NATIONAL UNION OF WORKERS, NSW BRANCH
ABN 89 572 801 634

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

NATIONAL UNION OF WORKERS, NSW BRANCH
ABN 89 572 801 634

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This financial report covers the National Union of Workers, NSW Branch as an individual entity. The financial report is presented in the Australian currency.

The National Union of Workers, NSW Branch is a registered body under the *Industrial Relations Act 1996 (NSW)* and is domiciled in Australia.

The principal place of business is:
National Union of Workers, NSW Branch
19 Argyle Street
Parramatta NSW 2150

The financial report was authorised for issue by the Branch Committee of Management on .

NATIONAL UNION OF WORKERS, NSW BRANCH
ABN 89 572 801 634

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
Revenue from contracts with customers	4A	-	1,911,677
Other revenue	4B	**90,036**	25,947
Expenses			
Administration expenses	5	**(33,041)**	(491,795)
Affiliation and capitation fees	6	-	(352,940)
Amortisation and depreciation expenses		**(32,064)**	(113,969)
Employee benefits expenses	7	**(23,382)**	(4,292,264)
Legal & professional fees	8	**(82,945)**	(63,945)
Loss on sale of assets		-	(124,985)
		(171,432)	(5,439,895)
(Deficit) attributable to members of the entity		**(81,396)**	(3,502,273)
Other comprehensive income		**233,488**	-
Total comprehensive income for the year attributable to members		**152,092**	(3,502,273)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

NATIONAL UNION OF WORKERS, NSW BRANCH
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BALANCE SHEET
AS AT 30 JUNE 2021

	Note	2021 $	2020 $
ASSETS			
Current assets			
Cash and cash equivalents	10	**1,099,336**	1,550,956
Trade and other receivables	11	**11,587**	116,762
Other assets	12	**15,882**	-
Land and buildings	13	**2,397,555**	2,196,131
Intangibles	14	**-**	-
Total current assets		**3,524,360**	3,863,849
Total assets		**3,524,360**	3,863,849
LIABILITIES			
Current liabilities			
Trade and other payables	15	**698,576**	1,205,683
Borrowing	16	**15,526**	-
Total current liabilities		**714,102**	1,205,683
Total liabilities		**714,102**	1,205,683
Net assets		**2,810,258**	2,658,166
MEMBERS' FUND			
General fund	17	**1,385,696**	1,303,520
Distress fund	18	**-**	163,572
Reserves	19	**1,424,562**	1,191,074
Total members' fund		**2,810,258**	2,658,166

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

NATIONAL UNION OF WORKERS, NSW BRANCH
ABN 89 572 801 634

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

	Accumulated surplus $	Members distress funds $	Revaluation reserve	Total $
Balance at 1 July 2019	4,805,793	163,572	1,191,074	6,160,439
Comprehensive income for the year	(3,502,273)	-	-	(3,502,273)
Balance at 30 June 2020	1,303,520	163,572	1,191,074	2,658,166
Balance at 1 July 2020	**1,303,520**	**163,572**	**1,191,074**	**2,658,166**
Comprehensive income for the year	**(81,396)**	**-**	**-**	**(81,396)**
Transfer of fund	**163,572**	**(163,572)**	**-**	**-**
Revaluation of land and building	**-**	**-**	**233,488**	**233,488**
Balance at 30 June 2021	**1,385,696**	**-**	**1,424,562**	**2,648,966**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

NATIONAL UNION OF WORKERS, NSW BRANCH
ABN 89 572 801 634

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Receipts from other reporting units (inclusive of GST)		-	2,434,325
Receipts from controlled entities		-	-
Sundry receipts (inclusive of GST)		**41,439**	3,393
Payments to suppliers and employees (inclusive of GST)		**(57,973)**	(6,332,524)
Payments to other reporting units / controlled entities		-	-
Interest paid		**(135)**	-
Interest received		**76**	22,555
Net cash (outflow) from operating activities	23	**(16,593)**	(3,872,251)
Cash flows from investing activities			
Proceed from sales of investments, plant and equipment		-	28,466
Net cash (outflow) from investing activities		-	28,466
Cash flows from financing activities			
New insurance funding		**17,312**	-
Repayment of insurance premium funding		**(1,785)**	-
Loans from Associated Entities (Net)		**(450,554)**	998,033
Net cash (outflow) inflow from financing activities		**(435,027)**	998,033
Net (decrease) in cash and cash equivalents		**(451,620)**	(2,845,752)
Cash and cash equivalents at beginning of financial year		**1,550,956**	4,396,708
Cash and cash equivalents at end of financial year	10(a)	**1,099,336**	1,550,956

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1: Summary of significant accounting policies

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

The financial report includes the financial statements for the National Union of Workers, NSW Branch (The Branch) as an individual entity.

(a) Basis of Preparation

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Industrial Relations Act 1998 (NSW)*. For the purpose of preparing the general purpose financial statements, the National Union of Workers, NSW Branch is a not-for-profit entity.

Liquidated Basis of Preparation

On 30 August 2019, members of both the National Union of Workers and United Voice voted to amalgamate and create the United Workers Union.

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

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

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

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

• AASB 5 Non-current Assets Held for Sale and Discontinued Operations

Given that the entire reporting unit is to be discontinued, the disclosures under AASB 5 that separate between continuing and discontinuing operations are not considered relevant to users.

1: Summary of significant accounting policies (Continued)

(a) Basis of Preparation *(Continued)*

Early adoption of standards

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

New and amended standards adopted by the Branch

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

The Branch has assessed the impact of other new and amended standards that came into effect for the first time for the annual reporting period commencing 1 July 2020. See note 1t for more information

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and financial assets and liabilities at fair value through profit or loss.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the branch's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

1: Summary of significant accounting policies (Continued)

(b) Revenue recognition

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

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

Revenue is recognised for the major operating activities as follows:

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 entity.

If there is only one distinct membership service promised in the arrangement, the entity recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the entity'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 entity 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 entity 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 entity recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the entity 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 entity at their standalone selling price, the entity accounts for those sales as a separate contract with a customer.

Rental Income

Leases in which the branch, as a lessor, do 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 income in the period in which they are earned.

Interest income

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

1: Summary of significant accounting policies (Continued)

(b) Revenue recognition (Continued)

Other revenue

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

All revenue is stated net of the amount of Goods and Services Tax (GST).

(c) Income tax

In accordance with section 50-15 of the Income Tax Assessment Act, the Branch is exempt from income tax.

(d) Cash and cash equivalents

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

(e) Financial instruments

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

(f) 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 NUW's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, NUW 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.

NUW'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 NUW commits to purchase or sell the asset.

1: Summary of significant accounting policies (Continued)

(f) 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

NUW 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.

NUW's financial assets at amortised cost includes trade and other receivables.

Derecognition

A financial asset is derecognised when:
- The rights to receive cash flows from the asset have expired or
- NUW 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) NUW has transferred substantially all the risks and rewards of the asset, or
  b) NUW has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When NUW 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, NUW 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.

1: Summary of significant accounting policies (Continued)

(f) Financial assets (Continued)
Impairment
(i) Trade receivables
For trade receivables that do not have a significant financing component, NUW 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, NUW does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. NUW has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, NUW 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 NUW 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).

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

(g) Financial Liabilities

Initial recognition and measurement

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

The NUW's financial liabilities include trade and other payables.

Subsequent measurement
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.

1: Summary of significant accounting policies (Continued)

(g) Financial Liabilities (Continued)

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.

(h) Fair value measurement

NUW measures financial instruments, such as, financial assets as at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date.

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 NUW. 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.

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, NUW 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.

1: Summary of significant accounting policies (Continued)

(i) 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.

(j) Property, plant and equipment

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

Depreciation
The depreciable amount of all fixed assets including buildings are depreciated over their estimated useful lives to the Branch commencing from the time the asset is held ready for use.

Class of fixed asset	Useful lives
Land and building	40 years
Plant and equipment	3 to 20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Comprehensive Income.

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

(k) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Branch has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

1: Summary of significant accounting policies (Continued)

(l) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave, RDO and associated leave loading expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave, RDO and associated leave loading is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

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

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

(m) 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 entity transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the entity 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 entity's refund liabilities arise from customers' right of return. The liability is measured at the amount the entity's ultimately expects it will have to return to the customer. The entity updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

(n) Functional and presentation currency

Items included in the financial report are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial report is presented in Australian dollars, which is the Branch's functional and presentation currency.

1: Summary of significant accounting policies (Continued)

(o) Comparative figures

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

(p) Goods and Service Tax (GST)

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

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

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

1: Summary of significant accounting policies (Continued)

(q) New accounting standards and interpretations

In the current year, the entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operation.

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

Standard	*Effective for annual reporting periods beginning on or after*
AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material	1 January 2020

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 branch.

(r) Future Australian Accounting Standards Requirements

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods. The entity's assessment of the impact of these new standards and interpretations is set out below.

Title of Standard	**AASB 2021-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current**
Nature of change	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.
Application date	This Standard applies to annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted

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

2: Critical accounting estimates and judgements

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

(a) Critical accounting estimates and assumptions

The Branch makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. None of the estimates and assumptions are expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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

Employee entitlements
Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at balance date:
- future increases in wages and salaries
- future on-cost rates; and
- experience of employee departures and period of service

4A: Revenue from contracts with customers

	2021 $	2020 $
The table below also sets out a disaggregation of revenue by type of customer and funding source		
- member subscriptions	-	1,911,677
- capitation fee	-	-
- campaign levy (voluntary)	-	-
	-	1,911,677

4B: Other revenue

- interest	**76**	22,555
- dividend	-	122
- rental	**61,853**	-
- write back of liabilities	**27,309**	-
- donation & grant received	-	-
- financial support from another reporting unit	-	-
- revenue from recovery of wages activity	-	-
- other revenue	**798**	3,271
	90,036	25,948

5: Administration expenses

	2021 $	2020 $
Conference and meeting expenses	-	19,373
Fees/allowances-mtg and conference	-	15,088
Property expenses	**10,590**	30,807
Office expenses	**6,556**	47,910
Information communication technology	**13,949**	62,604
Public relations/campaigns	-	1,624
Conference, meeting & delegate training & expenses	-	89,061
Motor vehicles expenses	-	59,901
Income protection insurance	-	16,211
Member journey insurance	-	70,005
Business insurance	**1,371**	-
Training and development	-	1,618
IT systems training, support and taxation advice	-	59,100
Other	**575**	18,493
	33,041	491,795

6: Affiliation and capitation fees

	2021 $	2020 $
Affiliation fee		
- Unions NSW	-	22,139
Capitation fee		
- National Council	-	330,801
	-	352,940

7: Employees benefits expenses

	2021 $	2020 $
Holders of office:		
Wages and salaries	-	568,691
Superannuation	-	90,991
Leave and other entitlements	-	(774,916)
Separation and redundancies	-	3,824,429
Other employee expenses	-	242,810
	-	3,952,005
Employees other than holders of office:		
Wages and salaries	-	134,205
Superannuation	-	52,785
Leave and other entitlements	-	(126,029)
Separation and redundancies	-	279,298
Other employee expenses	-	-
	-	340,259
Other staff costs	**23,382**	-
	23,382	4,292,264

** Other staff costs primarily comprise payroll tax and workcover

8: Legal & professional fee

	2021 $	2020 $
Auditor remuneration	**10,000**	22,700
Legal fees		
- Litigation	-	39,545
- Other legal matters	**72,945**	1,700
	82,945	63,945

9: Expenses

	2021 $	2020 $
The surplus for the year includes the following specific items:		
Depreciation of non-current assets		
- building and improvements	**32,064**	46,638
- property, plant and equipment	**-**	65,305
	32,064	111,943
Amortisation of non-current assets		
- intangibles - software	**-**	2,026
Total depreciation and amortisation	**32,064**	113,969
Finance costs		
- interest and finance charges paid on insurance premium loan	**135**	-

10: Current assets – Cash and cash equivalents

	2021 $	2020 $
Cash at bank	**1,099,336**	1,550,956

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

The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:

Balances as above	**1,099,336**	1,550,956
Bank overdraft	**-**	-
Balances per Statement of Cash Flows	**1,099,336**	1,550,956

11: Current assets – Trade and other receivables

	2021 $	2020 $
Trade receivables	**11,587**	116,762

(i) Classification as trade receivables

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

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

12: Current assets – Other assets

	2021 $	2020 $
Prepayments	**15,882**	-

13: Current assets – Property, plant and equipment

	2021 $	2020 $
Land and buildings		
At fair value	**2,450,000**	2,265,000
Less accumulated depreciation	**(52,445)**	(68,869)
	2,397,555	2,196,131
Total property, plant and equipment	**2,397,555**	2,196,131

(a) Non-current assets pledged as security

None of the non-current assets are pledged as security.

(b) Movements in Carrying Amounts

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

2020	Land and building $	Furniture & fixtures $	Motor vehicles $	Total $
Opening net book amount	2,242,769	91,127	123,011	2,456,907
Disposals	-	(78,386)	(70,447)	(148,833)
Depreciation	(46,638)	(12,741)	(52,564)	(111,943)
Closing net book amount	2,196,131	-	-	2,196,131

2021	Land and building $	Furniture & fixtures $	Motor vehicles $	Total $
Opening net book amount	2,196,131	-	-	2,196,131
Revaluation	233,488	-	-	233,488
Depreciation	(32,064)	-	-	(32,064)
Closing net book amount	2,397,555	-	-	2,397,555

(c) Valuation

The Union has received a letter from the City of Parramatta Council dated 14/4/2020 advising of a process of negotiation of acquisition by agreement (compulsory acquisition) of the Union's property situated at 3-5 Bridge St, Granville NSW. The letter contains an offer of $4,900,000 for the land and $50,000 in compensation for disturbance . The offer is subject to further negotiation with the Union.

The revalued land and buildings consist of 50% of $4,900,000 being the fair value of Land and Buildings situated at 3-5 Bridge St, Granville NSW. Management determined that these constitute one class of asset under AASB 13, Fair value standard based on the nature, characteristics and risks of the property.

14: Current assets – Intangibles

	2021 $	2020 $
Computer software		
Internally developed	-	315,205
Less accumulated amortisation	-	(315,205)
	-	-

	2021 $	2020 $
Opening net book amount	-	2,026
Amortisation	-	(2,026)
Closing net book amount	-	-

15: Current liabilities – Trade and other payables

	Note	2021 $	2020 $
Unsecured			
Payables to other reporting units			
- NUW Nat Office	25(h)	-	1,046,875
- United Voice (UWU)	25(h)	688,576	48,602
Wages and salaries		-	51,606
Other creditors		10,000	58,600
		698,576	1,205,683

16: Current liabilities – Borrowing

	2021 $	2020 $
Unsecured		
Insurance premium funding	15,526	-

17: Accumulated surplus

	2021 $	2020 $
Movements in the accumulated surplus were as follows:		
Balance 1 July	**1,303,520**	4,805,793
Transfer from distress fund	**163,572**	-
Net (deficit) for the year	**(81,396)**	(3,502,273)
Balance 30 June	**1,385,696**	1,303,520

18: Distress fund

	2021 $	2020 $
Balance 1 July	**163,572**	163,572
Transfer to general fund	**(163,572)**	-
Balance 30 June	**-**	163,572

19: Reserves

	2021 $	2020 $
Asset revaluation reserves		
Balance 1 July	**1,191,074**	1,191,074
Revaluation of land and building	**233,488**	-
Balance 30 June	**1,424,562**	1,191,074

The revaluation reserve records the surplus on revaluation of the land and building.

20: Contingencies

There are no known contingent assets or liabilities at 30 June 2021.

21: Events occurring after the reporting date

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 Branch, the results of those operations, or the state of affairs of the Branch in subsequent financial periods.

22: Commitments

There are no known commitments at 30 June 2021.

23: Cash flow information

	2021 $	2020 $
Reconciliation of cash flow from operations with deficit for the year		
Deficit for the year	**(81,396)**	(3,502,273)
Non-cash flows in deficit		
Depreciation and amortisation	**32,064**	113,969
Write back of liabilities	**(27,309)**	-
Net (gain) loss on disposal of property, plant and equipment	**-**	124,985
Non-cash transactions	**85,168**	-
Changes in assets and liabilities		
Decrease in receivables	**63,660**	435,643
(Increase) Decrease in prepayments	**(15,882)**	1,249
(Decrease) in payables	**(72,898)**	(144,879)
(Decrease) in provisions	**-**	(900,945)
Cash flows from operations	**(16,593)**	(3,872,251)

24. Auditor's remuneration

During the year the following fees were paid or payable for services provided by the auditor and non-related audit firms:

	2021 $	2020 $
(a) Audit and other assurance services		
Audit of the financial report – current auditor	**10,000**	-
Audit of the financial report – ex auditor	**-**	22,700
(b) Other services		
IT systems training, support and taxation advice – ex auditor	**-**	59,100
	10,000	81,800

25: Related party transactions

(a) Unless otherwise detailed the members of the committee of management were members for the entire reporting period:

Position	Name	Term
Vice President	Jason Perry	
Trustee	Geoff Pearson	
Trustee	Kelly Henry	
Committee Member	Ian Dixon	
Committee Member	Rahge Ibrahim	
Committee Member	Chris Dundon	
Committee Member	John Rowbotham	
Committee Member	Guven Yagci	
Committee Member	Anthony Oldfield	
Committee Member	Rhonda Seychell	Resigned 20 October 2020
Committee Member	Colin Minns	
Committee Member	Pat Luxford	
Committee Member	Sherelle Roberts	Resigned 20 October 2020
Committee Member	Shuang Hagrebert	

(b) Key management personnel remuneration	2021 $	2020 $
Short-term employee benefits		
Salary (including annual leave taken)	-	2,322,792
Entitlement accrued	-	16,765
Total short-term employee benefits	-	2,339,557
Post-employment benefits		
Other long-term benefits	-	-
Termination benefits	-	-
Total	-	2,339,557

(c) There were no loans between the key management personnel or the committee of management and the branch.

(d) There were no transactions between key management personnel or the committee of management and the branch other than those relating to their membership of the branch and reimbursement by the branch in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which is reasonable to expect would have been adopted by parties at arm's length.

(e) No payment is made to a former related party of the reporting unit.

(f) Outstanding balances arising from sales and purchases of goods and services:

These balances are disclosed in the "Trade receivables" and "Trade payables" notes to the accounts.

25: Related party transactions (Continued)

(g) Transactions with related parties	2021	2020
	$	$
Payments		
Capitation fee paid to the NUW National Council	-	330,801

(h) Loans due to related parties	2021	2020
	$	$
Amount due to the UWU		
Beginning of the year	**48,602**	-
Transfer of loan account due to NUW National Office on amalgamation	**1,046,875**	-
Loan from UWU	**493,099**	48,602
Loan repaid	**(900,000)**	-
End of year	**688,576**	48,602
Amount due to the NUW National Office		
Beginning of the year	**1,046,875**	-
Transfer of loan account due to NUW National Office on amalgamation	**(1,046,875)**	-
Loan form NUW National Office	-	1,046,875
End of year	-	1,046,875

26: Financial risk management

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

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

(a) Market risk

(i) Foreign exchange risk

The Branch is not exposed to foreign exchange risk.

(ii) Price risk

The Branch is not exposed to commodity price risk.

(iii) Cash flow and fair value interest rate risk

The Branch has a small line-of-credit facility and is therefore not exposed to interest rate risk on liabilities. The Branch has investments in a variety of interest-bearing assets which have fixed interest rate and therefore not subject to interest rate volatility.

(b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. Cash transactions are limited to high credit quality financial institutions. Currently the investments are held in Australian banks. The Branch has no significant concentrations of credit risk.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. The credit quality of financial assets can be assessed by reference to external credit ratings as follows:

	2021	2020
	$	$
Cash at bank		
AA- Rating	**1,099,336**	1,550,956

26: Financial risk management (Continued)

(c) Liquidity risk

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

Maturity profile of financial instruments

The maturity profile of financial assets and liabilities held are detailed below:

2021	Weighted Average Interest rate	Floating Interest rate	1 year or less	1 to 2 years	2 to 5 years	Over 5 years	Non Interest bearing	Total
	%	$	$	$	$	$	$	$
Financial Assets								
Cash at bank	0.01	1,099,336	-	-	-	-	-	1,099,336
Other receivables		-	-	-	-	-	11,587	11,587
		1,099,336	-	-	-	-	11,587	1,110,923
Financial Liabilities								
Other payables		-	-	-	-	-	698,576	698,576
Premium Funding	7.8	-	15,526	-	-	-	-	15,526
		-	15,526	-	-	-	698,576	714,102
Net Financial Assets (Liabilities)		1,099,336	(15,526)	-	-	-	(686,989)	396,821

2020	Weighted Average Interest rate	Floating Interest rate	1 year or less	1 to 2 years	2 to 5 years	Over 5 years	Non Interest bearing	Total
	%	$	$	$	$	$	$	$
Financial Assets								
Cash at bank	0.01	1,550,956	-	-	-	-	-	1,550,956
Other receivables		-	-	-	-	-	116,762	116,762
		1,550,956	-	-	-	-	116,762	1,667,718
Financial Liabilities								
Other payables		-	-	-	-	-	1,205,683	1,205,683
		-	-	-	-	-	1,205,683	1,205,683
Net Financial Assets (Liabilities)		1,550,956	-	-	-	-	(1,088,921)	462,035

27: Capital management

NUW manages its capital to ensure that it will be able to continue as a going concern while maximising the return on investments. The Branch Committee ensure that the overall risk management strategy is in line with this objective. The capital structure of the entity consists of cash and cash equivalents and members' funds, comprising reserves and retained earnings. The Branch Committee effectively manages the NUW's capital by assessing the NUW's financial risk and responding to changes in these risks and in the market. These responses may include the consideration of debts levels. There have been no changes to the strategy adopted by Branch Committee to control capital of the entity since the previous year. No operations of the entity are subject to external imposed capital requirements.

28: Fair Value Measurements

(a) Financial assets and liabilities

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

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

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2021 was assessed to be insignificant
- Fair value of certain financial assets is derived from quoted market prices in active markets
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the entity based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2021 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

		2021		2020	
	Note	Carrying Amount	Fair Value	Carrying Amount	Fair Value
		$	$	$	$
Financial assets					
Cash on hand	(i)	**1,099,336**	**1,099,336**	1,550,956	1,550,956
Trade and other receivables	(i)	**11,587**	**11,587**	116,762	116,762
Total financial assets		**1,110,923**	**1,110,923**	1,667,718	1,667,718
Financial liabilities					
Trade and other payables	(i)	**698,576**	**698,576**	1,205,683	1,205,683
Premium funding	(i)	**15,526**	**15,526**	-	-
Total financial liabilities		**714,102**	**714,102**	1,205,683	1,205,683

(i) Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Accounts payable and other payables exclude amounts relating to the provision for annual leave, which is outside the scope of AASB 9.

28: Fair Value Measurements (Continued)

(b) Financial and non-financial assets and liabilities fair value hierarchy

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2021 and 30 June 2020:

Financial Assets	**Level 1**	**Level 2**	**Level 3**
	$	**$**	**$**
30 June 2021			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
Net fair value	-	-	-
30 June 2020			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
Net fair value	-	-	-

Non-financial Assets	**Level 1**	**Level 2**	**Level 3**
	$	**$**	**$**
30 June 2021			
Land and building	-	**2,397,555**	-
Liabilities at fair value	-	-	-
Net fair value	-	**2,397,555**	-
30 June 2020			
Land and building	-	**2,196,131**	-
Liabilities at fair value	-	-	-
Net fair value	-	**2,196,131**	-

There were no transfers between Levels 1 and 2 for assets measured at fair value on a recurring basis during the reporting period (2020: no transfers).

(c) Disclosed fair value measurements

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

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

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