121
Note 5D: Other current assets		
Deposits	-	10,225
Accrued interest	105,880	97,278
Total other current assets	105,880	107,503

UNITED VOICE – VICTORIA BRANCH

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

	10 Nov 19	30 June 19
	\$	\$
Note 6		
Non-current Assets		
Note 6A: Land and buildings		
Land and buildings		
117-131 Capel Street, North Melbourne		
At fair value	15,400,000	15,400,000
accumulated depreciation and impairment	(56,464)	-
Total land and buildings	15,343,536	15,400,000

Reconciliation of Opening and Closing Balances of Land and Buildings

As at 1 July		
Gross book value	15,400,000	3,801,169
Accumulated depreciation and impairment	-	(2,573,375)
Net book value 1 July	15,400,000	1,227,794
Additions:		
By purchase	-	-
By transfer (from furniture and equipment)	-	428,443
By fair value gain	-	13,829,904
Depreciation expense	(56,464)	(86,141)
Disposals:		
By sale	-	-
Net book value at end of year	15,343,536	15,400,000
Net book value represented by:		
Gross book value	15,400,000	15,400,000
Accumulated depreciation and impairment	(56,464)	-
Net book value at end of year	15,343,536	15,400,000

Valuation Details

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

The Committee of Management assessed the key assumptions within the valuation and determined that the fair value of the land and building remains current at 10 November 2019. Therefore the Branch had adopted this value at 10 November 2019.

UNITED VOICE – VICTORIA BRANCH

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

	10 Nov 19	30 June 19
	\$	\$
Note 6B: Investment property		
Investment property		
62 Drummond Street, Carlton		
At fair value	2,800,000	2,800,000
accumulated depreciation	(3,323)	-
Total investment property	2,796,677	2,800,000

Reconciliation of Opening and Closing Balances of investment property

As at 1 July		
Gross book value	2,800,000	462,077
Accumulated depreciation and impairment	-	(173,566)
Net book value 1 July	2,800,000	288,511
Additions:		
By purchase	-	-
By fair value gain	-	2,520,878
Depreciation expense	(3,323)	(9,389)
Disposals:		
By sale	-	-
Net book value at end of year	2,796,677	2,800,000
Net book value represented by:		
Gross book value	2,800,000	2,800,000
Accumulated depreciation and impairment	(3,323)	-
Net book value at end of year	2,796,677	2,800,000

Valuation Details

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

UNITED VOICE – VICTORIA BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD 1 JULY 2019 - 10 NOVEMBER 2019

	10 Nov 19	30 June 19
	\$	\$
Note 6C: Motor vehicles		
Motor Vehicles:		
at cost	120,106	120,106
accumulated depreciation	(66,449)	(58,455)
Total motor vehicles	53,657	61,651

Reconciliation of Opening and Closing Balances of motor vehicles

As at 1 July		
Gross book value	120,106	77,233
Accumulated depreciation and impairment	(58,455)	(56,733)
Net book value 1 July	61,651	20,500
Additions:		
By purchase	-	65,744
Depreciation expense	(7,994)	(18,188)
Disposals:		
By sale	-	(6,405)
Net book value at end of year	53,657	61,651
Net book value represented by:		
Gross book value	120,106	120,106
Accumulated depreciation and impairment	(66,449)	(58,455)
Net book value at end of year	53,657	61,651

UNITED VOICE – VICTORIA BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD 1 JULY 2019 - 10 NOVEMBER 2019

	10 Nov 19	30 June 19
	\$	\$
Note 6D: Furniture and equipment		
Plant and Equipment:		
at cost	556,543	551,308
accumulated depreciation	(303,152)	(279,254)
Total furniture and equipment	253,391	272,054

Reconciliation of Opening and Closing Balances of Furniture and Equipment

As at 1 July		
Gross book value	551,308	1,661,247
Accumulated depreciation and impairment	(279,254)	(935,209)
Net book value 1 July	272,054	726,038
Additions:		
By purchase	5,235	79,432
Depreciation expense	(23,898)	(104,973)
Disposals:		
By sale	-	-
By transfer (to land and buildings)	-	(428,443)
Net book value at end of year	253,391	272,054
Net book value represented by:		
Gross book value	556,543	551,308
Accumulated depreciation and impairment	(303,152)	(279,254)
Net book value at end of year	253,391	272,054

UNITED VOICE – VICTORIA BRANCH

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

	10 Nov 19	30 June 19
	\$	\$
Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	90,005	257,498
Subtotal trade creditors	90,005	257,498
Payables to other reporting units		
United Voice – National Council	209,948	279,033
United Voice – Queensland Branch and controlled entities	-	1,126
Subtotal payables to other reporting units	209,948	280,159
Total trade payables	299,953	537,657
Settlement is usually made within 30 days.		
Note 7B: Other payables		
Legal costs		
Litigation	2,025	4,749
Other legal matters	-	2,505
GST payable	96,218	193,210
Income received in advance	103,837	171,784
Other	11,366	11,550
Total other payables	213,446	383,798
Total other payables are expected to be settled in:		
No more than 12 months	213,446	383,798
More than 12 months	-	-
Total other payables	213,446	383,798

UNITED VOICE – VICTORIA BRANCH

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

	10 Nov 19	30 June 19
	\$	\$
Note 8 Provisions		
Note 8A: Employee Provisions		
Office Holders:		
Annual leave	43,284	50,072
Long service leave	72,054	153,789
<i>Subtotal employee provisions—office holders</i>	115,338	203,861
Employees other than office holders:		
Annual leave	533,217	470,225
Long service leave	546,108	565,395
<i>Subtotal employee provisions—employees other than office holders</i>	1,079,325	1,035,620
Total employee provisions	1,194,663	1,218,044
Current	1,194,663	1,239,481
Non-Current	-	-
<i>Total employee provisions</i>	1,194,663	1,239,481

Note 9 Reserves

Note 9A: Asset Revaluation Reserve

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

Opening balance at beginning of period	13,829,904	
Fair value gain on revaluation land and buildings	-	13,829,904
Closing balance at end of period	13,829,904	13,829,904

UNITED VOICE – VICTORIA BRANCH

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

1 July 19 –
10 Nov 19
\$

1 July 18 –
30 June 19
\$

Note 10 Cash Flow

Note 10A: Cash Flow Reconciliation

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

Cash and cash equivalents as per:

Cash flow statement	382,474	634,254
Statement of financial position	382,474	634,254
Difference	-	-

Reconciliation of (deficit)/ surplus to net cash from operating activities:

(Deficit)/ surplus for the year	(499,667)	2,660,047
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Adjustments for non-cash items

Depreciation/ amortisation	91,679	218,691
Gain on disposal of property, plant and equipment	-	(314)
Gain on revaluation of financial assets	(143,578)	(145,983)
Impairment loss on revaluation of floating rate notes	111,330	-
Gain on revaluation of investment properties	-	(2,520,878)

Changes in assets/ liabilities

(Increase)/ decrease in net receivables	267,070	79,447
(Increase)/ decrease in other current assets	1,623	15,469
Increase/ (decrease) in trade and other creditors	(408,056)	124,879
Increase/ (decrease) in employee provisions	(44,818)	(141,716)
Net cash used in operating activities	(624,417)	289,642

Note 10B: Cash flow information

Cash inflows from other reporting units and related entities

United Voice – National Council	65	529,115
United Voice – Western Australia Branch	2,122	9,190
United Voice – South Australia Branch	625	818
United Voice – Queensland Branch and controlled entities	-	70,990
United Voice – New South Wales Branch	-	12,358
Total cash inflows	2,812	622,471

Cash outflows to other reporting units

United Voice – National Council	(296,549)	(1,082,862)
United Voice – Queensland Branch and controlled entities	(1,126)	-
United Voice – New South Wales Branch	-	(98)
Total cash outflows	(297,675)	(1,082,960)

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

UNITED VOICE – VICTORIA BRANCH

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

Note 10C: Credit standby arrangements and loan facilities

The Branch has a credit card facility amounting to \$49,000 (30 June 2019: \$49,000). This may be terminated at any time at the option of the bank. The balance of this facility is cleared monthly and interest rates are variable.

Note 10D: Non-cash transactions

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

	10 Nov 19	30 June 19
	\$	\$
Note 10E: Net debt reconciliation		
Cash and cash equivalents	382,474	634,254
Borrowings – repayable within one year	-	-
Borrowings – repayable after one year	-	-
Net debt	<u>382,474</u>	<u>634,254</u>

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

	Other Assets	Liabilities from financing activities		
	Cash assets	Borrowings – due within 1 year	Borrowings – due after 1 year	Total
Net debt at 1 July 2018	385,238	-	-	385,238
Cash flows	249,016	-	-	249,016
Net debt at 30 June 2019	<u>634,254</u>	-	-	<u>634,254</u>
Cash flows	(251,780)	-	-	(251,780)
Net debt at 10 November 2019	<u>382,474</u>	-	-	<u>382,474</u>

UNITED VOICE – VICTORIA BRANCH

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

Note 11 Contingent Liabilities, Assets and Commitments

Note 11A: Commitments and Contingencies

Capital commitments

At 10 November 2019 the Branch did not have any capital commitments (30 June 2019: Nil).

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

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

Leasing Commitments

Property leases (as a lessor)

Non-cancellable property leases rentals are receivable as follows.

	10 Nov 19	30 June 19
Receivable – Minimum lease payments		
not later than 12 months	304,054	333,201
between 12 months and 5 years	756,260	346,040
greater than 5 years	-	-
Minimum lease payments	1,060,314	679,241

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

The future lease income from 10 November 2019 is to be that of the United Workers Union. The above disclosure details the non-cancellable leases held by the Branch on reporting date.

UNITED VOICE – VICTORIA BRANCH

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

Note 12 Related Party Disclosures

Note 12A: Related Party Transactions for the Reporting Period

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

United Voice– National Council (UV – National Council – incorporating Tasmania, Northern Territory and Australian Capital Territory Branches)

United Voice – Queensland Branch and controlled entities (UV – Qld Branch)

United Voice – New South Wales Branch (UV NSW Branch)

United Voice – Victoria Branch (UV VIC Branch)

United Voice – South Australia Branch (UV SA Branch)

United Voice – Western Australia Branch (UV WA Branch)

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

	1 July 19 – 10 Nov 19	1 July 18 – 30 June 19
	\$	\$
Revenues received from United Voice – National Council includes the following:		
Reimbursement of office, travel and administration expenses	59	34,109
Sponsorship	-	37,727
Legal fees reimbursement	-	270,573
Hospo Voice funding	-	108,254
Expenses paid to United Voice – National Council includes the following:		
Sustentation fees	190,902	958,180
Insurance premiums and other costs changed by National Council	15,923	23,192
Transfer of membership	-	446
Amounts owed to United Voice – National Council include the following:		
Sustentation fees	209,948	265,638
Insurance premiums and other costs changed by National Council	-	13,395
Amounts owed by United Voice – National Council include the following:		
Reimbursement of office, travel and administration expenses	-	43,274
Hospo Voice funding	-	-

UNITED VOICE – VICTORIA BRANCH

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

Note 12 Related Party Disclosures (Continued)

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

	1 July 19 – 10 Nov 19 \$	1 July 18 – 30 June 19 \$
Revenues received from United Voice – Qld Branch and controlled entities includes the following:		
Interest on loan	-	62,440
Transfer of leave entitlements	-	8,550
Expenses paid to from United Voice – Qld Branch and controlled entities includes the following:		
Travel costs reimbursement	-	1,024
Amounts owed to United Voice – Qld Branch and controlled entities include the following:		
Travel cost reimbursement	-	1,126
Revenue received from United Voice – NSW Branch includes the following:		
Transfer of membership	-	119
Payment of long service leave	-	12,239
Expenses paid to United Voice – NSW Branch includes the following:		
Transfer of membership	-	98
Revenue received from United Voice – SA Branch includes the following:		
Reimbursement of merchandise costs	568	818
Revenues received from United Voice – WA Branch includes the following:		
Interest on loan	2,122	9,190
Amounts owed by United Voice – WA Branch include the following:		
Loans receivable	131,100	164,433

UNITED VOICE – VICTORIA BRANCH

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

Note 12 Related Party Disclosures (Continued)

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

Terms and conditions of transactions with related parties

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

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

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

- Jessica Walsh (Branch Secretary – 1/7/19 – 15/7/19)
- Ben Redford (Assistant Branch Secretary)
- All remaining members of the Committee of Management.

	1 July 19 – 10 Nov 19 \$	1 July 18 – 30 June 19 \$
Short-term employee benefits		
Salary (including annual leave accrued)	56,992	460,100
Other	1,742	40,095
Total short-term employee benefits	58,734	500,195
Post-employment benefits:		
Superannuation	10,438	69,329
Total post-employment benefits	10,438	69,329
Other long-term benefits:		
Long-service leave	2,072	12,679
Total other long-term benefits	2,072	12,679
Termination benefits	-	-
Total	71,244	582,203

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

UNITED VOICE – VICTORIA BRANCH

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

	1 July 19 – 10 Nov 19	1 July 18 – 30 June 19
	\$	\$
Note 13		
Remuneration of Auditors		
Value of the services provided		
Financial statement audit services – current year	30,000	22,950
Financial statement audit services – prior year	23,000	-
Other services	4,546	-
Total remuneration of auditors	57,546	22,950

Note 14 Financial Instruments

Financial Risk Management Policy

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

(a) Credit Risk

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

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

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

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

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

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

UNITED VOICE – VICTORIA BRANCH

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

Note 14 Financial Instruments (Continued)

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

	Within trading terms	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$	\$
Trade and other receivables	104,226	-	-	-	-	104,226
Receivables from other reporting units	-	-	-	-	-	-
Total	104,226	-	-	-	-	104,226

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

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

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

	10 Nov 19	30 June 19
Cash at bank	\$	\$
A1+ rating	381,324	633,104
Cash at call and term deposits		
A1+ rating	4,198,832	4,139,688
A2 rating	4,323,646	4,838,042
Floating rate notes		
BBB rating	4,828,216	4,875,300
BBB- rating	3,463,220	3,527,466

Collateral held as security

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

UNITED VOICE – VICTORIA BRANCH

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

Note 14 Financial Instruments (Continued)

(b) Liquidity Risk

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

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

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

Financial Instrument Composition and Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	10 Nov	30 June	10 Nov	30 June	10 Nov	30 June	10 Nov	30 June 2019
	2019	2019	2019	2019	2019	2019	2019	
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade payables	(299,953)	(537,657)	-	-	-	-	(299,953)	(537,657)
Other payables	(213,446)	(383,798)	-	-	-	-	(213,446)	(383,798)
Total expected outflows	(513,399)	(921,455)	-	-	-	-	(513,399)	(921,455)

UNITED VOICE – VICTORIA BRANCH

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

Note 14 Financial Instruments (Continued)

(b) Liquidity Risk (continued)

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	10 Nov	30 June	10 Nov	30 June	10 Nov	30 June	10 Nov	30 June
	2019	2019	2019	2019	2019	2019	2019	2019
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets – cash flow receivable								
Cash and cash equivalents	382,474	634,254	-	-	-	-	382,474	634,254
Trade and other receivables	104,226	371,296	-	-	-	-	104,226	371,296
Short-term deposits	8,522,478	8,977,730	-	-	-	-	8,522,478	8,977,730
Loans receivable	131,100	164,433	-	-	-	-	131,100	164,433
Financial assets	12,553,919	12,410,958	-	-	-	-	12,553,919	12,410,958
Total anticipated inflows	21,694,197	22,558,671	-	-	-	-	21,694,197	22,558,671
Net inflow on financial instruments	21,180,798	21,637,216	-	-	-	-	21,180,798	21,637,216

UNITED VOICE – VICTORIA BRANCH

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

Note 14 Financial Instruments (Continued)

(c) Market Risk

i. Interest rate risk

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

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

	Weighted Average Effective Interest Rate			
	10 Nov 2019	30 June 2019	10 Nov 2019	30 June 2019
	%	%	\$	\$
Floating rate instruments				
Cash and cash equivalents	0.35	0.35	382,474	634,254
Term deposits	1.61	2.27	8,522,478	8,977,730
Loans receivable	4.34	4.34	131,100	164,433
Floating rate notes	3.55	4.08	8,291,436	8,402,766

ii. Foreign exchange risk

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

iii. Price risk

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

iv. Interest rate risk

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

UNITED VOICE – VICTORIA BRANCH

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

Note 14 Financial Instruments (Continued)

v. Sensitivity Analysis

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

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

<u>Interest rates</u>	Profit \$	Equity \$
Period ended 10 November 2019		
+2% in interest rates	346,550	346,550
-2% in interest rates	(302,510)	(302,510)
Year ended 30 June 2019		
+2% in interest rates	363,586	363,586
-2% in interest rates	(346,898)	(346,898)
<u>Units in Managed Funds (IFS)</u>		
Period ended 10 November 2019		
+5% in unit prices	213,124	213,124
-5% in unit prices	(213,124)	(213,124)
Year ended 30 June 2019		
+5% in unit prices	200,410	200,410
-5% in unit prices	(200,410)	(200,410)

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

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

UNITED VOICE – VICTORIA BRANCH

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

Note 15 Fair Value Measurement

Fair Values

Fair value estimation

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

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

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

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

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

	Footnote	10 November 2019		30 June 2019	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	382,474	382,474	634,254	634,254
Trade and other receivables	(i)	104,226	104,226	371,296	371,296
Short-term bank deposits	(i)	8,522,478	8,522,478	8,977,730	8,977,730
Loans receivable	(i)	131,100	131,100	164,433	164,433
Floating rate notes	(i)	8,291,436	8,291,436	8,402,766	8,402,766
Managed investment schemes (IFS portfolio)	(i)	4,262,483	4,262,483	4,008,192	4,008,192
		21,694,197	21,694,197	22,558,671	22,558,671
Financial liabilities					
Trade payables	(i)	299,953	299,953	537,657	537,657
Other payables	(i)	213,446	213,446	383,798	383,798
Total financial liabilities		513,399	513,399	921,455	921,455

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

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

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

Note 15 Fair Value Measurement (Continued)

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

UNITED VOICE – VICTORIA BRANCH

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

Note 15 Fair Value Measurement (Continued)

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

Fair value hierarchy – 10 November 2019

	Note	Date of Valuation	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value					
Financial assets	5C	10 Nov 2019	4,262,483	-	-
Floating rate notes	5C	10 Nov 2019	8,291,436	-	-
Land and Buildings – 117 – 131 Capel Street, North Melbourne	6A	30 June 2018	-	15,400,000	-
Investment Property – 62 Drummond Street, Carlton	6B	30 June 2019	-	2,800,000	-
Total			12,553,919	18,200,000	-

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

Fair value hierarchy – 30 June 2019

	Note	Date of Valuation	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value					
Financial assets	5C	30 June 2019	4,008,192	-	-
Floating rate notes	5C	30 June 2019	8,402,766	-	-
Land and Buildings – 117 – 131 Capel Street, North Melbourne	6A	30 June 2018	-	15,400,000	-
Investment Property – 62 Drummond Street, Carlton	6B	30 June 2019	-	2,800,000	-
Total			12,410,958	18,200,000	-

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

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

Note 16 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commission:

- (1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

Note 17 Branch Details

The registered office of the Branch is:

117 – 131 Capel Street
North Melbourne VIC 3051

Note 18 Segment Information

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

UNITED VOICE – VICTORIA BRANCH

OFFICER DECLARATION STATEMENT

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

The reporting unit did not:

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

UNITED VOICE – VICTORIA BRANCH

OFFICER DECLARATION STATEMENT (CONTINUED)

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



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

22 May 2020

Sydney