

**UNITED WORKERS' UNION**  
**ABN 52 728 088 684**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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## **UNITED WORKERS' UNION**

### **COMMITTEE OF MANAGEMENT'S OPERATING REPORT**

#### **FOR THE YEAR ENDED 30 JUNE 2021**

#### **Operating Report**

The National Executive being the Committee of Management presents its report on the operations of United Workers' Union (**the Union**) for the year ended 30 June 2021.

#### **Principal Activities**

The principal activities of the Union during the year fell into the following categories:

- Organising existing and new members;
- Bargaining, negotiating and arbitrating for improvements in wages and conditions for employment for members of the Union;
- Representing members in work related grievances and other matters;
- Undertaking training and the development of delegates of the Union; and
- Campaigning on political and social issues to further the interest of members and working men and women generally.

There was no change in the principal activities of the Union during the year.

#### **Operating Results**

The consolidated surplus for the year amounted to \$2,986,379. Events that have contributed to this result include:

1. On 11 November 2019, the National Union of Workers Union and United Voice amalgamated to create the United Workers' Union. As a result, this financial year (30 June 2021) is the first full year of trade as the United Workers' Union, which has significantly increased revenues and expenditure when compared to the prior reporting period.
2. Ongoing COVID-19 restrictions (particularly in NSW and Victoria) have resulted in:
  - many members in industries such as hospitality, gaming, travel, tourism etc. being stood down, resulting in membership being placed on hold or waiver;
  - the inability of the Union to conduct mass gathering of members, delegate training and other events that involve bringing members together; and
  - the inability or restrictions on officers and employees of the Union being able to travel to and from workplaces due to COVID-19 restrictions, as well as many members of the Union being unable to effectively or efficiently meet with officers and employees of the Union due to reduced hours of work and/or incurring a lack of gainful employment during COVID-19 restrictions.
3. Equity markets were particularly strong during the year, whereby the Union's investment portfolio increased by \$15,638,931.

#### **Significant Changes in Financial Affairs**

A review of the operations of the Union during the financial year found that there was no significant change in the financial affairs of the Union's operations during the year.

**UNITED WORKERS' UNION**  
**COMMITTEE OF MANAGEMENT'S OPERATING REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**After Balance Date Events**

As detailed at Note 2 the following events after balance date have occurred:

1. On 30 August 2021, the Union entered into a sales contract for the land and building located at Unit 4 & 5, 40 Brisbane Avenue, Barton (Canberra) for \$1,320,000 – as a result, this asset has been recorded as a non-current asset held for sale in accordance with AASB 5 at 30 June 2021.
2. On 30 August 2021, the Union entered into a purchase contract for the land and buildings located at Unit 15 & 16, 71 Leichardt Street, Kingston (Canberra) for \$4,150,000.
3. The National Union of Workers' – New South Wales (being a registered union under the *Industrial Relations Act 1996 (NSW)*) is being transferred into the Union as part of the amalgamation between the former United Voice and National Union of Workers'. It is anticipated that an application to deregister the union will be made in early 2022. The net assets of this state registered union have not been reflected in these financial statements at 30 June 2021.
4. As a result of the evolving nature of the ongoing COVID-19 outbreak (particularly in NSW and Victoria) and the rapidly evolving government policies of restrictive measures put in place to contain it, the Union is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Union..

**Members Right to Resign**

All members had the right to resign from the Union in accordance with Rule 24 - Resignation of Members (and Section 174 of the RO Act); namely, by providing written notice addressed and delivered to the Secretary of the Union.

**Members of the Committee of Management**

The names of the Committee of Management in respect to the National Executive of United Workers' Union was as follows:

<b>Name</b>	<b>Period of Appointment</b>	<b>Position</b>
Jo-anne Schofield	01/07/20 – 30/06/21	National President
Susie Allison	01/07/20 – 30/06/21	National Vice President
Gary Bullock	01/07/20 – 30/06/21	National Vice President
Sam Roberts	01/07/20 – 30/06/21	National Vice President
Carolyn Smith	01/07/20 – 30/06/21	National Vice President
Tim Kennedy	01/07/20 – 30/06/21	National Secretary
Jannette Armstrong	01/07/20 – 30/06/21	National Executive Member
Sharron Caddie	01/07/20 – 30/06/21	National Executive Member
Caterina Cinanni	01/07/20 – 30/06/21	National Executive Member
Mel Gatfield	01/07/20 – 30/06/21	National Executive Member
Helen Gibbons	01/07/20 – 30/06/21	National Executive Member
Karma Lord	01/07/20 – 30/06/21	National Executive Member
Godfery Moase	01/07/20 – 30/06/21	National Executive Member
Dario Mujkic	01/07/20 – 30/06/21	National Executive Member
Demi Pnevmatikos	01/07/20 – 30/06/21	National Executive Member
Ben Redford	01/07/20 – 30/06/21	National Executive Member
Paul Richardson	01/07/20 – 30/06/21	National Executive Member
Lyndal Ryan	01/07/20 – 30/06/21	National Executive Member

**UNITED WORKERS' UNION****COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2021****Officers or Members who are Superannuation Fund Trustees/ Directors of a Company that is a Superannuation Fund Trustee**

The following officers and employees of United Workers' Union were superannuation fund trustees or directors of a company that is a superannuation fund trustee. In each case the officer or employee was nominated for the position by the reporting unit or the former reporting units.

<b>Name</b>	<b>Position</b>	<b>Trustee Company</b>	<b>Superannuation Fund</b>
Tim Kennedy	Director	LUCRF Pty Ltd	LUCRF Super
Paul Richardson	Director	LUCRF Pty Ltd	LUCRF Super
Susie Allison	Director	LUCRF Pty Ltd	LUCRF Super
Sam Roberts	Director	LUCRF Pty Ltd	LUCRF Super
Mel Gatfield	Director	LUCRF Pty Ltd	LUCRF Super
Gary Bullock	Director	IS Industry Funds Pty Ltd	Intrust Super
Fiona Scalon	Director	IS Industry Funds Pty Ltd	Intrust Super
Jo-anne Schofield	Alternate Director	ACTU Super Shareholding Pty Ltd	Australian Super
Julie Korlevska	Director	Club Plus Super	Club Plus
John Hawker	Director	Club Plus Super	Club Plus
Helen Gibbons	Director	H.E.S.T Australia Limited	Hesta
Bev Myers	Director	Host-Plus Pty Limited	Hostplus
Imogen Beynon	Director	Host-Plus Pty Limited	Hostplus

**UNITED WORKERS' UNION**

**COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2021**

**Members of the Union**

Total number of members as at 30 June 2021: 152,685.

**Employees of the Union**

The number of persons who were, at the end of the period to which the report relates, employees of the Union, where the number of employees includes both full-time and part-time employees measured on a full-time equivalent basis was 596.40.

**Wages Recovery Activity**

Where the Union undertook recovery of wages on behalf of members, it is Union policy that wherever possible that any successful wage recovery from employers is paid directly to those affected members. In the event that wage recovery activity is paid to the Union, it is current policy that:

1. Recoveries are paid into a dedicated bank account, that is not linked to the Union's general fund
2. No revenue is derived from wage recovery activity and that all funds are returned to impacted members.

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration is set out on page 7.

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:



.....

Tim Kennedy  
National Secretary

30 November 2021

Melbourne

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Brisbane Qld 4001 Australia

Gold Coast  
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**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE COMMITTEE OF MANAGEMENT OF  
UNITED WORKERS' UNION**

As lead auditor for the audit of United Workers' Union for the year ended 30 June 2021; I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

M.L.T

**MGI Audit Pty Ltd**



**G I Kent**

Director – Audit & Assurance

Brisbane

30 November 2021

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

**UNITED WORKERS' UNION**  
**COMMITTEE OF MANAGEMENT STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

On 30 November 2021, the National Executive being the Committee of Management of the Union passed the following resolution to the General Purpose Financial statements (GPFR) of the reporting unit for the year ended 30 June 2021.

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 Union for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Union 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 Union were held in accordance with the rules of the organisation and the rules of the Union concerned; and
  - ii. the financial affairs of the Union have been managed in accordance with the rules of the organisation; and
  - iii. the financial records of the Union 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.

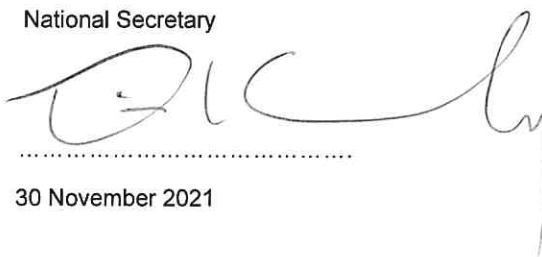
**Name of Designated Officer:** Tim Kennedy

**Title of Designated Officer:** National Secretary

**Signature:**

**Date:**

30 November 2021



## **Independent Audit Report to the Members of United Workers' Union**

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

#### **Opinion**

We have audited the financial report of United Workers' Union (the Union), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the United Workers' Union as at 30 June 2021, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

We declare that management's use of the going concern basis in the preparation of the financial statements of the Union is appropriate.

#### **Basis for Opinion**

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

#### **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 Union 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 Union'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 Union 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 Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union'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 Union 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 Union to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Union's audit. We remain solely responsible for our audit opinion.

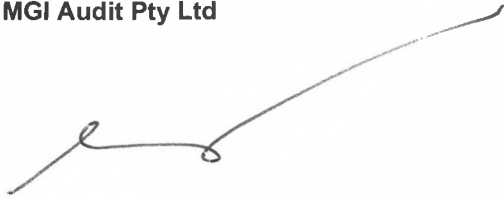
We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Declaration**

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

M.C.I

**MGI Audit Pty Ltd**

A handwritten signature in black ink, appearing to read 'G I Kent', written over a horizontal line.

**G I Kent**

Director – Audit & Assurance

Brisbane

30 November 2021

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

**UNITED WORKERS' UNION**
**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	Consolidated		Parent	
		2021	2020	2021	2020
		\$	\$	\$	\$
<b>Revenue from contracts with customers</b>	4				
Membership subscription		<b>79,074,729</b>	49,904,950	<b>79,074,729</b>	49,904,950
Sustentation fees	4A	-	1,513,223	-	1,513,223
Rental income	4D	<b>1,663,738</b>	1,147,821	<b>1,663,738</b>	1,147,821
<b>Total revenue from contracts with customers</b>		<b>80,738,467</b>	52,565,994	<b>80,738,467</b>	52,565,994
<b>Income for furthering objectives</b>					
Grants and/ or donations	4G	<b>77,070</b>	-	<b>77,070</b>	-
<b>Total income for furthering objectives</b>		<b>77,070</b>	-	<b>77,070</b>	-
<b>Other income</b>					
Interest	4B	<b>262,016</b>	1,253,100	<b>260,471</b>	1,248,350
Investment income	4C	<b>17,703,213</b>	(1,025,510)	<b>17,703,213</b>	(1,025,510)
Other revenue	4E	<b>4,191,923</b>	1,504,229	<b>3,653,661</b>	1,252,395
Net gain from sale of assets	4F	<b>874,755</b>	132,876	<b>874,755</b>	132,876
Share of net profit from joint ventures	7A	<b>886,692</b>	1,176,062	<b>886,692</b>	1,176,062
Share of net profit from associates	7A	<b>97,677</b>	31,800	<b>97,677</b>	31,800
Gain on transfer of net assets from amalgamation of under Part 2 of Chapter 3 of the RO Act	3	-	198,534,886	-	198,118,538
<b>Total other income</b>		<b>24,016,276</b>	201,607,443	<b>23,476,469</b>	200,934,511
<b>Total Income</b>		<b>104,831,813</b>	254,173,437	<b>104,292,006</b>	253,500,505

**UNITED WORKERS' UNION**
**STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	Consolidated		Parent	
		2021	2020	2021	2020
		\$	\$	\$	\$
<b>Expenses</b>					
Employee expenses	5A	(68,648,521)	(44,242,318)	(68,648,521)	(44,242,318)
Indirect employment expenses	5B	(5,856,379)	(4,329,974)	(5,856,379)	(4,329,974)
Affiliation fees	5C	(2,984,407)	(2,432,923)	(2,984,407)	(2,432,923)
Grants and donations	5D	(373,936)	(133,007)	(373,936)	(133,007)
Depreciation and amortisation	5E	(6,611,317)	(4,209,145)	(6,611,317)	(4,209,145)
Finance costs	5F	(638,005)	(404,406)	(638,005)	(404,342)
Legal and professional costs	5G	(739,859)	(714,528)	(738,400)	(709,504)
Audit and accounting fees	5H	(194,652)	(244,784)	(187,400)	(236,566)
Campaign costs	5I	(1,120,843)	(584,835)	(1,066,364)	(584,835)
Communication costs	5J	(2,861,151)	(1,713,032)	(2,236,512)	(1,534,993)
IT costs	5K	(1,489,612)	(1,351,923)	(1,489,612)	(1,351,923)
Meeting and conference costs	5L	(1,950,251)	(2,008,940)	(1,950,251)	(2,008,940)
Property costs	5M	(3,037,518)	(1,769,300)	(3,033,012)	(1,756,717)
Occupancy and equipment costs	5N	(242,792)	(532,987)	86,960	(318,732)
Other expenses	5O	(5,096,191)	(3,294,280)	(5,090,981)	(3,293,521)
<b>Total expenses</b>		<b>(101,845,434)</b>	<b>(67,966,382)</b>	<b>(100,818,137)</b>	<b>(67,547,440)</b>
<b>Surplus for the year</b>		<b>2,986,379</b>	<b>186,207,055</b>	<b>3,473,869</b>	<b>185,953,065</b>
<b>Other comprehensive income</b>					
Fair value loss on revaluation on land and buildings		(2,093,903)	-	(2,093,903)	-
<b>Total comprehensive income for the year</b>		<b>892,476</b>	<b>186,207,055</b>	<b>1,379,966</b>	<b>185,953,065</b>

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

**UNITED WORKERS' UNION**
**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021**

	Notes	Consolidated		Parent	
		2021	2020	2021	2020
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	6A	35,741,486	94,290,532	35,383,144	93,880,561
Trade and other receivables	6B	3,872,069	3,075,563	4,711,502	3,199,322
Other current assets	6C	2,812,580	1,038,346	2,523,418	1,038,346
Non-current assets held for sale	6D	2,808,180	325,219	2,808,180	325,219
<b>Total current assets</b>		<b>45,234,315</b>	<b>98,729,660</b>	<b>45,426,244</b>	<b>98,443,448</b>
<b>Non-Current Assets</b>					
Financial assets	7A	130,549,269	116,129,946	130,549,269	116,129,946
Land and buildings	7B	105,494,795	67,266,184	105,494,795	67,266,184
Investment properties	7C	12,799,481	4,931,239	12,799,481	4,931,239
Plant and equipment	7D	6,226,427	6,989,416	6,226,427	6,989,416
Capital work in progress	7E	168,912	6,778,613	168,912	6,778,613
<b>Total non-current assets</b>		<b>255,238,884</b>	<b>202,095,398</b>	<b>255,238,884</b>	<b>202,095,398</b>
<b>Total assets</b>		<b>300,473,199</b>	<b>300,825,058</b>	<b>300,665,128</b>	<b>300,538,846</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade and other payables	8A	6,981,571	6,937,348	6,940,000	6,905,126
Employee provisions	9A	14,176,695	14,070,117	14,176,695	14,070,117
Borrowings	10A	-	2,500,000	-	2,500,000
Lease liabilities	10B	1,360,277	1,451,993	1,360,277	1,451,993
<b>Total current liabilities</b>		<b>22,518,543</b>	<b>24,959,458</b>	<b>22,476,972</b>	<b>24,927,236</b>
<b>Non-Current Liabilities</b>					
Employee provisions	9A	4,143,736	1,705,429	4,143,736	1,705,429
Lease liabilities	10B	1,731,291	2,973,018	1,731,291	2,973,018
<b>Total non-current liabilities</b>		<b>5,875,027</b>	<b>4,678,447</b>	<b>5,875,027</b>	<b>4,678,447</b>
<b>Total liabilities</b>		<b>28,393,570</b>	<b>29,637,905</b>	<b>28,351,999</b>	<b>29,605,683</b>
<b>Net assets</b>		<b>272,079,629</b>	<b>271,187,153</b>	<b>272,313,129</b>	<b>270,933,163</b>
<b>EQUITY</b>					
Retained earnings		266,914,532	263,928,153	267,148,032	263,674,163
Asset revaluation reserve	11A	5,165,097	7,259,000	5,165,097	7,259,000
<b>Total equity</b>		<b>272,079,629</b>	<b>271,187,153</b>	<b>272,313,129</b>	<b>270,933,163</b>

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

**UNITED WORKERS' UNION**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2021**

<b>Consolidated</b>		<b>Asset Revaluation Reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
	Notes	\$	\$	\$
<b>Balance as at 1 July 2019</b>		7,259,000	77,721,098	84,980,098
Surplus for the year		-	186,207,055	186,207,055
Other comprehensive income		-	-	-
<b>Closing balance as at 30 June 2020</b>		7,259,000	263,928,153	271,187,153
Surplus for the year		-	<b>2,986,379</b>	<b>2,986,379</b>
Other comprehensive income		<b>(2,093,903)</b>	-	<b>(2,093,903)</b>
<b>Closing balance as at 30 June 2021</b>		<b>5,165,097</b>	<b>266,914,532</b>	<b>272,079,629</b>

<b>Parent</b>		<b>Asset Revaluation Reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
	Notes	\$	\$	\$
<b>Balance as at 1 July 2019</b>		7,259,000	77,721,098	84,980,098
Surplus for the year		-	185,953,065	185,953,065
Other comprehensive income		-	-	-
<b>Closing balance as at 30 June 2020</b>		7,259,000	263,674,163	270,933,163
Surplus for the year		-	<b>3,473,869</b>	<b>3,473,869</b>
Other comprehensive income		<b>(2,093,903)</b>	-	<b>(2,093,903)</b>
<b>Closing balance as at 30 June 2021</b>		<b>5,165,097</b>	<b>267,148,032</b>	<b>272,313,129</b>

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

**UNITED WORKERS' UNION**
**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2021**

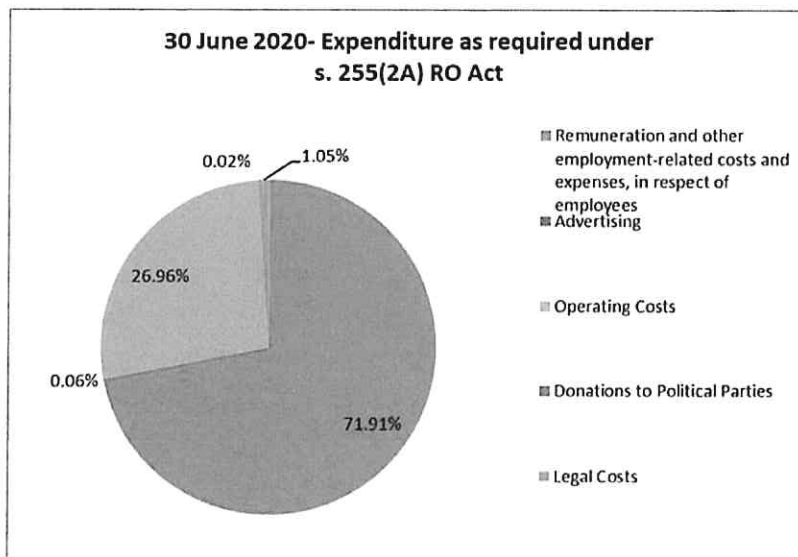
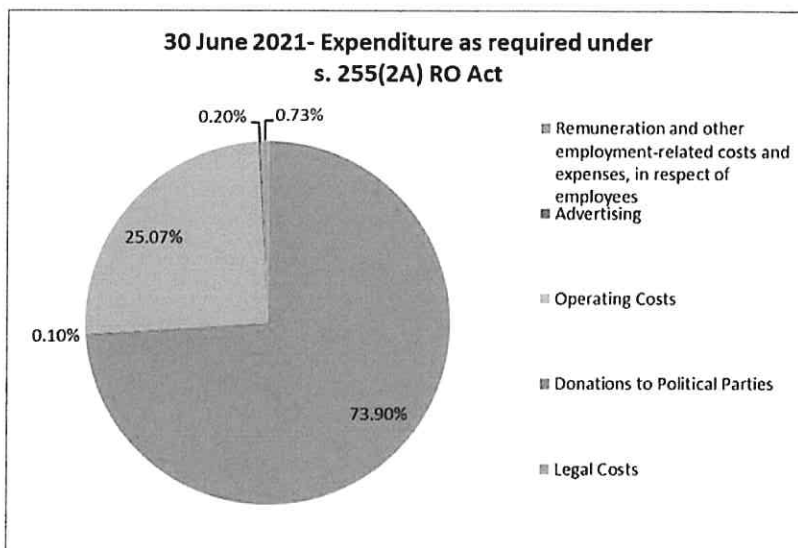
		<b>Consolidated</b>		<b>Parent</b>	
		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	Notes	\$	\$	\$	\$
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Receipts from other reporting units	12B	-	1,627,437	-	1,627,437
Receipts from members and other customers		<b>92,832,115</b>	64,862,463	<b>91,578,178</b>	64,602,217
Interest and investment income received		<b>2,326,297</b>	1,260,817	<b>2,324,753</b>	1,256,067
		<b>95,158,412</b>	67,750,717	<b>93,902,931</b>	67,485,721
<b>Cash used</b>					
Payments to employees and suppliers		<b>(102,941,139)</b>	(66,976,179)	<b>(101,634,029)</b>	(66,711,183)
Payments to other reporting units	12B	-	(28,370)	-	(28,370)
		<b>(102,941,139)</b>	(67,004,549)	<b>(101,634,029)</b>	(66,739,553)
<b>Net cash (used in)/ provided by operating activities</b>	12A	<b>(7,782,727)</b>	746,168	<b>(7,731,098)</b>	746,168
<b>INVESTING ACTIVITIES</b>					
Proceeds from sale of property, plant and equipment		<b>1,302,451</b>	278,237	<b>1,302,451</b>	278,237
Net Proceeds from investments		<b>2,203,977</b>	11,725,986	<b>2,203,977</b>	11,725,986
Net cash acquired from amalgamation		-	16,209,779	-	15,799,808
Purchase of property, plant and equipment		<b>(50,340,040)</b>	(3,281,670)	<b>(50,340,040)</b>	(3,281,670)
<b>Net cash (used in)/ provided by investing activities</b>		<b>(46,833,612)</b>	24,932,332	<b>(46,833,612)</b>	24,522,361
<b>FINANCING ACTIVITIES</b>					
Repayment of leases		<b>(1,432,707)</b>	(1,032,133)	<b>(1,432,707)</b>	(1,032,133)
Proceeds on borrowings		<b>(2,500,000)</b>	2,500,000	<b>(2,500,000)</b>	2,500,000
<b>Net cash (used in)/ provided by financing activities</b>		<b>(3,932,707)</b>	1,467,867	<b>(3,932,707)</b>	1,467,867
<b>Net (decrease)/ increase in cash held</b>		<b>(58,549,046)</b>	27,146,367	<b>(58,497,417)</b>	26,736,396
Cash & cash equivalents at the beginning of the year		<b>94,290,532</b>	67,144,165	93,880,561	67,144,165
<b>Cash &amp; cash equivalents at the end of the year</b>	6A	<b>35,741,486</b>	94,290,532	<b>35,383,144</b>	93,880,561

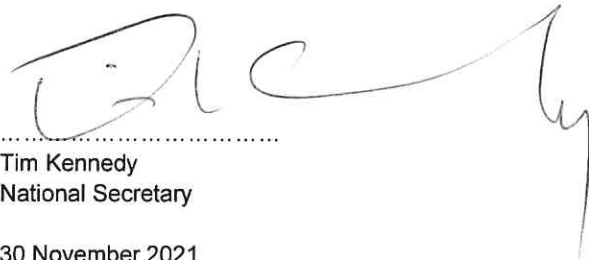
The above statement should be read in conjunction with the notes.

**UNITED WORKERS' UNION**

**REPORT REQUIRED UNDER SUBSECTION 255(2A) OF THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009  
FOR THE YEAR ENDED 30 JUNE 2021**

The Committee of Management presents the expenditure report as required under subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009* on the Union for the year ended 30 June 2021:



  
Tim Kennedy  
National Secretary

30 November 2021

Melbourne

## UNITED WORKERS' UNION

### OFFICER'S DECLARATION STATEMENT

I, Tim Kennedy, being the National Secretary of the United Workers' Union, declare that the following activities did not occur during the reporting year ended 30 June 2021:

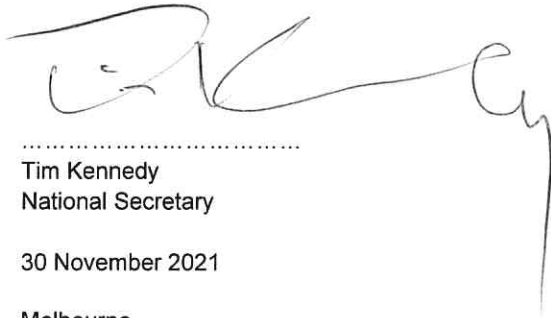
The reporting unit did not:

- 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 or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees to another reporting unit
- 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 separation and redundancy to employees (other than holders of office)
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- pay a penalty imposed under the RO Act or the *Fair Work Act 2009*
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have other employee provisions in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or Union

**UNITED WORKERS' UNION**

**OFFICER DECLARATION STATEMENT (CONTINUED)**

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



.....  
Tim Kennedy  
National Secretary  
  
30 November 2021  
  
Melbourne

## UNITED WORKERS' UNION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

#### INDEX TO THE NOTES OF THE FINANCIAL STATEMENTS

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Gain on transfer of net assets from amalgamation of under Part 2 of Chapter 3 of the RO Act
Note 4	Revenue and income
Note 5	Expenses
Note 6	Current assets
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Note 19	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>
Note 20	Union Details
Note 21	Segment Information

## UNITED WORKERS' UNION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

#### 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, the United Workers' Union (the Union) is a not-for-profit entity.

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

##### 1.2 Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Due to the amalgamation between United Voice and the National Union of Workers' during the year, the comparative figures represent the former United Voice – National Council as a single stand-alone reporting unit. These comparative figures have remained in all material instances in a consistent manner with the 2020 financial report lodged with the Registered Organisations Commission.

##### 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 Union assesses impairment at each reporting period by evaluation of conditions and events specific to the Union 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.

###### *Lease Liabilities/ Right-of-Use Asset*

Key assumptions used in the determination of the Union's lease liability/ right-of-use assets are:

- Incremental borrowing rate: 1.94% (buildings)
- Incremental borrowing rate: 2.70% (plant and equipment)

**UNITED WORKERS' UNION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**1.3 Significant accounting judgements and estimates (Continued)**

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

**1.4 New Australian Accounting Standards**

**Adoption of New Australian Accounting Standard and amendments**

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 2018-7 – Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-1 – Amendments to Australian Accounting Standards – References to the Conceptual Framework

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

**Impact on adoption of AASB 2018-7 – Amendments to Australian Accounting Standards – Definition of Material**

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Union.

**UNITED WORKERS' UNION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**1.4 New Australian Accounting Standards (Continued)**

**Impact on adoption of AASB 2019-1 Amendments to Australian Accounting Standards –  
References to the Conceptual Framework**

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the accounting standard setter in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

The amendments had no impact on the financial statements of the Union.

***Future Australian Accounting Standards Requirements***

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on the Union include:

**AASB 2020-1 – Amendments to Australian Accounting Standards – Classification of  
Liabilities as Current or Non-current**

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted

The Union does not expect the adoption of this amendment to have an impact on its financial statements

## UNITED WORKERS' UNION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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

##### 1.5 Basis of Consolidation

The consolidated financial statements comprise the financial statements of United Workers' Union and entities controlled by the Union. Control is achieved where the Union is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the entity

Specifically, the Union controls an investee if and only if it has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

When the Union has less than a majority of the voting or similar rights of an investee, the Union considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- Relevant activities of the investee and who has control over them
- Existing or future administrative or statutory arrangements that may give rise to rights/control (or change the previous control assessment)
- Whether rights are substantive or protective in nature and whether rights presently exercisable or will be exercisable when decisions about relevant activities are being made
- Exposure or rights to financial and non-financial returns (direct or indirect) and the ability to influence those returns
- Whether the investor is exercising its decision-making abilities as a principal or agent
- Rights arising from other contractual arrangements

The Union re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Union obtains control over the subsidiary and ceases when it loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Union gains control until the date it ceases to control the subsidiary.

Income and expense of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Union and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Union.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

## UNITED WORKERS' UNION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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

##### 1.5 Basis of Consolidation (continued)

Changes in the Union's ownership interests in subsidiaries that do not result in the Union losing control are accounted for as equity transactions. The carrying amounts of the Union's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Union.

When the Union loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Union had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under *AASB 139 'Financial Instruments: Recognition and Measurement'* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

##### 1.6 Revenue

The Union enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

##### Revenue from contracts with customers

Where the Union has a contract with a customer, the Union recognises revenue when or as it transfers control of goods or services to the customer. The Union accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

**UNITED WORKERS' UNION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021**

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

**1.6    Revenue (Continued)**

**Membership subscriptions**

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Union.

If there is only one distinct membership service promised in the arrangement, the Union recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Union's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the Union allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the Union charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the Union recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Union has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the Union at their standalone selling price, the Union accounts for those sales as a separate contract with a customer.

## **UNITED WORKERS' UNION**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021**

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

##### **1.6    Revenue (Continued)**

###### **Income of the Union as a Not-for-Profit Entity**

Consideration is received by the Union to enable the entity to further its objectives. The Union recognises each of these amounts of consideration as income when the consideration is received (which is when the Union obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the Union's recognition of the cash contribution does not give to any related liabilities.

###### **Gains from sale of assets**

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

###### **Interest income**

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

###### **Rental income**

Leases in which the Union as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

##### **1.7    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 WORKERS' UNION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021**

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

**1.8    Non-current assets held for sale**

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

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

**1.9    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.

## UNITED WORKERS' UNION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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

##### 1.10 Leases

For any leases entered into the Union 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 Union 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 Union;
- The Union 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 Union has the right to direct the use of the identified asset throughout the period of use.
- The Union 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 Union 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 Union, 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 Union 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 Union also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Union 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 Union'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 WORKERS' UNION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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

##### 1.10 Leases (Continued)

The Union 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.

##### 1.11 Financial instruments

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

##### 1.12 Financial assets

###### *Initial Recognition and Measurement*

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

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

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

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

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

## UNITED WORKERS' UNION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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

##### 1.12 Financial assets (Continued)

###### *Subsequent measurement*

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

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

###### *Financial assets at amortised cost*

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

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

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

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

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

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

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

## UNITED WORKERS' UNION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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

##### 1.12 Financial assets (Continued)

###### *Derecognition*

A financial asset is derecognised when:

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

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

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

###### *Offsetting*

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

###### *Impairment*

###### *Expected credit losses*

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

###### *(i) Trade receivables*

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

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

## UNITED WORKERS' UNION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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

##### 1.12 Financial assets (Continued)

###### *(ii) Debt instruments other than trade receivables*

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

ECLs are recognised in two stages:

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

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

##### 1.13 Financial liabilities

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

###### *Subsequent Measurement*

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

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

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

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

## UNITED WORKERS' UNION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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

##### 1.13 Financial liabilities (Continued)

###### *Financial liabilities at amortised cost*

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

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

###### *Derecognition*

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

##### 1.14 Contingent liabilities and contingent assets

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

##### 1.15 Liabilities relating to contracts with customers

###### **Contract liabilities**

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Union transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the Union performs under the contract (i.e., transfers control of the related goods or services to the customer).

###### **Refund liabilities**

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Union refund liabilities arise from customers' right of return. The liability is measured at the amount the Union ultimately expects it will have to return to the customer. The Union updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

## UNITED WORKERS' UNION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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

##### 1.16 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:

	<b>2021</b>	<b>2020</b>
Buildings	30 years	30 years
Investment properties	30 years	30 years
Furniture and fittings	10 years	10 years
IT hardware/ equipment	5 years	5 years
Motor vehicles	4 years	4 years
Office equipment	5 years	5 years
Plant and equipment	15 years	15 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 WORKERS' UNION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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

##### 1.17 Impairment of non-financial assets

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

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

##### 1.18 Taxation

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

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

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

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

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

##### 1.19 Investments in associates and joint arrangements

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

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

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

## UNITED WORKERS' UNION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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

##### 1.19 Investments in associates and joint arrangements (continued)

The results and assets and liabilities of associates and its joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 'Non-current Asset Held for Sale and Discontinued Operations'. 'Under the equity method, an investment in an associate or joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate or joint venture exceeds the interest in that associate, the Union discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

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

##### 1.20 Fair value measurement

The Union measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings 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 17.

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

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

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

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

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

## **UNITED WORKERS' UNION**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021**

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

##### **1.20 Fair value measurement (Continued)**

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

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

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

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

##### **1.21 Borrowing costs**

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

##### **1.22 Investment properties**

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

Any 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 de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

## UNITED WORKERS' UNION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

#### Note 2 Events after the reporting period

The following events after the reporting period were identified:

1. On 30 August 2021, the Union entered into a sales contract for the land and building located at United 4 & 5, 40 Brisbane Avenue, Barton (Canberra) for \$1,320,000 – as a result, this asset has been recorded as a non-current asset held for sale in accordance with AASB 5 at 30 June 2021.
2. On 30 August 2021, the Union entered into a purchase contract for the land and buildings located a Unit 15 & 16, 71 Leichardt Street, Kingston (Canberra) for \$4,150,000.
3. The National Union of Workers – New South Wales (being a registered union under the *Industrial Relations Act 1996 (NSW)*) is being transferred into the Union as part of the amalgamation between the former United Voice and National Union of Workers. It is anticipated than an application to deregister the union will be made in early 2022. The net assets of this state registered union have not been reflected in these financial statements at 30 June 2021.
4. As a result of the evolving nature of the ongoing COVID-19 outbreak (particularly in NSW and Victoria) and the rapidly evolving government policies of restrictive measures put in place to contain it, the Union is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Union.

Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Union, the results of those operations, or the state of affairs of the Union in subsequent financial periods.

# UNITED WORKERS' UNION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

### Note 3 Gain on Transfer of Net Assets from Amalgamation of Under Part 2 of Chapter 3 of the RO Act

On 30 August 2019, members of both the National Union of Workers' and United Voice voted to amalgamate and create the United Workers' Union. The Fair Work Commission (FWC) at the conclusion of a hearing on 1 October 2020 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 [2020 FWC 6756]. As a result, all assets and liabilities of the former reporting units were transferred to the United Voice – National Council (the host union) and the name of the Union changed to the United Workers' Union.

#### Consolidated

	UV WA Branch	UV QLD Branch	UV NSW Branch	UV SA Branch	UV VIC Branch	NUW National	NUW VIC Branch	NUW NSW Branch	Poll Printing Limited	LUIPS Pty Ltd	Eliminations	Total
<b>Assets</b>												
Cash and cash equivalents	2,427,598	389,075	3,779,892	4,095,857	382,474	1,956,627	2,768,285	-	15,615	394,356	-	16,209,779
Trade and other receivables	44,878	33,576	117,279	144,346	104,226	3,943,844	2,332,114	-	94,073	8,606	(235,084)	6,587,858
Other current assets	-	99,882	236,355	-	105,880	253,837	215,175	-	-	-	-	911,129
Financial assets	-	602,188	74,215,777	-	21,207,497	5,712,661	33,615,650	-	-	-	(6,881,770)	128,472,003
Property, plant and equipment	3,608,831	18,266,202	5,147,033	10,192,169	15,650,584	1,758,819	1,507,952	2,450,000	-	-	-	58,581,590
Investment properties	3,135,263	2,212,889	-	-	2,796,677	214,619	-	-	-	-	-	8,359,448
Capital work in progress	-	-	2,554,184	-	-	-	-	-	-	-	-	2,554,184
<b>Total Assets</b>	<b>9,216,570</b>	<b>21,603,812</b>	<b>86,050,520</b>	<b>14,432,372</b>	<b>40,247,338</b>	<b>13,840,407</b>	<b>40,439,176</b>	<b>2,450,000</b>	<b>109,688</b>	<b>402,962</b>	<b>(7,116,854)</b>	<b>221,675,991</b>

**UNITED WORKERS' UNION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**Note 3      Gain on Transfer of Net Assets from Amalgamation of Under Part 2 of Chapter 3 of the RO Act (Continued)**

Consolidated (Continued)

	UV WA Branch	UV QLD Branch	UV NSW Branch	UV SA Branch	UV VIC Branch	NUW National	NUW VIC Branch	NUW NSW Branch	Poll Printing Limited	LUIPS Pty Ltd	Eliminations	Total
<b>Liabilities</b>												
Trade and other payables	587,253	1,832,635	591,623	607,045	513,399	701,426	387,483	-	96,302	-	(235,084)	5,082,082
Employee provisions	1,239,288	2,454,474	1,777,559	1,330,419	1,194,663	2,417,860	1,680,470	-	-	-	-	12,094,733
Borrowings	3,881,770	5,500,000	-	-	-	2,079,509	-	-	-	-	(6,881,770)	4,579,509
Lease liabilities	-	1,191,728	-	193,053	-	-	-	-	-	-	-	1,384,781
<b>Total Liabilities</b>	<b>5,708,311</b>	<b>10,978,837</b>	<b>2,369,182</b>	<b>2,130,517</b>	<b>1,708,062</b>	<b>5,198,795</b>	<b>2,067,953</b>	<b>-</b>	<b>96,302</b>	<b>-</b>	<b>(7,116,854)</b>	<b>23,141,105</b>
<b>Net assets</b>	<b>3,508,259</b>	<b>10,624,975</b>	<b>83,681,338</b>	<b>12,301,855</b>	<b>38,539,276</b>	<b>8,641,612</b>	<b>38,371,223</b>	<b>2,450,000</b>	<b>13,386</b>	<b>402,962</b>	<b>-</b>	<b>198,534,886</b>
<b>Equity</b>												
Accumulated funds	3,508,259	10,624,975	83,681,338	12,301,855	38,539,276	8,641,612	38,371,223	2,450,000	13,386	402,962	-	198,534,886
<b>Total Equity</b>	<b>3,508,259</b>	<b>10,624,975</b>	<b>83,681,338</b>	<b>12,301,855</b>	<b>38,539,276</b>	<b>8,641,612</b>	<b>38,371,223</b>	<b>2,450,000</b>	<b>13,386</b>	<b>402,962</b>	<b>-</b>	<b>198,534,886</b>

**UNITED WORKERS' UNION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**Note 3      Gain on Transfer of Net Assets from Amalgamation of Under Part 2 of Chapter 3 of the RO Act**

Parent

	UV WA Branch	UV QLD Branch	UV NSW Branch	UV SA Branch	UV VIC Branch	NUW National	NUW VIC Branch	NUW NSW Branch	Eliminations	Total
<b>Assets</b>										
Cash and cash equivalents	2,427,598	389,075	3,779,892	4,095,857	382,474	1,956,627	2,768,285	-	-	15,799,808
Trade and other receivables	44,878	33,576	117,279	144,346	104,226	3,943,844	2,332,114	-	(235,084)	6,485,179
Other current assets	-	99,882	236,355	-	105,880	253,837	215,175	-	-	911,129
Financial assets	-	602,188	74,215,777	-	21,207,497	5,712,661	33,615,650	-	(6,881,770)	128,472,003
Property, plant and equipment	3,608,831	18,266,202	5,147,033	10,192,169	15,650,584	1,758,819	1,507,952	2,450,000	-	58,581,590
Investment properties	3,135,263	2,212,889	-	-	2,796,677	214,619	-	-	-	8,359,448
Capital work in progress	-	-	2,554,184	-	-	-	-	-	-	2,554,184
<b>Total Assets</b>	<b>9,216,570</b>	<b>21,603,812</b>	<b>86,050,520</b>	<b>14,432,372</b>	<b>40,247,338</b>	<b>13,840,407</b>	<b>40,439,176</b>	<b>2,450,000</b>	<b>(7,116,854)</b>	<b>221,163,341</b>

UNITED WORKERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021

**Note 3      Gain on Transfer of Net Assets from Amalgamation of Under Part 2 of Chapter 3 of the RO Act (Continued)**

Parent (Continued)

	UV WA Branch	UV QLD Branch	UV NSW Branch	UV SA Branch	UV VIC Branch	NUW National	NUW VIC Branch	NUW NSW Branch	Eliminations	Total
<b>Liabilities</b>										
Trade and other payables	587,253	1,832,635	591,623	607,045	513,399	701,426	387,483	-	(235,084)	4,985,780
Employee provisions	1,239,288	2,454,474	1,777,559	1,330,419	1,194,663	2,417,860	1,680,470	-	-	12,094,733
Borrowings	3,881,770	5,500,000	-	-	-	2,079,509	-	-	(6,881,770)	4,579,509
Lease liabilities	-	1,191,728	-	193,053	-	-	-	-	-	1,384,781
<b>Total Liabilities</b>	<b>5,708,311</b>	<b>10,978,837</b>	<b>2,369,182</b>	<b>2,130,517</b>	<b>1,708,062</b>	<b>5,198,795</b>	<b>2,067,953</b>	<b>-</b>	<b>(7,116,854)</b>	<b>23,044,803</b>
<b>Net assets</b>	<b>3,508,259</b>	<b>10,624,975</b>	<b>83,681,338</b>	<b>12,301,855</b>	<b>38,539,276</b>	<b>8,641,612</b>	<b>38,371,223</b>	<b>2,450,000</b>	<b>-</b>	<b>198,118,538</b>
<b>Equity</b>										
Accumulated funds	3,508,259	10,624,975	83,681,338	12,301,855	38,539,276	8,641,612	38,371,223	2,450,000	-	198,118,538
<b>Total Equity</b>	<b>3,508,259</b>	<b>10,624,975</b>	<b>83,681,338</b>	<b>12,301,855</b>	<b>38,539,276</b>	<b>8,641,612</b>	<b>38,371,223</b>	<b>2,450,000</b>	<b>-</b>	<b>198,118,538</b>

# UNITED WORKERS' UNION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$

### Note 4 Revenue and income

#### Disaggregation of revenue from contracts with customers

A disaggregation of the Union's revenue by type of arrangements is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

#### Type of customer

Members	79,074,729	49,904,950	79,074,729	49,904,950
Other reporting units	-	1,513,223	-	1,513,223
By leasing arrangement (rental income)	1,663,738	1,147,821	1,663,738	1,147,821
<b>Total revenue from contracts with customers</b>	<b>80,738,467</b>	<b>52,565,994</b>	<b>80,738,467</b>	<b>52,565,994</b>

#### Note 4A: Sustentation fees

- United Voice - NSW Branch	-	265,643	-	265,643
- United Voice - Victoria Branch	-	190,902	-	190,902
- United Voice - Queensland Branch	-	529,675	-	529,675
- United Voice - South Australia Branch	-	261,833	-	261,833
- United Voice - Western Australia Branch	-	265,170	-	265,170
<b>Total sustentation fees</b>	<b>-</b>	<b>1,513,223</b>	<b>-</b>	<b>1,513,223</b>

#### Note 4B: Interest

Interest on Deposits	262,016	1,253,100	260,471	1,248,350
<b>Total interest</b>	<b>262,016</b>	<b>1,253,100</b>	<b>260,471</b>	<b>1,248,350</b>

#### Note 4C: Investment income

Gain on revaluation of investments	15,638,931	1,008,830	15,638,931	1,008,830
Loss on revaluation of investments	-	(2,026,623)	-	(2,026,623)
Other investment income	2,064,282	(7,717)	2,064,282	(7,717)
<b>Total investment income</b>	<b>17,703,213</b>	<b>(1,025,510)</b>	<b>17,703,213</b>	<b>(1,025,510)</b>

#### Note 4D: Rental income

303 Cleveland Street, Redfern	28,796	98,460	28,796	98,460
27 + 47 Peel Street, South Brisbane	390,684	348,183	390,684	348,183
101 Henley Beach Road, Mile End	281,542	167,465	281,542	167,465
54 Cheriton Street, Perth	130,923	119,862	130,923	119,862
117-131 Capel Street, North Melbourne	397,355	288,728	397,355	288,728
17 Cribb Street, Milton	104,914	72,849	104,914	72,849
62 Drummond Street, Carlton	138,693	29,154	138,693	29,154
Other rental income	190,831	23,120	190,831	23,120
<b>Total rental income</b>	<b>1,663,738</b>	<b>1,147,821</b>	<b>1,663,738</b>	<b>1,147,821</b>

UNITED WORKERS' UNION

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FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Note 4E: Other Revenue</b>				
Directors fees	669,240	421,512	669,240	421,512
Sponsorships	1,001,591	128,470	1,369,593	128,470
Reimbursement of costs	519,342	483,649	519,342	483,649
Printing income	906,264	251,834	-	-
Other income	1,095,486	218,764	1,095,486	218,764
<b>Total other revenue</b>	<b>4,191,923</b>	<b>1,504,229</b>	<b>3,653,661</b>	<b>1,252,395</b>
<b>Note 4F: Gain on Sale of assets</b>				
Profit on sale of buildings	729,516	-	729,516	-
Profit of sale of plant and equipment	145,239	132,876	145,239	132,876
<b>Total gain on sale of assets</b>	<b>874,755</b>	<b>132,876</b>	<b>874,755</b>	<b>132,876</b>
<b>Note 4G: Grants and/ or donations</b>				
Grants	77,070	-	77,070	-
<b>Total grants and/ or donations</b>	<b>77,070</b>	<b>-</b>	<b>77,070</b>	<b>-</b>

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**FOR THE YEAR ENDED 30 JUNE 2021**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>NOTE 5 Expenses</b>				
<b>Note 5A: Employee expenses</b>				
<b>Holders of office:</b>				
Wages and salaries	<b>2,818,571</b>	2,022,707	<b>2,818,571</b>	2,022,707
Superannuation	<b>545,464</b>	336,074	<b>545,464</b>	336,074
Leave and other entitlements	<b>558,735</b>	334,065	<b>558,735</b>	334,065
Separation and redundancies	-	809,662	-	809,662
Other employee expenses	<b>111,070</b>	59,824	<b>111,070</b>	59,824
<b>Subtotal employee expenses – holders of office</b>	<b>4,033,840</b>	3,562,332	<b>4,033,840</b>	3,562,332
<b>Employees other than office holders:</b>				
Wages and salaries	<b>43,342,639</b>	25,941,786	<b>43,342,639</b>	25,941,786
Superannuation	<b>8,445,575</b>	5,040,213	<b>8,445,575</b>	5,040,213
Leave and other entitlements	<b>10,054,760</b>	7,444,518	<b>10,054,760</b>	7,444,518
Separation and redundancies	-	323,345	-	323,345
Other employee expenses	<b>2,771,707</b>	1,930,124	<b>2,771,707</b>	1,930,124
<b>Subtotal employee expenses – employees other than office holders</b>	<b>64,614,681</b>	40,679,986	<b>64,614,681</b>	40,679,986
<b>Total employee expenses</b>	<b>68,648,521</b>	44,242,318	<b>68,648,521</b>	44,242,318
<b>Note 5B: Indirect employment expenses</b>				
Payroll tax	<b>3,586,560</b>	2,554,165	<b>3,586,560</b>	2,554,165
Workcover	<b>519,163</b>	428,704	<b>519,163</b>	428,704
Fringe benefits tax	<b>446,576</b>	357,855	<b>446,576</b>	357,855
Insurances – staff	<b>930,273</b>	673,804	<b>930,273</b>	673,804
Education and staff training	<b>146,481</b>	128,995	<b>146,481</b>	128,995
Staff amenities	<b>73,984</b>	71,963	<b>73,984</b>	71,963
Staff recruitment	<b>153,342</b>	114,488	<b>153,342</b>	114,488
<b>Total indirect employment expenses</b>	<b>5,856,379</b>	4,329,974	<b>5,856,379</b>	4,329,974

**UNITED WORKERS' UNION**
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**FOR THE YEAR ENDED 30 JUNE 2021**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Note 5C: Affiliation Fees</b>				
Australian Council of Trades Unions	<b>924,015</b>	927,784	<b>924,015</b>	927,784
Queensland Council of Unions	<b>262,078</b>	87,599	<b>262,078</b>	87,599
Unions NSW	<b>109,703</b>	65,658	<b>109,703</b>	65,658
Unions ACT	<b>10,880</b>	10,160	<b>10,880</b>	10,160
Victorian Trades Hall Council	<b>203,636</b>	147,955	<b>203,636</b>	147,955
Unions Tasmania	<b>16,840</b>	17,174	<b>16,840</b>	17,174
SA Unions	<b>106,991</b>	54,492	<b>106,991</b>	54,492
Unions WA	<b>123,542</b>	64,796	<b>123,542</b>	64,796
Trades and Labor Council NT	-	16,950	-	16,950
Newcastle Trade Hall Council	<b>3,133</b>	2,296	<b>3,133</b>	2,296
Ballart Trades and Labour Council	<b>4,620</b>	6,563	<b>4,620</b>	6,563
Bendigo Trades Hall Council	<b>5,288</b>	3,966	<b>5,288</b>	3,966
Geelong Trades Hall Council	<b>6,580</b>	4,935	<b>6,580</b>	4,935
Gippsland Trades and Labour Council	<b>1,391</b>	695	<b>1,391</b>	695
Goulburn Valley Trades and Labour Council	<b>4,655</b>	2,328	<b>4,655</b>	2,328
North East and Boarder Trades and Labour Council	<b>19,044</b>	9,502	<b>19,044</b>	9,502
South West Trades and Labour Council	<b>1,237</b>	1,275	<b>1,237</b>	1,275
Sunraysia Trades and Labour Council	<b>412</b>	138	<b>412</b>	138
Australian Labor Party – Qld Branch	<b>94,701</b>	101,903	<b>94,701</b>	101,903
Australian Labor Party – NSW Branch	<b>135,697</b>	129,170	<b>135,697</b>	129,170
Australian Labor Party – ACT Branch	<b>1,495</b>	4,124	<b>1,495</b>	4,124
Australian Labor Party – VIC Branch	<b>217,221</b>	173,734	<b>217,221</b>	173,734
Australian Labor Party – TAS Branch	<b>7,624</b>	10,665	<b>7,624</b>	10,665
Australian Labor Party – SA Branch	<b>102,651</b>	53,527	<b>102,651</b>	53,527
Australian Labor Party – WA Branch	<b>145,477</b>	72,337	<b>145,477</b>	72,337
Australian Labor Party – NT Branch	<b>4,669</b>	26,853	<b>4,669</b>	26,853
UNI Global Union	<b>128,671</b>	76,002	<b>128,671</b>	76,002
International Union of Food Workers	<b>176,551</b>	165,098	<b>176,551</b>	165,098
Centre for Australian Progress	<b>4,545</b>	15,000	<b>4,545</b>	15,000
Community Early Learning Australia	-	364	-	364
Community Radio Federation	-	3,332	-	3,332
Nature Conservation Council of NSW	-	10,000	-	10,000
NSW Council of Social Services	<b>641</b>	-	<b>641</b>	-
NSW Community Services and Health ITAB	-	3,000	-	3,000
Asbestos Disease Support Society	<b>397</b>	800	<b>397</b>	800
Workers Health Centre	<b>1,367</b>	1,592	<b>1,367</b>	1,592
Union Shopper	<b>99,530</b>	40,319	<b>99,530</b>	40,319
Queensland Community Alliance	<b>15,450</b>	72,667	<b>15,450</b>	72,667
Welfare Rights Centre	-	2,306	-	2,306
Sydney Alliance	<b>29,214</b>	28,567	<b>29,214</b>	28,567
Sub-total	<b>2,969,946</b>	2,415,626	<b>2,969,946</b>	2,415,626

**UNITED WORKERS' UNION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Note 5C: Affiliation Fees (Continued)</b>				
Balance carried forward	<b>2,969,946</b>	2,415,626	<b>2,969,946</b>	2,415,626
McKell Institute	-	6,667	-	6,667
Australian Institute of Employment Rights	<b>5,000</b>	-	<b>5,000</b>	-
Australian Palestine Advocacy Network	<b>417</b>	-	<b>417</b>	-
Australian Council of Social Services	-	1,850	-	1,850
APHEDA	<b>9,044</b>	8,780	<b>9,044</b>	8,780
<b>Total affiliation fees</b>	<b>2,984,407</b>	2,432,923	<b>2,984,407</b>	2,432,923

**Note 5D: Grants or donations**

Donations:

Total paid that were \$1,000 or less	<b>4,467</b>	8,966	<b>4,467</b>	8,966
Total paid that exceeded \$1,000	<b>369,469</b>	124,041	<b>369,469</b>	124,041
<b>Total grants or donations</b>	<b>373,936</b>	133,007	<b>373,936</b>	133,007

**Note 5E: Depreciation and amortisation**

**Depreciation:**

Buildings	<b>2,855,137</b>	1,294,067	<b>2,855,137</b>	1,294,067
Investment properties	<b>168,333</b>	78,327	<b>168,333</b>	78,327
Furniture and equipment	<b>192,948</b>	211,322	<b>192,948</b>	211,322
IT hardware/ equipment	<b>156,314</b>	166,590	<b>156,314</b>	166,590
Motor vehicles	<b>1,386,614</b>	793,845	<b>1,386,614</b>	793,845
Office equipment	<b>73,571</b>	87,955	<b>73,571</b>	87,955
Plant and equipment	<b>89,246</b>	72,348	<b>89,246</b>	72,348
Low value assets	<b>146,809</b>	492,351	<b>146,809</b>	492,351
<b>Total depreciation</b>	<b>5,068,972</b>	3,196,805	<b>5,068,972</b>	3,196,805

**Amortisation:**

Buildings	<b>899,590</b>	639,456	<b>899,590</b>	639,456
Plant and equipment	<b>642,755</b>	372,884	<b>642,755</b>	372,884
<b>Total amortisation</b>	<b>1,542,345</b>	1,012,340	<b>1,542,345</b>	1,012,340

**Total depreciation and amortisation**

<b>6,611,317</b>	4,209,145	<b>6,611,317</b>	4,209,145
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**Note 5F: Finance costs**

Bank Charges	<b>523,806</b>	247,424	<b>523,806</b>	247,360
Interest expense by leasing arrangement	<b>99,264</b>	115,017	<b>99,264</b>	115,017
Interest expense (bank)	<b>14,935</b>	41,965	<b>14,935</b>	41,965
<b>Total finance costs</b>	<b>638,005</b>	404,406	<b>638,005</b>	404,342

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**FOR THE YEAR ENDED 30 JUNE 2021**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Note 5G: Legal and professional costs</b>				
Litigation	<b>385,475</b>	576,517	<b>385,475</b>	576,517
Other Legal Costs	<b>354,384</b>	138,011	<b>352,925</b>	132,987
<b>Total legal and professional costs</b>	<b>739,859</b>	714,528	<b>738,400</b>	709,504

The Union has determined that litigation represents legal costs incurred for defending the industrial rights of its members.

**Note 5H: Audit and accounting fees**

External audit and preparation of financial statements	<b>171,700</b>	200,000	<b>165,000</b>	200,000
Other audit costs	<b>10,000</b>	34,784	<b>10,000</b>	26,566
Other services	<b>12,952</b>	10,000	<b>12,400</b>	10,000
<b>Total audit and accounting fees</b>	<b>194,652</b>	244,784	<b>187,400</b>	236,566

**Note 5I: Campaign costs**

Campaign expenses	<b>965,085</b>	206,816	<b>965,085</b>	206,816
Promotions - merchandise	<b>155,758</b>	378,019	<b>101,279</b>	378,019
<b>Total campaign costs</b>	<b>1,120,843</b>	584,835	<b>1,066,364</b>	584,835

**Note 5J: Communication costs**

Advertising	<b>97,425</b>	38,794	<b>97,425</b>	38,785
Media and SMS costs	<b>316,417</b>	339,005	<b>316,417</b>	339,005
Postage/ freight	<b>268,294</b>	197,860	<b>209,560</b>	177,616
Printing and stationery	<b>1,250,813</b>	383,467	<b>684,908</b>	225,681
Telephone	<b>847,349</b>	649,484	<b>847,349</b>	649,484
Other communication costs	<b>80,853</b>	104,422	<b>80,853</b>	104,422
<b>Total communication costs</b>	<b>2,861,151</b>	1,713,032	<b>2,236,512</b>	1,534,993

**Note 5K: IT costs**

IT repairs and maintenance	<b>28,500</b>	119,596	<b>28,500</b>	119,596
Internet	<b>232,889</b>	283,587	<b>232,889</b>	283,587
Software and licences	<b>899,457</b>	683,599	<b>899,457</b>	683,599
Consumables and hardware	<b>134,108</b>	115,667	<b>134,108</b>	115,667
Other IT costs	<b>194,658</b>	149,474	<b>194,658</b>	149,474
<b>Total IT costs</b>	<b>1,489,612</b>	1,351,923	<b>1,489,612</b>	1,351,923

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**FOR THE YEAR ENDED 30 JUNE 2021**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Note 5L: Meeting and conference costs</b>				
Accommodation	<b>761,898</b>	550,796	<b>761,898</b>	550,796
Airfares	<b>339,437</b>	522,348	<b>339,437</b>	522,348
Travel allowance	<b>478,426</b>	316,439	<b>478,426</b>	316,439
Parking, cab charge and car hire	<b>188,651</b>	254,024	<b>188,651</b>	254,024
Other meeting costs	<b>170,400</b>	260,203	<b>170,400</b>	260,203
Conference costs	<b>11,439</b>	105,130	<b>11,439</b>	105,130
<b>Total meeting and conference costs</b>	<b>1,950,251</b>	2,008,940	<b>1,950,251</b>	2,008,940
<b>Note 5M: Property costs</b>				
Repairs and maintenance	<b>550,435</b>	357,217	<b>545,929</b>	352,737
Rates, water and land tax	<b>1,001,187</b>	239,610	<b>1,001,187</b>	239,610
Electricity	<b>401,466</b>	349,022	<b>401,466</b>	343,087
Cleaning and waste removal	<b>393,111</b>	268,973	<b>393,111</b>	266,805
Strata and management fees	<b>372,960</b>	185,364	<b>372,960</b>	185,364
Other property costs	<b>318,359</b>	369,114	<b>318,359</b>	369,114
<b>Total property costs</b>	<b>3,037,518</b>	1,769,300	<b>3,033,012</b>	1,756,717
<b>Note 5N: Occupancy and equipment costs</b>				
Equipment	<b>(73,621)</b>	325,351	<b>(403,373)</b>	111,096
Buildings	<b>316,413</b>	207,636	<b>316,413</b>	207,636
<b>Total occupancy and equipment costs</b>	<b>242,792</b>	532,987	<b>(86,960)</b>	318,732

Occupancy and equipment costs relate to expenditure incurred that are either on short term leases (less than 12 months) or other occupancy related costs.

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	<b>Consolidated</b>		<b>Parent</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Note 50: Other expenses</b>				
Motor vehicle costs	<b>1,160,932</b>	635,985	<b>1,160,932</b>	635,985
Sponsorship	<b>192,193</b>	255,812	<b>192,193</b>	255,812
Consultancy and other professional costs	<b>865,989</b>	899,883	<b>865,989</b>	899,883
Insurance	<b>712,007</b>	516,237	<b>712,007</b>	516,237
Member benefits	<b>1,293,462</b>	454,652	<b>1,293,462</b>	454,652
Compulsory levies				
Australian Labor Party – Qld Branch	-	66,586	-	66,586
Australian Labor Party – WA Branch	<b>46,159</b>	-	<b>46,159</b>	-
Australian Labor Party – ACT Branch	<b>1,731</b>	-	<b>1,731</b>	-
Queensland Council of Unions	<b>105,000</b>	-	<b>105,000</b>	-
Victorian Trades Hall Council	-	5,000	-	5,000
Other expenses	<b>718,718</b>	460,125	<b>713,508</b>	459,366
<b>Total other expenses</b>	<b>5,096,191</b>	3,294,280	<b>5,090,981</b>	3,293,521

Purpose of Levies

*Australian Labor Party – Qld, WA & ACT Branches*

The Australian Labor Party – Qld, WA & ACT Branches raised a levy on affiliated unions to assist in funding of campaigning and election activities.

*Victorian Trades Hall Council*

The purpose of the levy raised by the Victorian Trades Hall Council was to assist union members affected by the 2020 bushfire crisis.

*Queensland Council of Unions*

The purpose of this levy raised was to assist in State Election campaigning activities.

UNITED WORKERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Note 6 Current Assets</b>				
<b>Note 6A: Cash and Cash Equivalents</b>				
Cash at bank	35,731,486	94,277,525	35,373,144	93,867,554
Cash on hand	10,000	13,007	10,000	13,007
<b>Total cash and cash equivalents</b>	<b>35,741,486</b>	<b>94,290,532</b>	<b>35,383,144</b>	<b>93,880,561</b>
<b>Note 6B: Trade and other receivables</b>				
<b>Other receivables</b>				
Accrued interest	-	64,368	-	64,368
Accrued membership income	1,841,456	1,580,021	1,841,456	1,580,021
Related party receivables (Poll Printing Limited)	-	-	658,382	218,026
Related party receivable (NUW NSW)	1,163,241	1,211,441	1,163,241	1,211,441
Related party receivables (LUIPS)	-	-	300,000	-
Other trade and sundry receivables	867,372	219,733	748,423	125,466
<b>Total other receivables</b>	<b>3,872,069</b>	<b>3,075,563</b>	<b>4,711,502</b>	<b>3,199,322</b>
<b>Total trade and other receivables (net)</b>	<b>3,872,069</b>	<b>3,075,563</b>	<b>4,711,502</b>	<b>3,199,322</b>
<b>Note 6C: Other current assets</b>				
Prepayments	2,523,418	1,038,346	2,523,418	1,038,346
Stock on hand	289,162	-	-	-
<b>Total other current assets</b>	<b>2,812,580</b>	<b>1,038,346</b>	<b>2,523,418</b>	<b>1,038,346</b>
<b>Note 6D: Non-current assets held for sale</b>				
<i>17 Cribb Street, Milton</i>				
Land and buildings	-	466,574	-	466,574
Accumulated depreciation	-	(141,355)	-	(141,355)
	-	325,219	-	325,219
<i>1 &amp; 3-5 Bridge Street, Granville</i>				
Land and buildings	2,450,000	-	2,450,000	-
Accumulated depreciation	(52,447)	-	(52,447)	-
	2,397,553	-	2,397,553	-
<i>Unit 4 &amp; 5, 40 Brisbane Avenue, Barton</i>				
Land and buildings	861,394	-	861,394	-
Accumulated depreciation	(450,767)	-	(450,767)	-
	410,627	-	410,627	-
<b>Total non-current assets held for sale</b>	<b>2,808,180</b>	<b>325,219</b>	<b>2,808,180</b>	<b>325,219</b>

# UNITED WORKERS' UNION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Note 7</b>	<b>Non-current assets</b>			
<b>Note 7A: Financial assets</b>				
Morgan Stanley investment (bond, share and cash portfolio)	<b>85,171,282</b>	72,207,107	<b>85,171,282</b>	72,207,107
IFS managed investment (share and cash portfolio)	<b>4,676,813</b>	3,795,973	<b>4,676,813</b>	3,795,973
Bell Potter investment (share and cash portfolio)	<b>21,892,982</b>	17,843,413	<b>21,892,982</b>	17,843,413
Floating rate notes	<b>4,980,360</b>	8,185,299	<b>4,980,360</b>	8,185,299
Sentinel Property investment	<b>514,953</b>	525,000	<b>514,953</b>	525,000
Other financial assets	<b>27,933</b>	144,998	<b>27,933</b>	144,998
Investments accounted for using the equity method	<b>13,284,946</b>	13,428,156	<b>13,284,946</b>	13,428,156
<b>Total financial assets</b>	<b>130,549,269</b>	116,129,946	<b>130,549,269</b>	116,129,946

### Investments accounted for using the equity method

Set out below are the associates and joint ventures of the Union at 30 June 2021 which, in the opinion of the Committee of Management, are material to the Union. The proportion of ownership interest in each investment is the same as the proportion of voting rights held.

Name of Entity	Country of incorporation	Nature of Ownership	% of ownership	% of ownership	Carrying amount	Carrying amount
			2021	2020	2021	2020
833 Bourke Street Unit Trust	Australia	Joint Venture <sup>1</sup>	50%	50%	<b>12,446,032</b>	12,446,032
87 St Vincent Street Unit Trust	Australia	Associate <sup>2</sup>	50%	50%	<b>793,745</b>	737,495
IPP Pty Ltd and Trust	Australia	Associate <sup>3</sup>	22.5%	22.5%	<b>45,169</b>	244,629
					<b>13,284,946</b>	13,428,156

<sup>1</sup> 833 Bourke Street Unit Trust operates as a property investor

<sup>2</sup> 87 St Vincent Street Unit Trust operates as a property investor

<sup>3</sup> IPP Pty Ltd and the associated trust provide marketing, graphic design and communication services.

# UNITED WORKERS' UNION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

### Note 7A: Financial assets (Continued)

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

#### Summarised statement of financial position

	833 Bourke St Unit Trust		87 St Vincent St Unit Trust		IPP Pty Ltd and Trust	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
Current assets	<b>365,001</b>	358,198	<b>103,612</b>	114,013	<b>2,431,160</b>	288,475
Non-current assets	<b>24,750,000</b>	24,750,000	<b>3,100,000</b>	2,875,000	<b>3,415,472</b>	7,905,520
<b>Total assets</b>	<b>25,115,001</b>	25,108,198	<b>3,203,612</b>	2,989,013	<b>5,846,632</b>	8,193,995
Current liabilities	<b>222,938</b>	216,134	<b>28,632</b>	39,033	<b>87,987</b>	17,669
Non-current liabilities	-	-	-	-	<b>5,557,894</b>	7,089,086
<b>Total liabilities</b>	<b>222,938</b>	216,134	<b>28,632</b>	39,033	<b>5,645,881</b>	7,106,755
<b>Equity</b>	<b>24,892,063</b>	24,892,064	<b>3,174,980</b>	2,949,980	<b>200,751</b>	1,087,240
Ownership %	<b>50%</b>	50%	<b>25%</b>	25%	<b>22.5%</b>	22.5%
Union's carrying amount of the investment	<b>12,446,032</b>	12,446,032	<b>793,745</b>	737,495	<b>45,169</b>	244,629

# UNITED WORKERS' UNION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

### Note 7A: Financial assets (Continued)

#### Summarised statement of financial position

	833 Bourke St Unit Trust		87 St Vincent St Unit Trust		IPP Pty Ltd and Trust	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
Rental income	1,765,218	1,091,065	228,008	172,471	-	-
Other income	38,444	36,717	180	840	108,743	120,048
Unrealised gain on revaluation of investment properties	-	1,250,000	225,000	-	-	-
<b>Total revenue</b>	<b>1,803,662</b>	<b>2,377,782</b>	<b>453,188</b>	<b>173,311</b>	<b>108,743</b>	<b>120,048</b>
Property expenses	(30,278)	(25,658)	(62,477)	(46,111)	-	-
Other expenses	-	-	-	-	(906,343)	(186,043)
<b>Total expenses</b>	<b>(30,278)</b>	<b>(25,658)</b>	<b>(62,477)</b>	<b>(46,111)</b>	<b>(906,343)</b>	<b>(186,043)</b>
<b>Profit/ loss</b>	<b>1,773,384</b>	<b>2,352,124</b>	<b>390,711</b>	<b>127,200</b>	<b>(797,600)</b>	<b>(65,995)</b>
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>1,773,384</b>	<b>2,352,124</b>	<b>390,711</b>	<b>127,200</b>	<b>(797,600)</b>	<b>(65,995)</b>
Total distributions paid	1,773,384	1,102,124	165,711	127,200	-	-
Union's share of joint ventures/ associates total comprehensive income	886,692	1,176,062	97,678	31,800	-	-
Union's share of distributions	886,692	551,062	41,428	31,800	-	-

#### Contingent liabilities or commitments

The associates/ joint venture had no contingent liabilities or commitments at 30 June 2021 (2020: Nil).

**UNITED WORKERS' UNION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Note 7B: Land and Buildings</b>				
Land and buildings:				
at fair value	<b>118,051,150</b>	77,291,170	<b>118,051,150</b>	77,291,170
accumulated depreciation	<b>(12,556,355)</b>	(10,024,986)	<b>(12,556,355)</b>	(10,024,986)
<b>Total Land and Buildings</b>	<b>105,494,795</b>	67,266,184	<b>105,494,795</b>	67,266,184

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

<b>As at 1 July</b>				
Gross book value	<b>77,291,170</b>	12,040,936	<b>77,291,170</b>	12,040,936
Accumulated depreciation and impairment	<b>(10,024,986)</b>	(570,409)	<b>(10,024,986)</b>	(570,409)
<b>Net book value 1 July</b>	<b>67,266,184</b>	11,470,527	<b>67,266,184</b>	11,470,527
Additions:				
By purchase	<b>48,143,383</b>	-	<b>48,143,383</b>	-
Assets acquired upon amalgamation	-	51,160,394	-	51,160,394
By leasing arrangement	-	3,544,123	-	3,544,123
By transfer from investment properties	-	3,349,882	-	3,349,882
By transfer from capital WIP	<b>6,778,613</b>		<b>6,778,613</b>	
Depreciation/ amortisation expense	<b>(3,754,727)</b>	(1,933,523)	<b>(3,754,727)</b>	(1,933,523)
Disposals:				
By sale	-	-	-	-
By independent valuation	<b>(2,093,903)</b>		<b>(2,093,903)</b>	
By transfer to investment properties	<b>(8,036,575)</b>	-	<b>(8,036,575)</b>	-
By transfer to non-current assets held for sale	<b>(2,808,180)</b>	(325,219)	<b>(2,808,180)</b>	(325,219)
<b>Net book value 30 June</b>	<b>105,494,795</b>	67,266,184	<b>105,494,795</b>	67,266,184
<b>Net book value as of 30 June represented by:</b>				
Gross book value	<b>118,051,150</b>	77,291,170	<b>118,051,150</b>	77,291,170
Accumulated depreciation/ amortisation and impairment	<b>(12,556,355)</b>	(10,024,986)	<b>(12,556,355)</b>	(10,024,986)
<b>Net book value 30 June</b>	<b>105,494,795</b>	67,266,184	<b>105,494,795</b>	67,266,184

Included in the net carrying amount of land and buildings are right-of-use assets as follows:

<b>Right of use asset</b>				
At cost	<b>3,816,462</b>	3,712,218	<b>3,816,462</b>	3,712,218
Accumulated depreciation/ amortisation	<b>(1,799,179)</b>	(658,611)	<b>(1,799,179)</b>	(658,611)
<b>Total right of use asset – land and buildings</b>	<b>2,017,283</b>	3,053,607	<b>2,017,283</b>	3,053,607

## UNITED WORKERS' UNION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

#### Note 7B: Land and Buildings (Continued)

##### Valuation Details

Details of the latest valuations on land and buildings are as follows:

##### *27 Peel Street, South Brisbane*

On 30 June 2019, the land and buildings at 27 Peel Street, South Brisbane was valued by Mr Matthew Buckley AAPI CPV of ACORPP (Qld) Pty Ltd. The land and buildings valuation was based on a highest and best use, which was determined as investment building held for rental yields (the asset current use).

Fair value is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Fair value is determined by direct reference to recent market transactions on arm's length terms for land and buildings comparable in size and location to those held by the Union and to market based yields for comparable properties. Key assumptions utilised in the valuation were:

- Capitalisation Rate 7.55%
- CPI Rate (Brisbane CPI) 2.50%
- Net Market Rental m<sup>2</sup> \$4,561

##### *19 Argyle Street, Parramatta*

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

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

##### *117 – 131 Capel Street, North Melbourne*

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).

## UNITED WORKERS' UNION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

#### Note 7B: Land and Buildings (Continued)

##### *101 Henley Beach Road, Mile End*

On 13 August 2021, the land and buildings at 101 Henley Beach Road, Mile End was valued by Mr John Richardson AAPI CPV MREI of McLean Gladstone Valuers. The land and buildings valuation was based on a highest and best use, which was determined as commercial office building held for rental yields (the assets current use).

Fair value is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Fair value is determined by direct reference to recent market transactions on arm's length terms for land and buildings comparable in size and location to those held by the Union and to market based yields for comparable properties. Key assumptions utilised in the valuation were:

- Capitalisation Rate 6.00%
- CPI Rate (Adelaide CPI) 1.25%
- Net Market Rental m<sup>2</sup> \$4,500

##### *Lot 10, 11, 13 & 14, 54 Cheriton Street, Perth*

On 18 October 2021, the land and buildings at Lot 10,11, 13 & 14, 54 Cheriton Street, Perth was valued by Mr Ryan Jacob AAPI CPV and Mr Mark Foster-Key AAPI CPV of Savills Valuations Pty Ltd. The land and buildings valuation was based on a highest and best use, which was determined as commercial office building (the assets current use).

Fair value is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Fair value is determined by direct reference to recent market transactions on arm's length terms for land and buildings comparable in size and location to those held by the Branch and to market based yields for comparable properties. Key assumptions utilised in the valuation were:

- Capitalisation Rate 7.75%
- Reflective rate/ lettable m<sup>2</sup> \$1,900 – \$2,300

UNITED WORKERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Note 7C: Investment properties</b>				
Investment properties:				
at fair value	13,550,000	5,050,000	13,550,000	5,050,000
accumulated depreciation	(750,519)	(118,761)	(750,519)	(118,761)
<b>Total investment properties</b>	<b>12,799,481</b>	<b>4,931,239</b>	<b>12,799,481</b>	<b>4,931,239</b>

**Reconciliation of Opening and Closing Balance of Investment Properties**

<b>As at 1 July</b>				
Gross book value	5,050,000	-	5,050,000	-
Accumulated depreciation and impairment	(118,761)	-	(118,761)	-
<b>Net book value 1 July</b>	<b>4,931,239</b>	<b>-</b>	<b>4,931,239</b>	<b>-</b>
<b>Additions:</b>				
By purchase	-	-	-	-
Assets acquired upon amalgamation	-	8,359,448	-	8,359,448
By transfer from land and buildings	8,036,575	-	8,036,575	-
Depreciation/ amortisation expense	(168,333)	(78,327)	(168,333)	(78,327)
<b>Disposals:</b>				
By sale	-	-	-	-
By transfer to land and buildings	-	(3,349,882)	-	(3,349,882)
<b>Net book value 30 June</b>	<b>12,799,481</b>	<b>4,931,239</b>	<b>12,799,481</b>	<b>4,931,239</b>
<b>Net book value as of 30 June represented by:</b>				
Gross book value	13,550,000	5,050,000	13,550,000	5,050,000
Accumulated depreciation/ amortisation and impairment	(750,519)	(118,761)	(750,519)	(118,761)
<b>Net book value 30 June</b>	<b>12,799,481</b>	<b>4,931,239</b>	<b>12,799,481</b>	<b>4,931,239</b>

Valuation Details

Details of the latest valuations on land and buildings are as follows:

*62 Drummond Street, Carlton*

On 11 October 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).

*47 Peel Street, South Brisbane*

The building was purchased on 5 December 2017 (by the former United Voice – Queensland Branch) and the valuation has in the opinion of the Committee of Management not materially changed since the purchase date.

**UNITED WORKERS' UNION**
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Note 7D: Plant and equipment</b>				
Furniture and fittings:				
at cost	<b>4,364,832</b>	4,401,518	<b>4,364,832</b>	4,401,518
accumulated depreciation	<b>(3,167,841)</b>	(3,062,742)	<b>(3,167,841)</b>	(3,062,742)
Total furniture and fittings	<b>1,196,991</b>	1,338,776	<b>1,196,991</b>	1,338,776
IT hardware/ equipment:				
at cost	<b>2,035,754</b>	1,861,912	<b>2,035,754</b>	1,861,912
accumulated depreciation	<b>(1,610,052)</b>	(1,515,803)	<b>(1,610,052)</b>	(1,515,803)
Total hardware/ equipment	<b>425,702</b>	346,109	<b>425,702</b>	346,109
Motor vehicles:				
at cost	<b>5,729,322</b>	5,273,078	<b>5,729,322</b>	5,273,078
accumulated depreciation	<b>(2,934,086)</b>	(2,054,334)	<b>(2,934,086)</b>	(2,054,334)
Total motor vehicles	<b>2,795,236</b>	3,218,744	<b>2,795,236</b>	3,218,744
Office equipment:				
at cost	<b>977,257</b>	977,257	<b>977,257</b>	977,257
accumulated depreciation	<b>(774,767)</b>	(701,196)	<b>(774,767)</b>	(701,196)
Total office equipment	<b>202,490</b>	276,061	<b>202,490</b>	276,061
Plant and equipment:				
at cost	<b>3,418,808</b>	3,402,203	<b>3,418,808</b>	3,402,203
accumulated depreciation	<b>(2,026,034)</b>	(1,592,477)	<b>(2,026,034)</b>	(1,592,477)
Total plant and equipment	<b>1,392,774</b>	1,809,726	<b>1,392,774</b>	1,809,726
<i>Low value assets</i>				
At cost	<b>1,276,327</b>	-	<b>1,276,327</b>	-
Accumulated depreciation	<b>(1,063,093)</b>	-	<b>(1,063,093)</b>	-
Total low value assets	<b>213,234</b>	-	<b>213,234</b>	-
<i>Plant and equipment - consolidated</i>				
at cost	<b>17,802,300</b>	15,915,968	<b>17,802,300</b>	15,915,968
accumulated depreciation	<b>(11,575,873)</b>	(8,926,552)	<b>(11,575,873)</b>	(8,926,552)
<b>Total Plant and equipment</b>	<b>6,226,427</b>	6,989,416	<b>6,226,427</b>	6,989,416

UNITED WORKERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$

**Note 7D: Plant and equipment (Continued)**

*Reconciliation of Opening and Closing Balance of Plant and Equipment*

<b>As at 1 July</b>				
Gross book value	15,915,968	434,457	15,915,968	434,457
Accumulated depreciation and impairment	(8,926,552)	(364,488)	(8,926,552)	(364,488)
<b>Net book value 1 July</b>	<b>6,989,416</b>	69,969	<b>6,989,416</b>	69,969
Additions:				
By purchase	2,027,745	1,427,684	2,027,745	1,427,684
Assets acquired upon amalgamation	-	7,421,196	-	7,421,196
By leasing arrangement	-	413,223	-	413,223
Depreciation/ amortisation expense	(2,688,257)	(2,197,295)	(2,688,257)	(2,197,295)
Disposals:				
By sale	(102,477)	(145,361)	(102,477)	(145,361)
<b>Net book value 30 June</b>	<b>6,226,427</b>	6,989,416	<b>6,226,427</b>	6,989,416
<b>Net book value as of 30 June represented by:</b>				
Gross book value	17,802,300	15,915,968	17,802,300	15,915,968
Accumulated depreciation/ amortisation and impairment	(11,575,873)	(8,926,552)	(11,575,873)	(8,926,552)
<b>Net book value 30 June</b>	<b>6,226,427</b>	6,989,416	<b>6,226,427</b>	6,989,416

Included in the net carrying amount of plant and equipment are right-of-use assets as follows:

<b>Right of use asset</b>				
At cost	1,823,378	1,749,307	1,823,378	1,749,307
Accumulated depreciation/ amortisation	(906,325)	(504,549)	(906,325)	(504,549)
<b>Total right of use asset – plant and equipment</b>	<b>917,053</b>	1,244,758	<b>917,053</b>	1,244,758

UNITED WORKERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Note 7E: Capital Work in Progress</b>				
Capital work in progress:				
at cost	168,912	6,778,613	168,912	6,778,613
accumulated depreciation	-	-	-	-
<b>Total capital work in progress</b>	<b>168,912</b>	<b>6,778,613</b>	<b>168,912</b>	<b>6,778,613</b>

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

<b>As at 1 July</b>				
Gross book value	6,778,613	2,370,443	6,778,613	2,370,443
Accumulated depreciation and impairment	-	-	-	-
<b>Net book value 1 July</b>	<b>6,778,613</b>	<b>2,370,443</b>	<b>6,778,613</b>	<b>2,370,443</b>
Additions:				
By purchase	168,912	1,853,986	168,912	1,853,986
Assets acquired upon amalgamation	-	2,554,184	-	2,554,184
Depreciation/ amortisation expense	-	-	-	-
Disposals:				
By transfer to land and buildings	(6,778,613)	-	(6,778,613)	-
<b>Net book value 30 June</b>	<b>168,912</b>	<b>6,778,613</b>	<b>168,912</b>	<b>6,778,613</b>
<b>Net book value as of 30 June represented by:</b>				
Gross book value	168,912	6,778,613	168,912	6,778,613
Accumulated depreciation/ amortisation and impairment	-	-	-	-
<b>Net book value 30 June</b>	<b>168,912</b>	<b>6,778,613</b>	<b>168,912</b>	<b>6,778,613</b>

Capital work in progress relates to:

1. Deposit and initial capital works for the land and building located at 37 Greek Street, Glebe NSW 2037.
2. Fitout and improvement works at the land and buildings located at 19 Argyle Street, Parramatta NSW 2150.
3. IT hardware

## UNITED WORKERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Note 8      Current Liabilities</b>				
<b>Note 8A: Trade and other payables</b>				
Trade creditors and accruals	<b>1,674,058</b>	3,198,100	<b>1,664,771</b>	3,198,100
<b>Total trade payables</b>	<b>1,674,058</b>	3,198,100	<b>1,664,771</b>	3,198,100
<b>Other payables</b>				
Superannuation	<b>882,090</b>	792,997	<b>882,090</b>	792,997
Legal costs				
Litigation	<b>17,290</b>	33,740	<b>17,290</b>	33,740
Other legal matters	<b>7,236</b>	19,464	<b>7,236</b>	19,464
Income received in advance	<b>882,802</b>	741,772	<b>882,802</b>	741,772
GST payable	<b>3,093,724</b>	1,498,265	<b>3,061,440</b>	1,466,043
PAYG withholding	<b>314,696</b>	463,012	<b>314,696</b>	463,012
Other payables	<b>109,675</b>	189,998	<b>109,675</b>	189,998
<b>Subtotal other payables</b>	<b>5,307,513</b>	3,739,248	<b>5,275,229</b>	3,707,026
<b>Total trade and other payables</b>	<b>6,981,571</b>	6,937,348	<b>6,940,000</b>	6,905,126
Settlement is usually made within 30 days.				
Total other payables are expected to be settled in:				
No more than 12 months	<b>6,981,571</b>	6,937,348	<b>6,940,000</b>	6,905,126
More than 12 months	-	-	-	-
<b>Total trade and other payables</b>	<b>6,981,571</b>	6,937,348	<b>6,940,000</b>	6,905,126

## UNITED WORKERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Note 9      Provisions</b>				
<b>Note 9A: Employee Provisions</b>				
<b>Office Holders:</b>				
Annual leave	<b>891,964</b>	789,250	<b>891,964</b>	789,250
Long service leave	<b>1,422,222</b>	1,176,010	<b>1,422,222</b>	1,176,010
<b><i>Subtotal employee provisions—office holders</i></b>	<b>2,314,186</b>	1,965,260	<b>2,314,186</b>	1,965,260
<b>Employees other than office holders:</b>				
Annual leave	<b>8,021,932</b>	6,806,861	<b>8,021,932</b>	6,806,861
Long service leave	<b>7,984,313</b>	7,003,425	<b>7,984,313</b>	7,003,425
<b><i>Subtotal employee provisions—employees other than office holders</i></b>	<b>16,006,245</b>	13,810,286	<b>16,006,245</b>	13,810,286
<b>Total employee provisions</b>	<b>18,320,431</b>	15,775,546	<b>18,320,431</b>	15,775,546
Current	<b>14,176,695</b>	14,070,117	<b>14,176,695</b>	14,070,117
Non-Current	<b>4,143,736</b>	1,705,429	<b>4,143,736</b>	1,705,429
<b><i>Total employee provisions</i></b>	<b>18,320,431</b>	15,775,546	<b>18,320,431</b>	15,775,546

UNITED WORKERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Note 10 Financial liabilities</b>				
<b>Note 10A: Borrowings</b>				
Bank Loans – Westpac Banking Corporation (secured)	-	2,500,000	-	2,500,000
<b>Total borrowings</b>	-	2,500,000	-	2,500,000

The carrying amounts of current assets pledged for security (Westpac Banking Corporation loan) are:

Land and buildings (45 Peel Street, South Brisbane)	-	3,095,458	-	3,095,458
Investment properties (47 Peel Street, South Brisbane)	-	2,195,644	-	2,195,644
<b>Total assets pledged for security</b>	-	5,291,102	-	5,291,102

Total borrowings are expected to be settled in:

No more than 12 months	-	2,500,000	-	2,500,000
More than 12 months	-	-	-	-
<b>Total borrowings</b>	-	2,500,000	-	2,500,000

*Borrowing terms and conditions:*

Westpac Banking Corporation

The bank debt is secured by a first registered mortgage over the real property located at 45 and 47 Peel Street, South Brisbane. The loan was paid out during the 2021 year and the mortgage was discharged.

**UNITED WORKERS' UNION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

Consolidated		Parent	
2021	2020	2021	2020
\$	\$	\$	\$

**Note 10B: Lease liabilities**

Lease liabilities are presented in the statement of financial position as follows:

Current	<b>1,360,277</b>	1,451,993	<b>1,360,277</b>	1,451,993
Non-Current	<b>1,731,291</b>	2,973,018	<b>1,731,291</b>	2,973,018
<b>Total lease liabilities</b>	<b>3,091,568</b>	4,425,011	<b>3,091,568</b>	4,425,011

The Union has multiple leases that comprise of:

- Property leases
- Equipment leases, including printing equipment, photocopies etc.

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. The Union classifies its right-of-use assets in a consistent manner to its property, plant and equipment (refer Note 7B and 7D).

Each lease generally imposes a restriction that, unless there is a contractual right for the Union to sublet the asset to another party, the right-of-use asset can only be used by the Union. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Union is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings, the Union must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Union must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The table below describes the nature of the Union's leasing activities by type of right-of-use asset recognised on the statement of financial position:

Right of use asset	No of right of use assets leased	Range of remaining term	Average remaining term	No of leases with extension options	No of leases with options to purchase	No of leases with variable payments linked to index	No of leases with termination options
Photocopiers/IT equipment leases	11	2.5 years	1.2 years	-	-	-	-
Property leases	8	4.5 years	2.5 years	-	-	6	-

**UNITED WORKERS' UNION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021**

**Note 10B: Lease Liabilities (continued)**

Future minimum lease payments at 30 June 2021 were as follows:

Consolidated

	Minimum lease payments due						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years	Total
<b>30 June 2021</b>							
Lease payments	1,426,169	1,289,205	465,202	16,162	8,158	-	3,204,896
Finance charges	(65,892)	(36,554)	(10,267)	(460)	(155)	-	(113,328)
Net present value	1,360,277	1,252,651	454,935	15,702	8,003	-	3,091,568
<b>30 June 2020</b>							
Lease payments	1,579,292	1,396,978	1,265,429	446,992	-	-	4,688,691
Finance charges	(127,299)	(80,959)	(43,429)	(11,993)	-	-	(263,680)
Net present value	1,451,993	1,316,019	1,222,000	434,999	-	-	4,425,011

Parent

	Minimum lease payments due						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years	Total
<b>30 June 2021</b>							
Lease payments	1,426,169	1,289,205	465,202	16,162	8,158	-	3,204,896
Finance charges	(65,892)	(36,554)	(10,267)	(460)	(155)	-	(113,328)
Net present value	1,360,277	1,252,651	454,935	15,702	8,003	-	3,091,568
<b>30 June 2020</b>							
Lease payments	1,579,292	1,396,978	1,265,429	446,992	-	-	4,688,691
Finance charges	(127,299)	(80,959)	(43,429)	(11,993)	-	-	(263,680)
Net present value	1,451,993	1,316,019	1,222,000	434,999	-	-	4,425,011

UNITED WORKERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$

**Note 11 Reserves**

**Note 11A: Asset Revaluation Reserve**

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

Opening balance at beginning of period	<b>7,259,000</b>	7,259,000	<b>7,259,000</b>	7,259,000
Transfers to/ from retained earnings	-	-	-	-
Fair value loss on revaluation land and buildings	<b>(2,093,903)</b>	-	<b>(2,093,903)</b>	-
<b>Closing balance at end of period</b>	<b>5,165,097</b>	7,259,000	<b>5,165,097</b>	7,259,000

**Note 12 Cash flow**

**Note 12A: Cash Flow Reconciliation**

**Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:**

**Cash and cash equivalents as per:**

Cash flow statement	<b>35,741,486</b>	94,290,532	<b>35,741,486</b>	93,880,561
Balance sheet	<b>35,741,486</b>	94,290,532	<b>35,741,486</b>	93,880,561
<b>Difference</b>	-	-	-	-

**UNITED WORKERS' UNION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

**Note 12A: Cash Flow Reconciliation (Continued)**

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

Surplus for the year	<b>2,986,379</b>	186,207,055	<b>3,473,869</b>	185,953,065
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**Adjustments for non-cash items**

Depreciation/ amortisation	<b>6,611,317</b>	4,209,145	<b>6,611,317</b>	4,209,145
Gain on disposal of property, plant and equipment	<b>(874,755)</b>	(132,876)	<b>(874,755)</b>	(132,876)
Gain on transfer of net assets from amalgamation	-	(198,534,886)	-	(198,118,538)
Interest expense on leases	<b>99,264</b>	115,017	<b>99,264</b>	115,017
Unrealised (gain)/ loss on revaluation of assets	<b>(15,638,931)</b>	1,017,793	<b>(15,638,931)</b>	1,017,793
Share of joint ventures/ associates comprehensive income	<b>(984,369)</b>	(1,207,862)	<b>(984,369)</b>	(1,207,862)

**Changes in assets/ liabilities**

(Increase)/ decrease in trade and other receivables	<b>(796,506)</b>	5,913,083	<b>(1,512,180)</b>	5,686,645
(Increase)/ decrease in other current assets	<b>(1,774,234)</b>	3,822	<b>(1,485,072)</b>	3,822
Increase/ (decrease) in trade and other creditors	<b>44,223</b>	1,098,245	<b>34,874</b>	1,162,325
Increase/ (decrease) in employee provisions	<b>2,544,885</b>	2,057,632	<b>2,544,885</b>	2,057,632
<b>Net cash used by/ (provided by) operating activities</b>	<b>(7,782,727)</b>	746,168	<b>(7,731,098)</b>	746,168

**Note 12B: Cash flow information**

**Cash inflows**

- United Voice – NSW Branch	-	398,933	-	398,933
- United Voice – Queensland Branch	-	323,984	-	323,984
- United Voice – South Australia Branch	-	297,483	-	297,483
- United Voice – Victoria Branch	-	296,549	-	296,549
- United Voice – Western Australia Branch	-	310,488	-	310,488
<b>Total cash inflows</b>	-	1,627,437	-	1,627,437

**Cash outflows**

- United Voice – Queensland Branch	-	(166)	-	(166)
- United Voice – South Australia Branch	-	(16,579)	-	(16,579)
- United Voice – Western Australia Branch	-	(11,625)	-	(11,625)
<b>Total cash outflows</b>	-	(28,370)	-	(28,370)

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

UNITED WORKERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Note 12C: Credit standby agreements and loan facilities</b>				
<i>Loan facilities</i>				
Used facility	-	2,500,000	-	2,500,000
Unused facility	-	-	-	-
<b>Total facility</b>	<b>-</b>	<b>2,500,000</b>	<b>-</b>	<b>2,500,000</b>

**Note 12D: Non-cash transactions**

During the year the Union acquired (via leasing arrangement) assets valued at \$3,957,346 (2020: Nil). There were no other non-cash investment or finance transactions during the year.

**Note 12E: Net debt reconciliation**

Cash and cash equivalents	<b>35,741,486</b>	94,290,532	<b>35,383,144</b>	93,880,561
Borrowings – repayable within one year	-	(2,500,000)	-	(2,500,000)
Lease liabilities – repayable within one year	<b>(1,360,277)</b>	(1,451,993)	<b>(1,360,277)</b>	(1,451,993)
Lease liabilities – repayable after one year	<b>(1,731,291)</b>	(2,973,018)	<b>(1,731,291)</b>	(2,973,018)
<b>Net debt</b>	<b>32,649,918</b>	87,365,521	<b>32,291,576</b>	86,955,550

## UNITED WORKERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021Note 12F: Reconciliation of movements of liabilities to cash  
flows arising from financing activitiesConsolidated

	Other Assets	Liabilities from financing activities		
	Cash assets	Borrowings – due within 1 year	Borrowings – due after 1 year	Total
<b>Net debt at 1 July 2019</b>	67,144,165	-	-	67,144,165
Cash flows	27,146,367	(2,500,000)	-	24,646,367
<b>Adjustment on transition of AASB 16</b>	-	(1,451,993)	(2,973,018)	(4,425,011)
<b>Net debt at 30 June 2020</b>	94,290,532	(3,951,993)	(2,973,018)	87,365,521
<b>Cash flows</b>	<b>(58,549,046)</b>	<b>2,591,716</b>	<b>1,241,727</b>	<b>(54,715,603)</b>
<b>Net debt at 30 June 2021</b>	<b>35,741,486</b>	<b>(1,360,277)</b>	<b>(1,731,291)</b>	<b>32,649,918</b>

UNITED WORKERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021

**Note 12F: Reconciliation of movements of liabilities to cash flows arising from financing activities (Continued)**

Parent

	Other Assets	Liabilities from financing activities		
	Cash assets	Borrowings – due within 1 year	Borrowings – due after 1 year	Total
<b>Net debt at 1 July 2019</b>	67,144,165	-	-	67,144,165
Cash flows	26,736,396	(2,500,000)	-	24,236,396
Adjustment on transition of AASB 16	-	(1,451,993)	(2,973,018)	(4,425,011)
<b>Net debt at 30 June 2020</b>	93,880,561	(3,951,993)	(2,973,018)	86,955,550
<b>Cash flows</b>	<b>(58,497,417)</b>	<b>2,591,716</b>	<b>1,241,727</b>	<b>(54,663,974)</b>
<b>Net debt at 30 June 2021</b>	<b>35,383,144</b>	<b>(1,360,277)</b>	<b>(1,731,291)</b>	<b>32,291,576</b>

**UNITED WORKERS' UNION****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021****Note 13 Contingent Liabilities, Assets and Commitments****Note 13A: Commitments and Contingencies****Capital commitments**

At 30 June 2021 the Union did not have any capital commitments (30 June 2020: 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 Union.

**Leasing Commitments****Property leases (as a lessor)**

Non-cancellable property leases rentals are receivable as follows:

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Receivable – Minimum lease receipts</b>				
not later than 12 months	<b>918,587</b>	834,495	<b>918,587</b>	834,495
between 12 months and 5 years	<b>799,016</b>	464,136	<b>799,016</b>	464,136
greater than 5 years	-	-	-	-
<b>Minimum lease receipts</b>	<b>1,717,603</b>	1,298,631	<b>1,717,603</b>	1,298,631

The Union leases out (either in part or whole) the following buildings:

1. 27 & 47 Peel Street, South Brisbane
2. 303 Cleveland Street, Redfern
3. 117 Capel Street, North Melbourne
4. 62 Drummond Street, Carlton
5. 101 Henley Beach Road, Mile End
6. 54 Cheriton Street, Perth

# UNITED WORKERS' UNION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

### Note 14 Related Party Disclosures

#### Note 14A: Related Party Transactions for the Reporting Period

Prior to the amalgamation between United Voice and the National Union of Workers', the former United Voice was divided into the following separate reporting units (and deemed related parties):

United Voice – Queensland Branch and controlled entities  
United Voice – New South Wales Branch  
United Voice – Victoria Branch  
United Voice – South Australia Branch  
United Voice – Western Australia Branch

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

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Revenues received from United Voice – Queensland Branch includes the following:</b>				
Sustentation fees	-	529,675	-	529,675
Queensland Branch share of ADSL, U Organise and software costs	-	14,536	-	14,536
<b>Expenses paid to United Voice – Queensland Branch includes the following:</b>				
Printing services	-	151	-	151
<b>Revenues received from United Voice – NSW Branch includes the following:</b>				
Sustentation fees	-	265,643	-	265,643
Insurance premiums and other administrative costs	-	5,308	-	5,308
Property costs associated with Greek Street property	-	50,112	-	50,112
<b>Revenues received from United Voice – Victoria Branch includes the following:</b>				
Sustentation fees	-	190,902	-	190,902
Insurance premiums and other administrative costs	-	15,923	-	15,923
<b>Expenses paid to United Voice – Victoria Branch includes the following:</b>				
Reimbursement of office, travel and administrative cost	-	59	-	59

# UNITED WORKERS' UNION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

### Note 14A: Related Party Transactions for the Reporting Period (Continued)

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Revenues received from United Voice – South Australia Branch includes the following:</b>				
Sustentation fees	-	261,833	-	261,833
IT costs	-	10,616	-	10,616
Printing, postage and merchandise	-	1,118	-	1,118
<b>Expenses paid to United Voice – South Australia Branch includes the following:</b>				
Reimbursement of office, travel and administrative cost	-	6,545	-	6,545
<b>Revenues received from United Voice – Western Australia Branch includes the following:</b>				
Sustentation fees	-	265,170	-	265,170
<b>Expenses paid to United Voice – Western Australia Branch includes the following:</b>				
Reimbursement of office, travel and administrative cost	-	10,568	-	10,568

### 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 period end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2021, the Union has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (30 June 2020: 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.

**UNITED WORKERS' UNION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**Note 14B: 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 Union. Key management personnel were determined to be those listed as the Committee of Management as listed in the operating report.

During the year, the key management personnel of the Union were remunerated as follows:

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Short-term employee benefits</b>				
Salary (including annual leave taken)	<b>2,818,571</b>	2,022,707	<b>2,818,571</b>	2,022,707
Leave and other entitlements	<b>450,599</b>	287,999	<b>450,599</b>	287,999
Other employee costs	<b>111,070</b>	59,824	<b>111,070</b>	59,824
<b>Total short-term employee benefits</b>	<b>3,380,240</b>	2,370,530	<b>3,380,240</b>	2,370,530
<b>Post-employment benefits:</b>				
Superannuation	<b>545,464</b>	336,074	<b>545,464</b>	336,074
<b>Total post-employment benefits</b>	<b>545,464</b>	336,074	<b>545,464</b>	336,074
<b>Other long-term benefits:</b>				
Long-service leave	<b>108,136</b>	46,066	<b>108,136</b>	46,066
<b>Total other long-term benefits</b>	<b>108,136</b>	46,066	<b>108,136</b>	46,066
<b>Termination benefits:</b>				
Redundancies	-	809,662	-	809,662
<b>Total termination benefits</b>	-	809,662	-	809,662
<b>Total</b>	<b>4,033,840</b>	3,562,332	<b>4,033,840</b>	3,562,332

No other transactions occurred during the period 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 WORKERS' UNION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Note 15 Remuneration of Auditors</b>				
<b>Value of the services provided</b>				
Financial statement audit services	171,700	200,000	165,000	200,000
Other audit costs (membership audits, electoral reporting audits etc.)	10,000	34,784	10,000	26,566
Other services	12,952	10,000	12,400	10,000
<b>Total remuneration of auditors</b>	<b>194,652</b>	<b>244,784</b>	<b>187,400</b>	<b>236,566</b>

## Note 16 Financial Instruments

### Financial Risk Management Policy

Union Executive monitors the Unions 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 Union Executive meets on a monthly basis to review the financial exposure of the Union.

### (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 Union. The Union 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 Union 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 Union.

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

The following table details the Union'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 Union 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 Union.

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

**UNITED WORKERS' UNION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021**

**Note 16 Financial Instruments (Continued)**

**(a) Credit Risk (Continued)**

Consolidated

**Ageing of financial assets that were past due but not impaired for 30 June 2021**

	Within trading terms	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$	\$
Trade and other receivables	3,800,409	59,924	4,426	3,236	4,074	3,872,069
Receivables from other reporting units	-	-	-	-	-	-
<b>Total</b>	<b>3,800,409</b>	<b>59,924</b>	<b>4,426</b>	<b>3,236</b>	<b>4,074</b>	<b>3,872,069</b>

**Ageing of financial assets that were past due but not impaired for 30 June 2020**

	Within trading terms	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$	\$
Trade and other receivables	2,994,631	1,573	13,600	6,635	59,124	3,075,563
Receivables from former reporting units	-	-	-	-	-	-
<b>Total</b>	<b>2,994,631</b>	<b>1,573</b>	<b>13,600</b>	<b>6,635</b>	<b>59,124</b>	<b>3,075,563</b>

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

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved policy. Such policy requires that surplus funds are only invested with counterparties with a strong reputation and backed by the Commonwealth Government's bank guarantee. At 30 June 2021, all funds were held by financial institutions backed by the Commonwealth Government's bank guarantee.

***Collateral held as security***

The Union does not hold collateral with respect to its receivables at 30 June 2021 (30 June 2020: Nil).

**UNITED WORKERS' UNION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021**

**Note 16 Financial Instruments (Continued)**

**(a) Credit Risk (Continued)**

Parent

**Ageing of financial assets that were past due but not impaired for 30 June 2021**

	Within trading terms	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$	\$
Trade and other receivables	4,639,842	59,924	4,426	3,236	4,074	4,711,502
Receivables from other reporting units	-	-	-	-	-	-
<b>Total</b>	<b>4,639,842</b>	<b>59,924</b>	<b>4,426</b>	<b>3,236</b>	<b>4,074</b>	<b>4,711,502</b>

**Ageing of financial assets that were past due but not impaired for 30 June 2020**

	Within trading terms	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$	\$
Trade and other receivables	3,118,390	1,573	13,600	6,635	59,124	3,199,322
Receivables from other reporting units	-	-	-	-	-	-
<b>Total</b>	<b>3,118,390</b>	<b>1,573</b>	<b>13,600</b>	<b>6,635</b>	<b>59,124</b>	<b>3,199,322</b>

**(b) Liquidity Risk**

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

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

UNITED WORKERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021

Note 16 Financial Instruments (Continued)

(b) Liquidity Risk (Continued)

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Union 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.

Consolidated

Financial Instrument Composition and Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Trade and other payables	(6,981,571)	(6,937,348)	-	-	-	-	(6,981,571)	(6,937,348)
Borrowings	-	(2,500,000)	-	-	-	-	-	(2,500,000)
Lease liabilities	(1,360,277)	(1,451,993)	(1,731,291)	(2,973,018)	-	-	(3,091,568)	(4,425,011)
Total expected outflows	(8,341,848)	(10,889,341)	(1,731,291)	(2,973,018)	-	-	(10,073,139)	(13,862,359)

UNITED WORKERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021

Note 16 Financial Instruments (Continued)

(b) Liquidity Risk (Continued)

Consolidated (Continued)

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	35,741,486	94,290,532	-	-	-	-	35,741,486	94,290,532
Trade and other receivables	3,872,069	3,075,563	-	-	-	-	3,872,069	3,075,563
Investments	130,549,269	116,129,946	-	-	-	-	130,549,269	116,129,946
Total anticipated inflows	170,162,824	213,496,041	-	-	-	-	170,162,824	213,496,041
Net inflow/ (outflow) on financial instruments	161,820,976	202,606,700	(1,731,291)	(2,973,018)	-	-	160,089,685	199,633,682

UNITED WORKERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021

Note 16 Financial Instruments (Continued)

(b) Liquidity Risk (Continued)

Parent

Financial Instrument Composition and Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Trade and other payables	(6,940,000)	(6,905,126)		-	-	-	(6,940,000)	(6,905,126)
Borrowings	-	(2,500,000)		-	-	-	-	(2,500,000)
Lease liabilities	(1,360,277)	(1,451,993)	(1,731,291)	(2,973,018)	-	-	(3,091,568)	(4,425,011)
Total expected outflows	(8,300,277)	(10,857,119)	(1,731,291)	(2,973,018)	-	-	(10,031,568)	(13,830,137)

UNITED WORKERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021

Note 16 Financial Instruments (Continued)

(b) Liquidity Risk (Continued)

Parent (Continued)

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	35,383,144	93,880,561		-	-	-	35,383,144	93,880,561
Trade and other receivables	4,711,502	3,199,322		-	-	-	4,711,502	3,199,322
Investments	130,549,269	116,129,946		-	-	-	130,549,269	116,129,946
Total anticipated inflows	170,643,915	213,209,829	-	-	-	-	170,643,915	213,209,829
Net inflow/ (outflow) on financial instruments	162,343,638	202,352,710	(1,731,291)	(2,973,018)	-	-	160,612,347	199,379,692

# UNITED WORKERS' UNION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

### Note 16 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 Union 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:

##### Consolidated

	Weighted Average Effective Interest Rate			
	2021	2020	2021	2020
	%	%	\$	\$
Cash and cash equivalents	0.64	0.10	35,741,486	94,290,532
Floating rate notes	1.41	2.62	4,980,360	8,185,299
Borrowings	-	1.85	-	2,500,000
Lease liabilities	2.13	3.08	3,091,568	4,425,011

##### Parent

Cash and cash equivalents	0.64	0.10	35,383,144	93,880,561
Floating rate notes	1.41	2.62	4,980,360	8,185,299
Borrowings	-	1.85	-	2,500,000
Lease liabilities	2.13	3.08	3,091,568	4,425,011

##### ii. Foreign exchange risk

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

##### iii. Price risk

The Union is not exposed to any material commodity price risk.

##### iv. Interest rate risk

The Union 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 WORKERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021

Note 16 Financial Instruments (Continued)

(c) Market Risk (Continued)

v. Sensitivity Analysis

The following table illustrates sensitivities to the Union'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.

Consolidated

	Profit \$	Equity \$
<u>Interest rates</u>		
<b>Year ended 30 June 2021</b>		
+1% in interest rates	376,303	376,303
-1% in interest rates	(101,846)	(101,846)
<b>Year ended 30 June 2020</b>		
+1% in interest rates	955,225	955,225
-1% in interest rates	(83,646)	(83,646)
<u>Share/ unit prices</u>		
<b>Year ended 30 June 2021</b>		
Investment in managed funds/ bond portfolio		
+5% in prices	5,614,198	5,614,198
-5% in prices	(5,614,198)	(5,614,198)
<b>Year ended 30 June 2020</b>		
Investment in managed funds/ bond portfolio		
+5% in prices	4,718,575	4,718,575
+5% in prices	(4,718,575)	(4,718,575)

UNITED WORKERS' UNION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021

Note 16 Financial Instruments (Continued)

(c) Market Risk (Continued)

Parent

	Profit \$	Equity \$
<u>Interest rates</u>		
<b>Year ended 30 June 2021</b>		
+1% in interest rates	372,719	372,719
-1% in interest rates	(101,846)	(101,846)
 Year ended 30 June 2020		
+1% in interest rates	951,125	951,125
-1% in interest rates	(83,646)	(83,646)
 <u>Share/ unit prices</u>		
<b>Year ended 30 June 2021</b>		
Investment in managed funds/ bond portfolio		
+5% in prices	5,614,198	5,614,198
-5% in prices	(5,614,198)	(5,614,198)
 Year ended 30 June 2020		
Investment in managed funds/ bond portfolio		
+5% in prices	4,718,575	4,718,575
-5% in prices	(4,718,575)	(4,718,575)

No sensitivity analysis has been performed on foreign exchange risk as the Union 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.

# UNITED WORKERS' UNION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

### Note 17 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 Union. 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 Union.

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

#### Consolidated

	Footnote	2021		2020	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	(i)	35,741,486	35,741,486	94,290,532	94,290,532
Trade and other receivables	(i)	3,872,069	3,872,069	3,075,563	3,075,563
Investments	(i)	130,549,269	130,549,269	116,129,946	116,129,946
<b>Total financial assets</b>		<b>170,162,824</b>	<b>170,162,824</b>	<b>213,496,041</b>	<b>213,496,041</b>
<b>Financial liabilities</b>					
Trade and other payables	(i)	6,981,571	6,981,571	6,937,348	6,937,348
Borrowings	(i)	-	-	2,500,000	2,500,000
Lease liabilities	(i)	3,091,568	3,091,568	4,425,011	4,425,011
<b>Total financial liabilities</b>		<b>10,073,139</b>	<b>10,073,139</b>	<b>13,862,359</b>	<b>13,862,359</b>

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

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

# UNITED WORKERS' UNION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

### Note 17 Fair Value Measurement (Continued)

#### Parent

	Footnote	2021		2020	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	(i)	35,383,144	35,383,144	93,880,561	93,880,561
Trade and other receivables	(i)	4,711,502	4,711,502	3,199,322	3,199,322
Investments	(i)	130,549,269	130,549,269	116,129,946	116,129,946
<b>Total financial assets</b>		<b>170,643,915</b>	<b>170,643,915</b>	<b>213,209,829</b>	<b>213,209,829</b>
<b>Financial liabilities</b>					
Trade and payables	(i)	6,940,000	6,940,000	6,905,126	6,905,126
Borrowings	(i)	-	-	2,500,000	2,500,000
Lease liabilities	(i)	3,091,568	3,091,568	4,425,011	4,425,011
<b>Total financial liabilities</b>		<b>10,031,568</b>	<b>10,031,568</b>	<b>13,830,137</b>	<b>13,830,137</b>

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

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

#### Fair Value Hierarchy

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

##### Level 1

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

##### Level 2

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

##### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

# UNITED WORKERS' UNION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

### Note 17 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 –2021

	Note	Date of Valuation	Level 1 \$	Level 2 \$	Level 3 \$
<b>Assets measured at fair value</b>					
Morgan Stanley investment portfolio	7A	30 June 2021	85,171,282	-	-
IFS investment portfolio	7A	30 June 2021	4,676,813	-	-
Bell Potter investment portfolio	7A	30 June 2021	21,892,982	-	-
Floating rate notes	7A	30 June 2021	4,980,360	-	-
Sentinel Property investment	7A	30 June 2021	-	-	514,953
Investments accounted for using the equity method	7A	30 June 2021	-	-	13,284,946
Other financial assets	7A	30 June 2021	-	-	27,933
Land and Buildings – 27 Peel Street, South Brisbane	7B	30 June 2018	-	13,400,000	-
Land and Buildings – 45 Peel Street, South Brisbane	7B	5 Dec 2017*	-	-	3,168,102
Land and Buildings –19 Argyle Street, Parramatta	7B	12 Aug 2019	-	4,800,000	-
Land and Buildings – 117-131 Capel Street, North Melbourne	7B	30 June 2018	-	15,400,000	-
Land and Buildings – 101 Henley Beach Road, Mile End	7B	13 Aug 2021	-	9,750,000	-
Land and Buildings – 54 Cheriton Street, Perth	7B	18 Oct 2021	-	5,250,000	-
Land and Buildings – 38 Woods Street, Darwin	7B	30 June 2020	-	950,000	-
Land and Buildings – 19-37 Greek Street, Glebe	7B	4 Jan 2021**	-	-	50,520,000
Investment Properties – 303 Cleveland Street, Redfern	7C	1 Feb 2019	-	8,500,000	-
Investment Properties – 47 Peel Street, South Brisbane	7C	5 Dec 2017*	-	-	2,250,000
Investment properties – 62 Drummond Street, Carlton	7C	30 June 2019	-	2,800,000	-
Total			116,721,437	60,850,000	69,765,934

\* The former United Voice – Qld Branch purchased 45 and 47 Peel Street, South Brisbane on 5 December 2017. The Committee of Management determined that the purchase price continues to reflect the fair value and therefore conducted an internal assessment at 30 June 2021.

\*\* The Union purchased and refurbished the land and buildings located at 19-37 Greek Street, Glebe and was available for use on 4 January 2021. The Committee of Management determined that the purchase price continues to reflect the fair value and therefore conducted an internal assessment at 30 June 2021.

**UNITED WORKERS' UNION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021**

**Note 17 Fair Value Measurement (Continued)**

*Fair value hierarchy –2020*

	<b>Note</b>	<b>Date of Valuation</b>	<b>Level 1 \$</b>	<b>Level 2 \$</b>	<b>Level 3 \$</b>
<b>Assets measured at fair value</b>					
Morgan Stanley investment portfolio	7A	30 June 2020	72,207,107	-	-
IFS investment portfolio	7A	30 June 2020	3,795,973	-	-
Bell Potter investment portfolio	7A	30 June 2020	17,843,413	-	-
Floating rate notes	7A	30 June 2020	8,185,299	-	-
Sentinel Property investment	7A	30 June 2020	-	-	525,000
Investments accounted for using the equity method	7A	30 June 2020	-	-	13,428,156
Other financial assets	7A	30 June 2020	-	-	144,998
Land and Buildings – 27 Peel Street, South Brisbane	7B	30 June 2018	-	13,400,000	-
Land and Buildings – 45 Peel Street, South Brisbane	7B	5 Dec 2017*	-	-	3,168,102
Land and Buildings –19 Argyle Street, Parramatta	7B	12 Aug 2019	-	4,800,000	-
Land and Buildings – 303 Cleveland Street, Redfern	7B	1 Feb 2019	-	8,500,000	-
Land and Buildings – 117-131 Capel Street, North Melbourne	7B	30 June 2018	-	15,400,000	-
Land and Buildings – 101 Henley Beach Road, Mile End	7B	17 July 2018	-	9,200,000	-
Land and Buildings – 54 Cheriton Street, Perth	7B	9 July 2018	-	5,785,000	-
Land and Buildings – 38 Woods Street, Darwin	7B	30 June 2020	-	950,000	-
Investment Properties – 47 Peel Street, South Brisbane	7C	5 Dec 2017*	-	-	2,250,000
Investment properties – 62 Drummond Street, Carlton	7C	30 June 2019	-	2,800,000	-
<b>Total</b>			<b>102,031,792</b>	<b>60,835,000</b>	<b>19,516,256</b>

\* The former United Voice – Qld Branch purchased 45 and 47 Peel Street, South Brisbane on 5 December 2017. The Committee of Management determined that the purchase price continues to reflect the fair value and therefore conducted an internal assessment at 30 June 2020.

## UNITED WORKERS' UNION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

#### Note 18 Information about Subsidiaries

The consolidated financial statements of the Union include:

Name of entity	Principal activity	Country of Incorporation	Interest 2021 %	Interest 2020 %
Poll Printing Limited	Graphic Design and Printing	Australia	100	100
Labour Union Investment & Property Services Pty Ltd	Investment entity	Australia	100	100

#### Note 19 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 20 Union Details

The registered office of the Union is:

833 Bourke Street  
DOCKLANDS VIC 3008

#### Note 21 Segment Information

The Union operates solely in one reporting segment, being the provision of industrial services in Australia.