The Australian Workers' Union
New South Wales Branch

Financial Reports

For the period (ten months)
ended 30 June 2017

Contents

The Australian Workers' Union New South Wales Branch

Introduction

These financial reports are prepared by The Australian Workers' Union (AWU) NSW Branch (a reporting unit) as defined under section 242 of the *Fair Work (Registered Organisations) Act 2009* (RO Act), with a reporting date of 30 June 2017.

The enclosed financial report has been prepared in accordance with the requirements of applicable Australian Accounting Standards as they apply to a not-for-profit entity and the RO Act, including the section 253 Reporting Guidelines issued on 13 June 2014. The financial report is intended to comply with the disclosure requirements for the preparation of a general purpose financial report under Tier 1—Australian Accounting Standards.

The Australian Workers' Union NSW Branch commenced on 1 September 2016 as a new entity. The AWU National Executive and the three branch executives of the AWU geographically located within New South Wales agreed to merge as at 1 September 2016. As a result, a new Executive was appointed to manage the new entity.

All the assets and liabilities of the three branches were transferred to the new entity AWU New South Wales Branch on 1 September 2016.

ALAN FRASER LOVETT
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Independent Audit Report

Independent Audit Report to the Members of The Australian Workers' Union NSW Branch

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of The Australian Workers' Union NSW Branch (the Reporting Unit), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the ten months ended 30 June 2017, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of The Australian Workers' Union NSW Branch as at 30 June 2017, 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).

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

Basis for Opinion

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

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

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

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

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

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

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also consider and:
Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.

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

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

No opinion is expressed as to the appropriateness of the presentation or form of the accounts for the use of the management committee or the members.

I declare that I am an approved auditor.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

My opinion on the financial report is that no deficiency, failure, or shortcoming in respect of Section 252 and Section 257(2) in the conduct of the audit.

Name: Alan Fraser Lovett
Address: PO Box 72 FRENCHS FOREST NSW 1640

Alan Fraser Lovett
Date: 11/4/18

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/179

The Australian Workers' Union New South Wales Branch

s.268 *Fair Work (Registered Organisations) Act 2009*

Certificate By Prescribed Designated Officer

Certificate for the period 30 June 2017

I Daniel Walton being the AWU NSW Branch Secretary of the Australian Workers' Union NSW Branch certify:

- that the documents lodged herewith are copies of the full report for *the Australian Workers' Union, NSW Branch* for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and

- that the full report was provided to members of the reporting unit on 20 March 2018; and

- that the full report was presented to *a Committee of Management.*

Signature of prescribed designated officer:.....

Name of prescribed designated officer:.....

Title of prescribed designated officer: .....

Dated: .....

The Australian Workers' Union New South Wales Branch

Operating Report

for the period ended 30June 2017

The Committee of Management presents its operating report on the Reporting Unit for the period ended 30 June 2017.

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

The Australian Workers' Union NSW Branch commenced on 1 September 2016 as a result of the merger of the three geographic branches that operated in NSW until 31 August 2016. All of the assets and liabilities of the branches have been transferred into the new merged branch as of 1 September 2016.

Significant changes in financial affairs

There were no significant changes to the Union's financial affairs during the reporting period. The only changes were the merger of the three geographical branches of AWU NSW into one branch on 1 September 2017. As a result some restructuring costs resulted in the period ended 30 June 2017.

Right of members to resign

AWU Rule 14 – Resigning as a member – provides for the resignation of members in accordance with Section 174 of the Fair Work (Registered Organisations) Act 2009.

Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

No branch officials of Branch employees have acted in the capacity as a superannuation fund trustee or as a director of a company during the reporting period or the previous financial year.

Number of members

At 30 June 2017 the total amount of members was 17,283.

Number of employees

The number of employees as at 30 June 2017 was 57 including officials and staff.

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

All of the following members of the AWU NSW Branch Executive during the period 1 September 2016 until 30 June 2017. The Executive committee members are:

Armstrong, P.
Bali, S (President)
Boreland, D
Boyd, J (Vice President)
Buhler J (Vice President)
Callinan, T (Assistant Secretary)
Hughes, M
Lawless, E
Leake, G
Mason, C
Matheson, T

Collison, R (Secretary)
Cowdrey, R (Vice President)
Davies, G
Dawson, G
Delaney, P (Senior Vice President)
Dunn, R
Fairless, L
Farrow, P (Senior Vice President)
Georgievski, B (Vice President)
Halloran, D
Hancock, D (Senior Vice President)
Hillary, R
Turner, L
McGuinness, B
Millar, L
Morley, I
Noack, P (Assistant Secretary)
O'Neill, R
Phillips, W (Assistant Secretary)
Pringle, W
Redman, L
Slavin, B
Scott, J
Stojanoski, S
Thomas, I

Signature of designated officer: .....

Name and title of designated officer: .....

Dated: .....

The Australian Workers' Union New South Wales Branch

Committee of Management Statement

for the period ended 30 June 2017

On 9 April 2018, the AWU NSW Branch Executive Committee of The Australian Workers' Union NSW Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the period ended 30 June 2017:

The AWU NSW Branch Executive Committee declares that in its opinion:

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

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

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

(d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; 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 were held in accordance with the rules of the organisation including the rules of a branch concerned; and

(ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and

(iii) the financial records of the reporting unit 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 with each of the other reporting units of the organisation; and

(v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and

(vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.

(f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

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

Signature of designated officer: .....

Name and title of designated officer: .....

Dated: .....

The Australian Workers' Union New South Wales Branch
Statement of Comprehensive Income
for the period ended 30 June 2017

	Notes	2017 $	2016 $
Revenue			
Membership subscription*		**6,350,412**	-
Capitation fees	3A	**-**	-
Levies	3B	**-**	-
Interest	3C	**90,961**	-
Rental revenue	3D	**337,360**	-
Other revenue		**76,266**	-
Total revenue		**6,854,999**	-
Other Income			
Grants and/or donations	3E	**-**	-
Net gains from sale of assets	3F	**-**	-
Total other income		**-**	-
Total income		**-**	-
Expenses			
Employee expenses	4A	**4,709,599**	-
Capitation fees	4B	**698,544**	-
Affiliation fees	4C	**138,981**	-
Administration expenses	4D	**1,583,977**	-
Grants or donations	4E	**27,332**	-
Depreciation and amortisation	4F	**317,065**	-
Finance costs	4G	**37,341**	-
Legal costs	4H	**118,596**	-
Audit fees	14	**58,119**	-
Write-down and impairment of assets	4I	**-**	-
Net losses from sale of assets	4J	**13,279**	-
Other expenses	4K	**53,376**	-
Total expenses		**7,756,209**	-
Total comprehensive income for the year		**(901,210)**	-

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

The Australian Workers' Union New South Wales Branch
Statement of Financial Position
as at 30 June 2017

	Notes	2017 $	2016 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	**9,906,898**	-
Trade and other receivables	5B	**225,641**	-
Other current assets	5C	**89,446**	-
Total current assets		**10,221,985**	-
Non-Current Assets			
Land and buildings	6A	**8,139,765**	-
Plant and equipment	6B	**1,032,373**	-
Investment Property	6C	**677,846**	
Other investments	6F	**835,000**	-
Other non-current assets	6G	**2,127,123**	-
Total non-current assets		**12,812,107**	-
Total assets		**23,034,092**	-
LIABILITIES			
Current Liabilities			
Trade payables	7A	**83,219**	-
Other payables	7B	**420,374**	-
Employee provisions	8A	**1,203,523**	-
Total current liabilities		**1,707,116**	-
Non-Current Liabilities			
Employee provisions	8A	**1,984,904**	-
Other non-current liabilities	9A	**715,951**	-
Total non-current liabilities		**2,700,855**	-
Total liabilities		**4,407,971**	-
Net assets		**18,626,121**	-
EQUITY			
General funds	10A	**19,527,331**	-
Retained earnings (accumulated deficit)		**(901,210)**	-
Total equity		**18,626,121**	-

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

The Australian Workers' Union New South Wales Branch

Statement of Changes in Equity

for the year ended 30 June 2017

	Notes	General funds	Retained earnings	Total equity
		$	$	$
Balance as at 1 July 2015		-	-	-
Surplus / (deficit)		-	-	-
Closing balance as at 30 June 2016		**-**	**-**	**-**
Surplus / (deficit)		**-**	**(901,210)**	**(901,210)**
Transfer to/from AWU Branches	10A	**19,527,331**	**-**	**19,527,331**
Closing balance as at 30 June 2017		**19,527,331**	**(901,210)**	**18,626,121**

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

The Australian Workers' Union New South Wales Branch

Statement of Cash Flows

for the year ended 30 June 2017

	Notes	2017 $	2016 $
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	11B	**-**	-
Receipts from members		**6,233,414**	
Interest		**66,713**	-
Other		**362,717**	-
Cash used			
Employees		**(3,738,536)**	-
Suppliers		**(886,379)**	-
Payment to other reporting units/controlled entity(s)	11B	**(669,592)**	-
Net cash from (used by) operating activities	11A	**1,368,337**	-
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		**7,652**	-
Cash used			
Purchase of plant and equipment		**(140,902)**	-
Net cash from (used by) investing activities		**(133,250)**	-
FINANCING ACTIVITIES			
Cash received			
Contributed equity		**8,791,811**	-
Cash used			
Repayment of borrowings		**(120,000)**	-
Net cash from (used by) financing activities		**(120,000)**	-
Net increase (decrease) in cash held		**9,906,898**	-
Cash & cash equivalents at the beginning of the reporting period		**-**	-
Cash & cash equivalents at the end of the reporting period	5A	**9,906,898**	-

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

Index to the Notes of the Financial Statements

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 Australian Workers' Union NSW Branch is a not-for-profit entity.

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

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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

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 2014-3 *Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations* require an entity acquiring an interest in a joint operation, in which the activity of the joint operation constitutes a business, to apply, to the extent of its share, all of the principles in AASB 3 *Business Combinations* and other Australian Accounting Standards that do not conflict with the requirements of AASB 11 *Joint Arrangements.*

  No impact on the reporting unit.

- AASB 2014-4 *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation* clarify the principle in AASB 116 *Property, Plant and Equipment* and AASB 138 *Intangible Assets* that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, the ratio of revenue generated to total revenue expected to be generated cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

  No impact on the reporting unit.

- AASB 2014-9 *Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements* amends AASB 127 *Separate Financial Statements* to allow an entity to use the equity method as described in AASB 128 to account for its investments in subsidiaries, joint ventures and associates its separate financial statements.

  No impact on the reporting unit.

- AASB 2015-1 *Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle* clarify certain requirements in:
  - AASB 5 Non-current Assets Held for Sale and Discontinued Operations – Changes in methods of disposal
  - AASB 7 Financial Instruments: Disclosures – servicing contracts; applicability of the amendments to AASB 7 to condensed interim financial statements
  - AASB 119 Employee Benefits – regional market issue regarding discount rate
  - AASB 134 Interim Financial Reporting – disclosure of information 'elsewhere in the interim financial report'

  There will be minimal impact on the reporting unit.

- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101* amends AASB 101 *Presentation of Financial Statements* to clarify existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying the Standard in determining what information to disclose, where and in what order information is presented in their financial statements. For example the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures.

  No impact on the reporting unit.

- AASB 2015-5 *Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception* amends AASB 10 *Consolidated Financial Statements,* AASB 12 *Disclosure in Interests in Other Entities* and AASB 128 *Investments in Associates and Joint Ventures* to clarify how investment entities and their subsidiaries apply the consolidation exception.

  No impact on the reporting unit.

Future Australian Accounting Standards Requirements

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Union has decided not to early adopt any of the new and amended pronouncements. The Union's assessment of the new and amended pronouncements that are relevant to the Union but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, revised recognition and de-recognition requirements for financial instruments and simplified requirements for hedge accounting. The key changes that may affect the Union on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the Union elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2017).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as nonmonetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue. Although the Committee of Management anticipate that the adoption of AASB 15 may have an impact on the Union's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements
-

This Standard will require retrospective restatement, as well as enhanced disclosures regarding leases.

Although the Committee of Management anticipate that the adoption of AASB 16 will impact the Union's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

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

The net book value of assets and or liabilities transferred to the *reporting unit* for no consideration is used to account for an amalgamation under Part 2 of Chapter 3 of the *Fair Work (Registered Organisations) Act 2009*/a restructure of the branches of the r*eporting unit* a determination by the General Manager under subsections 245(1) of the *Fair Work (Registered Organisations) Act 2009*/a revocation by the General Manager under subsection 249(1) of the *Fair Work (Registered Organisations) Act 2009*.

1.6 The assets and liabilities of the newly created branch known as AWU NSW occurred on 1 September 2016 recognised as at the date of transfer. The closing balances of the three branches assets and liabilities as at 31 August 2016 that formed AWU NSW are as follows:

ASSETS	**GREATER NSW**	**NEWCASTLE**	**PORT KEMBLA**	**TOTAL**
Current Assets				
Cash and cash equivalents	8,127,650	598,578	1,812,640	**10,538,868**
Trade and other receivables	2,422,595	69,484	49,689	**2,541,768**
Other current assets	-	21,837	-	**21,837**
Total current assets	***10,550,245***	***689,899***	***1,862,329***	***13,102,473***
Non-Current Assets				
Property, Plant and equipment	5,215,874	2,962,305	122,251	**8,300,430**
Investment Property	-	-	677,846	**677,846**
Other investments	-	-	662	**662**
Other non-current assets	830,133	1,612	-	**831,745**
Total non-current assets	***6,046,007***	***2,963,917***	***800,759***	***9,810,683***
Total assets	**16,596,252**	**3,653,816**	**2,663,088**	**22,913,156**

LIABILITIES	GREATER NSW	NEWCASTLE	PORT KEMBLA	TOTAL
Current Liabilities				
Trade payables	190,286	110,818	23,796	**324,900**
Other payables	56,844	120,000	24,969	**201,813**
Employee provisions	368,158	103,219	358,360	**829,737**
Total current liabilities	***615,288***	***334,037***	***407,125***	***1,356,450***
Non-Current Liabilities				
Employee provisions	1,048,614	199,513	-	**1,248,127**
Other non-current liabilities	-	781,248	-	**781,248**
Total non-current liabilities	***1,048,614***	***980,761***	***-***	***2,029,375***
Total liabilities	**1,663,902**	**1,314,798**	**407,125**	**3,385,825**
Net assets	**14,932,350**	**2,339,018**	**2,255,963**	**19,527,331**
EQUITY				
General funds	2,747,205	(92,156)	486	**2,655,535**
Retained earnings	12,185,145	2,431,174	2,255,477	**16,871,796**
Total equity	**14,932,350**	**2,339,018**	**2,255,963**	**19,527,331**

1.7 Revenue

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

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

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

Donation income is recognised when it is received.

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

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

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

1.8 Government grants

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

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

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

1.9 Gains

Sale of assets

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

1.10 Capitation fees and levies

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

1.11 Employee benefits

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

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

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

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

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

1.12 Leases

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

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.
The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

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

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

1.13 Borrowing costs

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

1.14 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents 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.

1.15 Financial instruments

Financial assets and financial liabilities are recognised when a *reporting unit* entity becomes a party to the contractual provisions of the instrument.

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

1.16 Financial assets

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

Fair value through profit or loss

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

A financial asset is classified as held for trading if:

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

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

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

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

Held-to-maturity investments

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

Available-for-sale

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

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

Loan and receivables

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

Effective interest method

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

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

Impairment of financial assets

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

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

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

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

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

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

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

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

Derecognition of financial assets

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

1.17 Financial Liabilities

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

Fair value through profit or loss

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

A financial liability is classified as held for trading if:

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

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

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

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

Other financial liabilities

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

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

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.18 Contingent Liabilities and Contingent Assets

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

1.19 Land, Buildings, 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 property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at

each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

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

	2017	2016
Land & buildings	40 years	-
Plant and equipment	3 years to 15 years	-

Derecognition

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

1.20 Investment property

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

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

1.21 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 *reporting unit* were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.22 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.

1.23 Taxation

The r*eporting unit* 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.

1.24 Fair value measurement

The reporting unit 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 16A.

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

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

The principal or the most advantageous market must be accessible by the *reporting unit*. 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 reporting unit uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

1.25 Going concern

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

The r*eporting unit* has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

Note 2 Events after the reporting period

There were no events that occurred after 30 June 2017, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the *reporting unit*.

	2017	2016
	$	$

Note 3 Income

Note 3A: Capitation fees*

Total capitation fees	**-**	-

Note 3B: Levies*

Total levies	**-**	-

Note 3C: Interest

Deposits	**90,961**	-
Total interest	**90,961**	-

Note 3D: Rental revenue

Properties	**337,360**	-
Total rental revenue	**-**	-

Note 3E: Grants or donations*

Grants	**-**	-
Donations	**-**	-
Total grants or donations	**-**	-

Note 3F: Net gains from sale of assets

Land and buildings	**-**	-
Plant and equipment	**-**	-
Intangibles	**-**	-
Total net gain from sale of assets	**-**	-

	2017	**2016**
	$	**$**

Note 4 Expenses

Note 4A: Employee expenses*

Holders of office:		
Wages and salaries	**986,143**	-
Superannuation	**204,221**	-
Leave and other entitlements	**(409,308)**	-
Separation and redundancies	**555,348**	-
Other employee expenses	**90,018**	-
Subtotal employee expenses holders of office	**1,426,422**	-
Employees other than office holders:		
Wages and salaries	**2,813,543**	-
Superannuation	**298,907**	-
Leave and other entitlements	**(182,066)**	-
Separation and redundancies	**95,913**	-
Other employee expenses	**256,880**	-
Subtotal employee expenses employees other than office holders	**3,283,177**	-
Total employee expenses	**4,709,599**	-

Note 4B: Capitation fees*

AWU National Office	**698,544**	-
Total capitation fees	**698,544**	-

Note 4C: Affiliation fees*

ALP Federal Branch	**72,265**	-
Sydney May Day Committee	**2,200**	**-**
Newcastle Trades Hall Council	**3,497**	**-**
Unions NSW	**61,019**	-
Total affiliation fees/subscriptions	**138,981**	-

	2017 $	2016 $

Note 4D: Administration expenses

Consideration to employers for payroll deductions*	**-**	-
Compulsory levies*		
[*list each levy including purpose and name of entity*]	**-**	-
Fees/allowances - meeting and conferences*	**-**	-
Conference and meeting expenses*	**149,738**	-
Contractors/consultants	**186,011**	-
Property expenses	**483,282**	-
Office expenses	**266,486**	-
Information communications technology	**88,603**	-
Other	**409,857**	-
Subtotal administration expense	**1,583,977**	-
Operating lease rentals:		
Minimum lease payments	**-**	-
Total administration expenses	**1,583,977**	-

Note 4E: Grants or donations*

Grants:		
Total paid that were $1,000 or less	**-**	-
Total paid that exceeded $1,000	**-**	-
Donations:		
Total paid that were $1,000 or less	**5,514**	-
Total paid that exceeded $1,000	**21,818**	-
Total grants or donations	**27,332**	-

Note 4F: Depreciation and amortisation

Depreciation		
Land & buildings	**79,515**	-
Property, plant and equipment	**237,550**	-
Total depreciation	**317,065**	-

*

	2017 $	2016 $

Note 4G: Finance costs

Overdrafts/loans	**37,341**	-
Total finance costs	**37,341**	-

Note 4H: Legal costs*

Litigation	**26,858**	-
Other legal matters	**91,738**	-
Total legal costs	**118,596**	-

Note 4I: Write-down and impairment of assets

Asset write-downs and impairments of:		
Land and buildings	**-**	-
Plant and equipment	**-**	-
Other	**-**	-
Total write-down and impairment of assets	**-**	-

Note 4J: Net losses from sale of assets

Land and buildings	**-**	-
Plant and equipment	**13,279**	-
Total net losses from asset sales	**13,279**	-

Note 4K: Other expenses

Penalties - via RO Act or RO Regulations*	**-**	-
Total other expenses	**-**	-

	2017	**2016**
	$	**$**

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents

Cash at bank	**7,231,206**	-
Cash on hand	**10,740**	-
Short term deposits	**2,664,952**	-
Total cash and cash equivalents	**9,906,898**	-

Note 5B: Trade and Other Receivables

Receivables from other reporting unit[s]*	**500**	-
AWU National Office		
Total receivables from other reporting unit[s]	**500**	-
Receivable from other reporting unit[s] (net)	**500**	-
Other receivables:		
GST receivable	**78,825**	-
Other trade receivables	**146,316**	-
Total other receivables	**225,141**	-
Total trade and other receivables (net)	**225,641**	-

Note 5C: Other Current Assets

Prepayments	**89,446**	-
Total other current assets	**89,446**	-

	2017 $	2016 $

Note 6 Non-current Assets

Note 6A: Land and buildings

Land and buildings:		
fair value	**9,013,875**	-
accumulated depreciation	**(874,110)**	-
Total land and buildings	**8,139,765**	-

Reconciliation of Opening and Closing Balances of Land and Buildings

As at 1 July		
Gross book value	**-**	-
Accumulated depreciation and impairment	**-**	-
Net book value 1 July	**-**	-
Additions:		
From acquisition of entities (including restructuring)	**7,150,478**	
		-
Revaluation	**1,068,802**	
Depreciation expense	**(79,515)**	-
Net book value 30 June	**8,139,765**	-
Net book value as of 30 June represented by:		
Gross book value	**9,013,875**	-
Accumulated depreciation and impairment	**(874,110)**	-
Net book value 30 June	**8,139,765**	-

The revalued land and buildings consist of properties at Granville, Griffith and Newcastle. Management determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

Note 6A: Land and buildings (continued)

Fair value of the properties was determined by using market comparable method. This means that the valuations performed are based on active market prices and adjusted for differences in the nature, location or condition of the property.

At the date of revaluation 30 June 2017, the properties fair values are based on valuations performed by an independent valuer based in the area of the particular property.

	2017 $	2016 $

Note 6B: Plant and equipment

Plant and equipment:		
at cost	**2,699,509**	-
accumulated depreciation	**(1,667,136)**	-
Total plant and equipment	**1,032,373**	-

Reconciliation of Opening and Closing Balances of Plant and Equipment

As at 1 July		
Gross book value	**-**	-
Accumulated depreciation and impairment	**-**	-
Net book value 1 July	**-**	-
Additions:		
By purchase	**-**	-
From acquisition of entities (including restructuring)	**1,269,923**	-
Depreciation expense	**(237,550)**	-
Net book value 30 June	**1,032,373**	-
Net book value as of 30 June represented by:		
Gross book value	**2,699,509**	-
Accumulated depreciation and impairment	**(1667,136)**	-
Net book value 30 June	**1,032,373**	-

Note 6C: Investment Property

Opening balance as at 1 September 2016	**677,846**	-
Additions	**-**	-
Closing balance as at 30 June 2017	**677,846**	-

The valuations were performed by an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued.

The fair value of completed investment property has been determined on a market value basis in accordance with International Valuation Standards (IVS), as set out by the International Valuation Standards Council (IVSC). In arriving at their estimates of market values, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables.

The highest and best use of the investment properties is not considered to be different from its current use.

No additions during the year.

Rental income earned and received from the investment properties during the year was $12,333 (2016: -.)

Direct expenses incurred in relation to the investment properties that generated rental income during the year was $19,645 (2016: -. During the year and as at the year-end, no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal were present. The [reporting unit] does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

The fair value of investment property is determined by independent valuer using recognised valuation techniques. These techniques comprise both the Discounted Cash Flow (DCF) method and Income Capitalisation method.

Under the DCF method, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including estimated rental income and an exit or terminal value.

This involves the projection of a series of cash flows and to this an appropriate, market-derived discount rate is applied to establish the present value of the income stream. Under the income capitalisation method, a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate (the investor's rate of return).

The fair value of investment property is included within Level 1. Based on the condition of the buildings it is considered to be land value only and not a valuation representing a series of future cash flows.

	2017 $	2016 $
Note 6D: Other Investments		
Other – Shares	**835,000**	-
Total other investments	**835,000**	-

Note 6E: Other Non-Current Assets		
Other – Loan to AWU National Office	**2,127,123**	-
Total other non-financial assets	**2,127,123**	-

	2017 $	2016 $

Note 7 Current Liabilities

Note 7A: Trade payables

Trade creditors and accruals	**54,267**	-
Operating lease rentals	**-**	-
Subtotal trade creditors	**54,267**	-
Payables to other reporting unit[s]*		
AWU National Office	**28,952**	-
Subtotal payables to other reporting unit[s]	**-**	-
Total trade payables	**83,219**	-

Settlement is usually made within 30 days.

Note 7B: Other payables

Superannuation	**5,809**	-
Consideration to employers for payroll deductions*	**-**	-
Legal costs*		
Litigation	**-**	-
Other legal matters	**-**	-
GST payable	**217,336**	-
Other	**197,229**	-
Total other payables	**420,374**	-
Total other payables are expected to be settled in:		
No more than 12 months	**420,374**	-
More than 12 months	**-**	-
Total other payables	**-**	-

Note 8 Provisions

Note 8A: Employee Provisions*

Office Holders:

Annual leave	127,694	-
Long service leave	922,077	-
Separations and redundancies	569,319	-
Other	-	-
Subtotal employee provisions—office holders	***1,619,090***	**-**

	2017 $	2016 $
Employees other than office holders:		
Annual leave	363,419	-
Long service leave	1,062,827	-
Separations and redundancies	143,091	-
Other	-	-
Subtotal employee provisions—employees other than office holders	***1,569,337***	**-**
Total employee provisions	**3,188,427**	-
Current	1,203,523	-
Non- Current	1,984,904	-
Total employee provisions	**3,188,427**	-

Note 9 Non-current Liabilities

Note 9A: Other non-current liabilities

Bank loan	**715,951**	-
Total other non-current liabilities	**715,951**	-

Note 10 Equity

Note 10A: Funds

General Reserve		
Balance as at start of year	**-**	-
Transferred to reserve	**19,527,331**	-
Transferred out of reserve	**-**	-
Balance as at end of year	**19,527,331**	-
[*insert name of individual fund/reserve*]		
Balance as at start of year	**-**	-
Transferred to reserve	**-**	-
Transferred out of reserve	**-**	-
Balance as at end of year	**-**	-
Total Reserves	**19,527,331**	-

	2017 $	2016 $

Note 11 Cash Flow

Note 11A: 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	**9,906,898**	-
Balance sheet	**9,906,898**	-
Difference	**-**	-

The difference is represented by.....
(this explanation is required only where there is a difference).

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

Profit/(deficit) for the year	**(901,210)**	-
Adjustments for non-cash items		
Depreciation/amortisation	**317,065**	-
Gain on disposal of assets	**(13,279)**	-
Changes in assets/liabilities		
(Increase)/decrease in net receivables	**(2,352,764)**	-
(Increase)/decrease in prepayments	**(89,446)**	-
Increase/(decrease) in supplier payables	**83,219**	-
Increase/(decrease) in other payables	**420,374**	-
Increase/(decrease) in employee provisions	**3,188,427**	-
Increase/(decrease) in other provisions	**715,951**	-
Net cash from (used by) operating activities	**1,368,337**	-

Note 11B: Cash flow information*

Cash inflows		
Total cash inflows	**-**	-
Cash outflows		
AWU National Office	**669,592**	-
Total cash outflows	**669,592**	-

	2017 $	2016 $

Note 12 Contingent Liabilities, Assets and Commitments

Note 12A: Commitments and Contingencies

The AWU NSW Branch has contractual commitments in relation to leases of rental space. The leases typically run for a period of one to three years. Lease payments are fixed and are generally non-cancellable.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

Operating lease commitments—as lessor		
Within one year	**474,389**	-
After one year but not more than five years	**243,725**	-
More than five years	**-**	-
	-	-

Note 13 Related Party Disclosures

Note 13A: Related Party Transactions for the Reporting Period

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

Revenue received from [*list related party*] includes the following:		
	-	-
Expenses paid to [*list related party*] includes the following:		
AWU National Office	**132,716**	-
Amounts owed by [*list related party*] include the following:		
AWU National Office	**2,127,123**	-
Amounts owed to [*list related party*] include the following:		
	-	-
Loans from/to [*list related party*] includes the following:		
	-	-

Assets transferred from/to [*list related party*] includes the following:		
	-	-

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. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2017, the *reporting unit* has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2016: $-). 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.

The loan provided to AWU National Office receives a rate of interest of 0% and has no defined repayment date.

	2017	**2016**
	$	**$**
Note 13B: Key Management Personnel Remuneration for the Reporting Period		
Short-term employee benefits		
Salary (including annual leave taken)	**338,538**	-
Annual leave accrued	**5,644**	-
Total short-term employee benefits	**344,182**	-
Post-employment benefits:		
Superannuation	**32,161**	-
Total post-employment benefits	**32,161**	-
Other long-term benefits:		
Long-service leave	**202,513**	-
Total other long-term benefits	**202,513**	-
Termination benefits	**366,023**	-
Total	**366,023**	-

Note 13C: Transactions with key management personnel and their close family members

Loans to/from key management personnel		
	-	-
Other transactions with key management personnel		
	-	-

	2017	2016
	$	$

Note 14 Remuneration of Auditors

Value of the services provided		
Financial statement audit services	**58,119**	-
Other services	**-**	-
Total remuneration of auditors	**58,119**	-

No other services were provided by the auditors of the financial statements

Note 15 Financial Instruments

The risk control of the financial instruments relates to the retail term deposits, bank accounts, receivables and payables.

Note 15A: Categories of Financial Instruments

Held-to-maturity investments:		
Bank and term deposits	**9,906,898**	-
Total	**9,906,898**	-
Available-for-sale assets:		
Listed shares	**2,274**	-
Unlisted shares	**830,133**	-
Total	**832,407**	-
Loans and receivables:		
Receivables	**225,641**	-
Total	**225,641**	-
Carrying amount of financial assets	**10,964,946**	-
Financial Liabilities		
Bank loan		
Trade creditors and other payables	**(383,593)**	-
Total	**(1,219,544)**	-
Carrying amount of financial liabilities	**(1,219,544)**	-

	2017	2016
	$	$

Note 15B: Net Income and Expense from Financial Assets

Held-to-maturity		
Interest revenue	**90,961**	-
Dividend revenue	**171**	-
Net gain/(loss) from financial assets	**91,132**	-

Note 15C: Net Income and Expense from Financial Liabilities

At amortised cost		
Interest expense	**(36,873)**	-
Net gain/(loss) from financial liabilities	**(36,873)**	-

Note 15D: Credit Risk

The level of risk associated with the financial assets and financial liabilities is low as they are mainly held in bank accounts held in financial institutions which are highly regulated.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

Financial assets		
Bank accounts and bank term deposits	**9,906,898**	-
Shares in other companies	**832,407**	
Total	**10,739,305**	-
Financial liabilities		
Bank loan	**(835,951)**	-
Trade creditors and other payables	**(383,593)**	
Total	**(1,219,544)**	-

In relation to the entity's gross credit risk the following collateral is held: Nil.

Credit quality of financial instruments not past due or individually determined as impaired

	Not Past Due Nor Impaired 2017 $	Past due or impaired 2017 $	Not Past Due Nor Impaired 2016 $	Past due or impaired 2016 $
Receivables	**146,816**	-	**-**	-
Total	**146,816**	-	**-**	-

Not applicable.

Ageing of financial assets that were past due but not impaired for 2017

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Total	**-**	**-**	**-**	**-**	**-**

Ageing of financial assets that were past due but not impaired for 2016

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Total	-	-	-	-	-

Not applicable.

Note 15E: Liquidity Risk

Reasonable liquidity risk management involves the maintenance of sufficient cash reserves. AWU NSW manages the liquidity risk by continuous monitoring of forecast and actual cash flow. Any surplus funds are generally only deposited in savings accounts offering interest rates.

Contractual maturities for financial liabilities 2017

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		$	$	$	$	$
Trade payables	**-**	**83,219**	**-**	**-**	**-**	**83,219**
Other payables	**-**	**420,374**	**-**	**-**	**-**	**420,374**
Total	**-**	**503,593**	**-**	**-**	**-**	**503,593**

Contractual maturities for financial liabilities 2016

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		$	$	$	$	$
Trade payables	-	-	-	-	-	-
Other payables	-	-	-	-	-	-
Total	-	-	-	-	-	-

Note 15F: Market Risk

Market risks generally include interest rate risk, price risk, and currency risk. The market risk which the reporting unit is exposed to is low due to the nature of the reporting unit's income or the value of its holdings of financial instruments. The objective of the market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The reporting unit's main interest rate risk arises from cash and cash equivalents which is at expressed at variable rates and currency in the Australian retail banking framework.

Sensitivity analysis of the risk that the entity is exposed to for 2017

	Risk variable	**Change in risk variable %**	**Effect on**	
			Profit and loss	**Equity**
			$	**$**
Interest rate risk	-	[+ 10%]	9,096	9,096

Sensitivity analysis of the risk that the entity is exposed to for 2016

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss	Equity
			$	$
Interest rate risk		[+10%]	-	-

The impact is expected to be minimal.

Note 16 Fair Value Measurement

The reporting unit measures and recognises the following assets and liabilities on a recurring basis:

- Available for sale financial assets;
- Investment properties;
- Land and Buildings

The fair value hierarchy consists of the following levels:

- Level 1 – quoted prices in active markets for identical assets or liabilities;

- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 – inputs for asset or liability values that are not based on observable market data (unobservable inputs).

Note 16A: Financial Assets and Liabilities

Management of the reporting unit assessed that their fair values of cash, trade receivables, investments, 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 level 3 available-for-sale financial assets is derived from reference to the net assets of the entity to which the investment is in.
- 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 2017 was assessed to be insignificant.

- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.

- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the reporting unit 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 2017 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 reporting unit's financial assets and liabilities:

	Carrying amount 2017 $	**Fair value 2017 $**	**Carrying amount 2016 $**	**Fair value 2016 $**
Financial Assets				
Bank accounts and bank term deposits	9,906,898	9,906,898	**-**	-
Trade and other receivables	225,641	225,641	**-**	-
Shares in other companies	835,000	835,000	**-**	-
Total	**10,967,539**	**10,967,539**	**-**	-

Financial Liabilities

Trade payables	(83,219)	-	-	-
Other payables	(420,374)	-	-	-
Other liabilities	(715,951)	-	-	-
Total	**(1,219,544)**	**(1,219,454)**	-	-

Note 16B: Financial and Non-Financial Assets and Liabilities Fair Value Hierarchy

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

Fair value hierarchy – 30 June 2017

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		**$**	**$**	**$**
Land and Buildings	30 June 2017	-	-	8,139,765
Investment Property	30 June 2017	-	-	677,846
Total		-	-	**8,817,611**
Liabilities measured at fair value				
Non- Financial Liabilities		-	-	-
Total		-	-	-

There were no transfers between classes during the year ended 30 June 2017.

Fair value hierarchy – 30 June 2016

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		**$**	**$**	**$**
Land and Buildings		**-**	**-**	**-**
Total				
Liabilities measured at fair value				
Non-Financial Liabilities		**-**	**-**	**-**
Total		**-**	**-**	**-**

There were no transfers between classes during the year ended 30 June 2016.

Note 17 Administration of financial affairs by a third party[1]

The Australian Workers' Union NSW Branch did not receive any service of this nature.

Note 18 Section 272 *Fair Work (Registered Organisations) Act 2009*

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

Information to be provided to members or Commissioner:

(1) A member of a reporting unit, or the 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).