

The Australian Workers' Union, Tasmania Branch

Financial Report

For the Year Ended 30 June 2020

The Australian Workers' Union, Tasmania Branch

For the Year Ended 30 June 2020

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The Australian Workers' Union, Tasmania Branch

Operating Report

30 June 2020

I, ~~Tan Wakefield~~ being the designated officer responsible for preparing this financial report for the financial year ended 30 June 2020 of The Australian Workers' Union, Tasmania Branch, report as follows:

a. General information

Principal Activities

The Australian Workers' Union, Tasmania Branch ("the Branch") principal activities during the year have been the operation of a trade union. The Branch functions as a single entity and acts under its Constitution and Rules and reports under the Fair Work (Registered Organisations) Act 2009.

Significant Changes in Principal Activities

No significant changes in the nature of the Union's activities occurred during the financial year.

Significant Change in Financial Affairs

There were no significant changes in the Union's financial affairs during the financial year.

Committee members

The names of committee members throughout the year and at the date of this report are:

| Name | Position | Period |
|---------------------|----------------------------|-----------------------------|
| Mr Laurie Gregson | President | 1 July 2019 to 30 June 2020 |
| Jill Reid | Vice President | 1 July 2019 to 30 June 2020 |
| Mr Ian Wakefield | Branch Secretary | 1 July 2019 to 30 June 2020 |
| Mr Robert Flanagan | Assistant Branch Secretary | 1 July 2019 to 30 June 2020 |
| Mr Kevin Midson | Committee Member | 1 July 2019 to 30 June 2020 |
| Mr Philip Garth | Committee Member | 1 July 2019 to 30 June 2020 |
| Mr Bill Lowe | Committee Member | 1 July 2019 to 30 June 2020 |
| Mr Steve Downing | Committee Member | 1 July 2019 to 30 June 2020 |
| Alanah McLean | Committee Member | 1 July 2019 to 30 June 2020 |
| Mr Andrew Sutcliffe | Committee Member | 1 July 2019 to 30 June 2020 |
| Mr Anthony Beven | Committee Member | 1 July 2019 to 30 June 2020 |

Number of Employees

As at 30 June 2020, The Australian Workers' Union, Tasmania Branch maintains employment of 8 full time equivalent employees in total (2019: 8).

Superannuation Trustees

No officers or employees of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public superannuation funds scheme, where the criteria for holding such position is that they are an officer or member of the reporting unit.

The Australian Workers' Union, Tasmania Branch

Operating Report

30 June 2020

a. General information (cont'd)

Number of Members & Right to Resign

As at 30 June 2020, The Australian Workers' Union, Tasmania Branch, has 2,962 members (2019: 2,831).

b. Members Advice

- i) Under Section 174 of *Fair Work (Registered Organisations) Act 2009*, a member may resign from membership with written notice addressed and delivered to the Branch Director; and
- ii) The register of members of the reporting unit was maintained in accordance with the *Fair Work (Registered Organisations) Act 2009*.

c. Operating Results and Review of Operations for the Year

Operating result

The surplus/(deficit) from ordinary activities for the year amounted to (\$ 31,242) (2019: \$691,788). There have been no significant changes in the nature of ordinary activities during the 2020 financial year.

Signed in accordance with a resolution of the Members of the Branch Committee:

Signature of designated officer: 

Name and title of designated officer: Mr Ian Wakefield Branch Secretary

Signed in accordance with a resolution of the Members of the Branch Committee:

Dated this 18th day of September 2020.

The Australian Workers' Union, Tasmania Branch

Statement by the Branch Committee

On 17th September 2020, the Branch Committee of the Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2020.

The Branch Committee declares that in its opinion:

1. The financial statements and notes comply with the Australian Accounting Standards;
2. The financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
3. The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
4. There are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
5. During the financial year to which these GPFR relate and since the end of that year:
 - i) meetings of the Branch Committee were held in accordance with the rules of the organisation including the rules of the organisation including the rules of the 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 the 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 to each 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 orders for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

Signed in accordance with a resolution of the Members of the Branch Committee:

Signature of designated officer: 

Name and title of designated officer: Mr Ian Wakefield Branch Secretary

Dated this 18th day of September 2020.

The Australian Workers' Union, Tasmania Branch

Statement of Comprehensive Income

For the Year ended June 2020

| | Note | 2020 \$ | 2019 \$ |
|-----------------------------------|------|------------------|------------------|
| Income | | | |
| Membership | | 1,383,169 | 1,292,455 |
| Sitting fees | | - | 273 |
| Sponsorship | | 8,400 | 8,400 |
| Other | | 3,379 | 69,129 |
| Interest | | 49,308 | 27,060 |
| Recovery of wages activity | | - | - |
| Total income | | 1,444,256 | 1,397,317 |
| Less: Expenses | | | |
| Accounting & audit | | 8,895 | 6,700 |
| Administration expense | 5(d) | 37,816 | 37,863 |
| Advertising | | 392 | 1,446 |
| Affiliation fees | 5(a) | 10,894 | 9,699 |
| Branch executive | | 3,988 | 10,439 |
| Delegates expenses | | 968 | 4,816 |
| Depreciation | | 35,944 | 42,671 |
| OHS - AWU National Office | | 24,276 | 3,229 |
| Donations | 5(c) | 1,118 | 16,118 |
| Industrial campaigns | | - | 5,249 |
| Insurance | | 6,735 | 1,316 |
| Loss on sale of assets | | 3,244 | 8,125 |
| Merchandise | | 1,442 | 28,203 |
| Motor vehicle expenses | | 47,297 | 51,719 |
| Payroll | 5(b) | 1,010,758 | 916,074 |
| Postage | | 8,170 | 4,915 |
| Printing & stationery | | 18,835 | 15,933 |
| Rates & taxes | | 9,819 | 16,974 |
| Rent | | 16,583 | 10,925 |
| Repairs & maintenance | | 17,337 | 23,308 |
| Sundry | | 35,007 | 16,042 |
| Maintenance AWU National Office | 5(a) | 156,691 | 140,343 |
| Telephone and fax | | 14,610 | 12,761 |
| Utilities | | 4,861 | 7,936 |
| Total expenses | | 1,475,680 | 1,392,804 |
| Net surplus/(deficit) | | (31,424) | 4,513 |
| Other comprehensive income | | | |
| Revaluation of land & buildings | | - | 687,275 |
| | | - | 687,275 |
| Total comprehensive income | | (31,424) | 691,788 |

This statement should be read in conjunction with the accompanying notes

The Australian Workers' Union, Tasmania Branch

Statement of Financial Position

As At 30 June 2020

| | Note | 2020 \$ | 2019 \$ |
|-------------------------------|------|------------------|------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 2 | 482,824 | 373,690 |
| Trade and other receivables | 6 | 84,000 | 127,703 |
| Term deposits | | 2,246,583 | 862,451 |
| TOTAL CURRENT ASSETS | | <u>2,813,407</u> | <u>1,363,844</u> |
| NON-CURRENT ASSETS | | | |
| Loans and advances | | 149,250 | 149,250 |
| Property, plant and equipment | 7 | 266,470 | 1,665,494 |
| TOTAL NON-CURRENT ASSETS | | <u>415,720</u> | <u>1,814,744</u> |
| TOTAL ASSETS | | <u>3,229,127</u> | <u>3,178,588</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 8 | 77,842 | 78,092 |
| Employee benefits | 9 | 273,752 | 194,662 |
| TOTAL CURRENT LIABILITIES | | <u>351,594</u> | <u>272,754</u> |
| NON-CURRENT LIABILITIES | | | |
| Employee benefits | 9 | 22,752 | 9,629 |
| TOTAL NON-CURRENT LIABILITIES | | <u>22,752</u> | <u>9,629</u> |
| TOTAL LIABILITIES | | <u>374,346</u> | <u>282,383</u> |
| NET ASSETS | | <u>2,854,781</u> | <u>2,896,205</u> |
| EQUITY | | | |
| Accumulated surpluses | | 2,854,781 | 2,198,930 |
| Asset revaluation reserve | | - | 687,275 |
| TOTAL EQUITY | | <u>2,854,781</u> | <u>2,886,205</u> |

This statement should be read in conjunction with the accompanying notes

The Australian Workers' Union, Tasmania Branch

Statement of Changes in Equity

For the Year Ended 30 June 2020

2020

Balance at 1 July 2019

Net surplus/(deficit) for the year

Transfer to/(from) reserve

Balance at 30 June 2020

| Accumulated surpluses | Asset revaluation reserve | Total |
|--------------------------|---------------------------------|-----------|
| \$ | \$ | \$ |
| 2,198,930 | 687,275 | 2,886,205 |
| (31,424) | - | (31,424) |
| 687,275 | (687,275) | - |
| 2,854,781 | - | 2,854,781 |

2019

Balance at 1 July 2018

Net surplus/(deficit) for the year

Revaluation of land & buildings

Balance at 30 June 2019

| Accumulated surpluses | Asset revaluation reserve | Total |
|--------------------------|---------------------------------|-----------|
| \$ | \$ | \$ |
| 2,194,417 | - | 2,194,417 |
| 4,513 | - | 4,513 |
| - | 687,275 | 687,275 |
| 2,198,930 | 687,275 | 2,886,205 |

This statement should be read in conjunction with the accompanying notes

The Australian Workers' Union, Tasmania Branch

Statement of Cash Flows

For the Year Ended 30 June 2020

| | Note | 2020 \$ | 2019 \$ |
|---|-------|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Membership contributions | | 1,714,635 | 1,411,700 |
| Payments to suppliers and employees | | (1,425,734) | (1,224,231) |
| Other receipts | | 12,957 | 88,352 |
| Interest received | | 43,559 | 22,758 |
| Interest received from reporting units | 10(c) | 5,749 | 5,730 |
| Payments to reporting units | 10(c) | (217,736) | (235,285) |
| Net cash provided by/(used in) operating activities | 10 | <u>133,430</u> | <u>69,024</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Proceeds from sale of plant and equipment | | 1,472,301 | 41,818 |
| Purchase of property, plant and equipment | | (112,465) | (87,149) |
| Purchase of financial assets | | <u>(1,384,132)</u> | <u>-</u> |
| Net cash provided by/(used in) investing activities | | <u>(24,296)</u> | <u>(45,331)</u> |
| Net increase/(decrease) in cash and cash equivalents held | | 109,134 | 23,693 |
| Cash and cash equivalents at beginning of year | | <u>373,690</u> | <u>349,997</u> |
| Cash and cash equivalents at end of financial year | 2 | <u><u>482,824</u></u> | <u><u>373,690</u></u> |

This statement should be read in conjunction with the accompanying notes

The Australian Workers' Union, Tasmania Branch

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

The financial statements are for The Australian Workers' Union, Tasmania Branch as an individual entity, incorporated and domiciled in Australia. The Australian Workers' Union, Tasmania Branch is a not-for-profit registered employer organisation under the *Fair Work (Registered Organisation) Act 2009*.

The functional and presentation currency of The Australian Workers' Union, Tasmania Branch is Australian dollars.

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Fair Work (Registered Organisation) Act 2009*. The Branch is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

These financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

The financial statements are based on historical costs, except for the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Comparative Figures

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

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

(d) Plant and Equipment

Plant and equipment are carried at cost or fair value as indicated, less, where applicable, any accumulated depreciation and impairment losses.

Depreciation

The depreciable amount of all plant and equipment is depreciated on a straight-line method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The Australian Workers' Union, Tasmania Branch

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (cont'd)

(d) Plant and Equipment (cont'd)

The depreciation rates used for each class of depreciable asset are shown below:

| Fixed asset class | Depreciation rate |
|--------------------------|--------------------------|
| Plant and equipment | 2 - 33% |
| Leasehold improvements | 3% |

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an assets is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to surplus or deficit.

(e) Impairment of Assets

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

(f) Trade and Other Payables

Trade and other payables are stated at cost, which approximates fair value due to the short term nature of these liabilities.

(g) Trade and Other Receivables

Trade and other receivables are recorded at costs which is considered a reasonable approximation of fair value due to the short term nature of the balances.

(h) Employee Benefits

Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Contributions are made by the Branch to an employee superannuation fund and are charged as expenses when incurred.

The Australian Workers' Union, Tasmania Branch

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (cont'd)

(i) Financial Instruments

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Branch classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Branch changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Branch's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through profit and loss

There are no financial assets classified as Fair value through profit and loss.

The Australian Workers' Union, Tasmania Branch

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (cont'd)

(i) Financial Instruments (cont'd)

Financial assets (cont'd)

Fair value through other comprehensive income

There are no financial assets classified as Fair value through other comprehensive income.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Branch considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Branch's historical experience and informed credit assessment and including forward looking information.

The Branch uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Branch uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Branch in full, without recourse to the Branch to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Branch in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Branch has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

The Australian Workers' Union, Tasmania Branch

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (cont'd)

(i) Financial Instruments (cont'd)

Financial assets (cont'd)

Where the Branch renegotiates the terms of trade receivables due from certain customers, the new expected cash flow are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Branch measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Branch comprise trade payables and lease liabilities.

Financial instruments are recognised initially on the date that the Branch becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

(j) Critical Accounting Estimates and Judgments

The Branch Committee evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Branch.

The entity does not control any other reporting units (subsidiaries). Control is achieved where a reporting unit is exposed or has rights to variable returns from its involvement with an investor and has the ability to affect those returns through its power over the reporting unit.

Key estimates - Impairment

The Branch Committee assesses impairment at each reporting date by evaluating conditions specific to the Branch that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. No impairment has been recognised for the year ended 30 June 2020.

The Australian Workers' Union, Tasmania Branch

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (cont'd)

(k) Revenue

Accounting policy prior to 1 July 2019

Interest revenue is recognised over the period for which the funds are invested.

Subscription income is recognised in the period to which the subscriptions relate.

Revenue from the provision of services is recognised when the right to be compensated for the service has been attained.

Rental income is recognised over the the period to which the rent relates.

Revenue received in the form of capital grant funds is recognised as income when received, while the expenditure relating to the capital funds has been capitalised in the Statement of Financial Position for the purpose for which the funds were received.

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

Accounting policy from 1 July 2019

The membership revenue enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form membership subscription, grants and donations.

Revenue from contracts with customers

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

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

Membership subscriptions

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

The Branch recognises revenue as the membership services is provided, which is typically based on the passage of time over the subscription period to reflect the Branch's promise to stand ready to provide assistance and support to the member as required.

The Australian Workers' Union, Tasmania Branch

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (cont'd)

(k) Revenue (cont'd)

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

Interest revenue is recognised over the period for which the funds are invested.

Operating Grants/Subsidies - Under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is satisfied.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally input methods being either costs or time incurred are deemed to be the most appropriate method to reflect the transfer of benefit.

Operating Grants/Subsidies - Under AASB 1058

Assets arising from grants in the scope of AASB 1058 (ie. agreements that are not enforceable or do not have sufficiently specific performance obligations) are recognised at their fair value when the asset is received. These assets are generally cash, but may be property which has been donated or sold to the Branch significantly below its fair value.

The Branch then considered whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard. Once the assets and liabilities have been recognised, then income is recognised for any difference between the recorded asset and liability.

Interest revenue is recognised over the period for which the funds are invested.

(l) Leases

Right-of-Use Asset

At the lease commencement, the Branch recognised a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Branch believes it is reasonably certain that the option will be exercised.

The Australian Workers' Union, Tasmania Branch

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (cont'd)

(l) Leases (cont'd)

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the least liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease Liabilities

At the commencement date of the lease, the Branch recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Branch and payments of penalties for terminating the lease, if the lease term reflects the Branch exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a net basis, and the net movement in GST for the period shown as a separate operating cash flow. The GST components of investing and financing activities are disclosed as operating cash flows.

(n) Income Tax

No provision for income tax has been raised as the Branch is self-assesses as exempt from income tax under Section 50-15 of the *Income Tax Assessment Act 1997*.

(o) Adoption of new and revised accounting standards

The Branch has adopted all standards which became effective for the first time as at 1 July 2019. All required changes in respect of adopting these standards have been made to the reported financial position, performance or cash flow of the Branch. The impact was as follows;

The Australian Workers' Union, Tasmania Branch

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (cont'd)

(o) Adoption of new and revised accounting standards (cont'd)

Leases

AASB 16 Leases standard is applicable to the annual reporting periods beginning on or after 1 January 2019. The Branch applied the standard from 1 July 2019.

AASB 16 Leases introduced a single lessee accounting method and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value (lower than the asset capitalisation policy). A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

The calculation of the lease liability takes into account appropriate discount rates, assumptions about the lease term, and increases in lease payment. A corresponding right-of-use assets is recognised and amortised over the term of the lease. Rent expense is no longer shown. The profit and loss impact of the leases is through amortisation and interest charges.

The impact in 2020 first time implementation of AASB 16 had no material impact on the financial statements.

Revenue

AASB 15 Revenue from contracts with customers and AASB 1058 income for not-for-profit entities became effective from 1 July 2019. These standard changed the timing of income recognition depending on whether transactions give rise to a liability or other performance obligation (a promise to transfer a good or service).

The Branch adopted AASB 15 and AASB 1058 using the modified retrospective method of adoption, with the date of initial application of 1 July 2019. In accordance with the transition approach, the Branch recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e 1 July 2019. Consequently the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income recognition. In addition, the Branch has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, ie 1 July 2019.

The impact in 2020 first time implementation of AASB 1058 and AASB 15 had no material impact on the financial statements.

New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Standard AASB 2020-1 Amendments to Australian Accounting Standards Classification of Liabilities as Current or Non-current amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. This standard applied to annual reporting periods beginning on or after 1 January 2022. The Branch has decided against early adoption of this Standard.

The Australian Workers' Union, Tasmania Branch

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (cont'd)

(p) 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:

- i) 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.
- ii) 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.
- iii) A reporting unit must comply with an application made under subsection (1).

(q) Transaction Occurrence

Any transactions required to be specifically disclosed under the *Fair Work (Registered Organisations) Act 2009* that have not been disclosed in this financial report have not occurred during the financial year.

(r) Acquisition Of Assets And Or Liabilities That Do Not Constitute A Business Combination

There were no acquisitions of assets and or liabilities that do not constitute a business combination as at reporting date to be disclosed.

The Australian Workers' Union, Tasmania Branch

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Cash and Cash Equivalents

| | 2020 | 2019 |
|--------------|----------------|----------------|
| | \$ | \$ |
| Cash at bank | 482,824 | 373,690 |
| | <u>482,824</u> | <u>373,690</u> |

3 Revenue

(a) Capitation Fees and Levies

| | 2020 | 2019 |
|--------------------------|----------|----------|
| | \$ | \$ |
| Capitation fees received | - | - |
| Levies received | - | - |
| | <u>-</u> | <u>-</u> |

(b) Grants and Donations

| | 2020 | 2019 |
|-----------|----------|----------|
| | \$ | \$ |
| Grants | - | - |
| Donations | - | - |
| | <u>-</u> | <u>-</u> |

4 Commissions

| | 2020 | 2019 |
|-------------|----------|----------|
| | \$ | \$ |
| Commissions | - | - |
| | <u>-</u> | <u>-</u> |

5 Expenses

(a) Affiliation Fees, Capitation Fees and Levies

| | 2020 | 2019 |
|---|----------------|----------------|
| | \$ | \$ |
| Affiliation fees - Australian Labor Party | 10,894 | 9,699 |
| Maintenance AWU National Office | 156,691 | 140,343 |
| Capitation fees | - | - |
| Levies | - | - |
| | <u>167,585</u> | <u>150,042</u> |

The Australian Workers' Union, Tasmania Branch

Notes to the Financial Statements

For the Year Ended 30 June 2020

5 Expenses (cont'd)

(b) Employee Expenses

| | 2020 | 2019 |
|---|------------------|----------------|
| | \$ | \$ |
| Employees other than holders of office | | |
| Salaries | 147,998 | 147,976 |
| Superannuation | 7,951 | 7,766 |
| Overnight expenses - organisers | 10,085 | 13,432 |
| Separation and redundancies | - | - |
| Leave and other entitlements | 45,675 | 2,939 |
| Fringe benefits tax | 25,566 | 24,336 |
| Other employee expenses | - | - |
| Fares | 5,466 | 11,995 |
| Holders of office | | |
| Salaries officials | 560,902 | 530,524 |
| Superannuation - officials | 95,148 | 87,438 |
| Leave and other entitlements | 46,539 | 20,103 |
| Separation and redundancies | - | - |
| Other employee expenses | - | - |
| Other payroll expenses | | |
| Payroll tax | 62,273 | 53,946 |
| Training & tuition | 3,155 | 15,619 |
| Payroll deductions for memberships | - | - |
| | <u>1,010,758</u> | <u>916,074</u> |

(c) Grants and Donations

| | 2020 | 2019 |
|--------------------------------------|--------------|---------------|
| | \$ | \$ |
| Grants | | |
| Total paid that were \$1,000 or less | - | - |
| Total paid that were \$1,000 or more | - | - |
| Donations | | |
| Total paid that were \$1,000 or less | 1,118 | 1,118 |
| Total paid that were \$1,000 or more | - | 15,000 |
| | <u>1,118</u> | <u>16,118</u> |

The Australian Workers' Union, Tasmania Branch

Notes to the Financial Statements

For the Year Ended 30 June 2020

5 Expenses (cont'd)

(d) Other Administrative Expenses

| | 2020 | 2019 |
|---|---------------|---------------|
| | \$ | \$ |
| Consideration to employers for payroll deductions | 8,935 | 8,111 |
| Penalties via the RO Act or RO Regulations | - | - |
| Conference expenses | - | - |
| Meeting expenses | 204 | 429 |
| Litigation fees | - | - |
| Legal fees | 10,770 | 21,331 |
| AWU National Office - contact centre expenses | 7,992 | 7,992 |
| AWU National Office - membership system | 9,915 | - |
| | <u>37,816</u> | <u>37,863</u> |

6 Trade and Other Receivables

| | 2020 | 2019 |
|--|---------------|----------------|
| | \$ | \$ |
| Trade receivables | 344,704 | 221,871 |
| Provision for doubtful debts | (260,704) | (94,168) |
| Provision for doubtful debts (other reporting units) | - | - |
| Provision for doubtful debts AWU National Office | - | - |
| | <u>84,000</u> | <u>127,703</u> |

(a) Ageing analysis

| | 2020 | 2019 |
|----------------------------------|---------------|----------------|
| | \$ | \$ |
| Less than 30 days | 84,000 | 127,703 |
| 31 days to 60 days | - | - |
| 61+ days (past due not impaired) | - | - |
| | <u>84,000</u> | <u>127,703</u> |

The Australian Workers' Union, Tasmania Branch

Notes to the Financial Statements

For the Year Ended 30 June 2020

7 Property, Plant and Equipment

| | 2020 \$ | 2019 \$ |
|-------------------------------------|------------|------------|
| LAND AND BUILDINGS | | |
| Land & building | | |
| At valuation | - | 1,472,275 |
| Total land | - | 1,472,275 |
| PLANT AND EQUIPMENT | | |
| Leasehold improvements | | |
| At cost | 91,486 | - |
| Accumulated depreciation | (1,350) | - |
| Total plant and equipment | 90,136 | - |
| Motor vehicles | | |
| At cost | 224,448 | 224,448 |
| Accumulated depreciation | (83,037) | (54,980) |
| Total motor vehicles | 141,411 | 169,468 |
| Office equipment | | |
| At cost | 93,895 | 214,422 |
| Accumulated depreciation | (68,866) | (196,265) |
| Total office equipment | 25,029 | 18,157 |
| Phones | | |
| At cost | 15,103 | 20,487 |
| Accumulated depreciation | (5,208) | (14,892) |
| Total phones | 9,895 | 5,595 |
| Total plant and equipment | 266,471 | 193,220 |
| Total property, plant and equipment | 266,471 | 1,665,495 |

The Australian Workers' Union, Tasmania Branch

Notes to the Financial Statements

For the Year Ended 30 June 2020

7 Property, Plant and Equipment (cont'd)

(a) Movements in Carrying Amounts

Movement in the carrying amount for each class of plant and equipment between the beginning and the end of the current financial year:

| | Property, Plant and Equipment \$ |
|---|--|
| Balance at the beginning of year | 1,665,495 |
| Additions | 112,465 |
| Disposals | (1,475,545) |
| Depreciation expense | (35,944) |
| Impairment loss in equity | - |
| Carrying amount at 30 June 2020 | <u>266,471</u> |
| Balance at the beginning of year | 983,688 |
| Additions | 87,146 |
| Depreciation expense | (42,671) |
| Revaluation decrease recognised in equity | 687,275 |
| Impairment loss in equity | (8,125) |
| Impairment reversal in income | (41,818) |
| Carrying amount at 30 June 2019 | <u>1,665,495</u> |

8 Trade and Other Payables

| | 2020 \$ | 2019 \$ |
|---|---------------|---------------|
| Trade payables - AWU National Office | 16,964 | 14,625 |
| Trade payables | 3,923 | 14,794 |
| GST payable | 43,179 | 36,407 |
| PAYG tax payable | 13,776 | 12,266 |
| Consideration to employers for payroll deductions | - | - |
| Legal fees- other legal matters | - | - |
| Legal fees - litigation | - | - |
| Payroll deductions payable/(receivable) | - | - |
| | <u>77,842</u> | <u>78,092</u> |

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

The Australian Workers' Union, Tasmania Branch

Notes to the Financial Statements

For the Year Ended 30 June 2020

9 Provision for Employee Benefits

| | 2020 | 2019 |
|---|----------------|----------------|
| | \$ | \$ |
| CURRENT | | |
| Holders of Office | | |
| Annual leave | 74,228 | 52,448 |
| Separation and redundancies | - | - |
| Long service leave | 130,324 | 111,790 |
| Other | - | - |
| Employees other than holders of office | | |
| Annual leave | 56,181 | 19,920 |
| Long service leave | 13,019 | 10,504 |
| Separation and redundancies | - | - |
| Other | - | - |
| | <u>273,752</u> | <u>194,662</u> |

| | 2020 | 2019 |
|---|---------------|--------------|
| | \$ | \$ |
| NON-CURRENT | | |
| Holders of Office | | |
| Annual leave | - | - |
| Long service leave | 5,361 | - |
| Separation and redundancies | - | - |
| Other | - | - |
| Employees other than holders of office | | |
| Annual leave | - | - |
| Long service leave | 17,391 | 9,629 |
| Separation and redundancies | - | - |
| Other | - | - |
| | <u>22,752</u> | <u>9,629</u> |

10 Cash Flow Information

(a) Reconciliation of cash

| | 2020 | 2019 |
|--|------------------|----------------|
| | \$ | \$ |
| Cash at the end of the financial year as shown in the statement of cash flow is reconciled to items in the statement of financial position as follows: | | |
| Cash and cash equivalents | 2 <u>482,824</u> | <u>373,690</u> |

The Australian Workers' Union, Tasmania Branch

Notes to the Financial Statements

For the Year Ended 30 June 2020

10 Cash Flow Information (cont'd)

(b) Reconciliation of Cash Flow from Operations with Surplus/(Deficit)

| | 2020 | 2019 |
|--|----------------|---------------|
| | \$ | \$ |
| Net surplus/(deficit) for the year | (31,424) | 4,513 |
| Non-cash flows in surplus/(deficit) | | |
| - Depreciation | 35,944 | 42,671 |
| - Loss on disposal | 3,244 | 8,122 |
| Changes in assets and liabilities | | |
| - (Increase)/decrease in trade and other receivables | 26,000 | (9,496) |
| - (Increase)/decrease in other assets | 7,703 | - |
| - Increase/(decrease) in trade and other payables | (250) | 172 |
| - Increase/(decrease) in provision for employee benefits | 92,213 | 23,042 |
| Cashflow from operations | <u>133,430</u> | <u>69,024</u> |

(c) Cash Flows with Other Reporting Units

| | 2020 | 2019 |
|---|----------------|----------------|
| | \$ | \$ |
| Cash Inflows | | |
| The Australian Workers' Union - National Office | 5,749 | 5,730 |
| The Australian Workers' Union - NSW Branch | - | - |
| The Australian Workers' Union - WA Branch | - | - |
| Australian Council of Trade Unions | - | - |
| | <u>5,749</u> | <u>5,730</u> |
| Cash Outflows | | |
| The Australian Workers' Union - National Office | 214,306 | 214,555 |
| The Australian Workers' Union - NSW Branch | 266 | 3,965 |
| The Australian Workers' Union - WA Branch | - | 10,000 |
| Australian Council of Trade Unions | 3,164 | 6,765 |
| | <u>217,736</u> | <u>235,285</u> |

The Australian Workers' Union, Tasmania Branch

Notes to the Financial Statements

For the Year Ended 30 June 2020

11 Financial Risk Management

The Branch is exposed to a variety of financial risks through its use of financial instruments.

The Branch's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Branch does not speculate in financial assets.

The most significant financial risks to which the Branch is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk and price risk

Financial instruments used

The principal categories of financial instrument used by the Branch are:

- Cash at bank
- Trade and other receivables
- Term deposit
- Loans
- Trade and other payables

Objectives, policies and processes

Risk management is carried out by the Branch Committee. The Branch Secretary has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the Branch, these policies and procedures are then approved by the Branch Committee.

Reports are presented at each Branch Committee meeting regarding the implementation of these policies exposure.

Specific information regarding the mitigation of each financial risk to which the Branch is exposed is provided below.

The Branch's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

The Australian Workers' Union, Tasmania Branch

Notes to the Financial Statements

For the Year Ended 30 June 2020

11 Financial Risk Management (cont'd)

The totals for each category of financial instruments, as detailed in the accounting policies to these financial statements, are as follows:

| | | 2020 \$ | 2019 \$ |
|------------------------------------|---|------------------|------------------|
| Financial Assets | | | |
| - Cash and cash equivalents | 2 | 84,000 | 127,703 |
| - Term deposits | | 2,246,583 | 862,451 |
| | | <u>2,246,583</u> | <u>862,451</u> |
| - Trade and other receivables | 6 | 84,000 | 110,000 |
| - Loans and advances | | 149,250 | 149,250 |
| | | <u>149,250</u> | <u>149,250</u> |
| Total Financial Assets | | <u>2,563,833</u> | <u>1,249,404</u> |
| Financial Liabilities | | | |
| - Trade and other payables | 8 | 77,842 | 78,092 |
| | | <u>77,842</u> | <u>78,092</u> |
| Total Financial Liabilities | | <u>77,842</u> | <u>78,092</u> |

Specific Financial Risk Exposures and Management

The main risks the reporting unit is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and commodity and equity price risk.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the reporting unit. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

The Branch does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the reporting unit.

(b) Liquidity risk

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

- preparing forward looking cash flow analysis in relation to its operational, investing and financial activities;
- monitoring credit facilities;

The Australian Workers' Union, Tasmania Branch

Notes to the Financial Statements

For the Year Ended 30 June 2020

11 Financial Risk Management (cont'd)

(b) Liquidity risk (cont'd)

- obtaining funding from a variety of sources; and
- maintaining a reputable credit risk profile.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Financial liability maturity analysis - Non-derivative

| | Within 1 Year | | 1 to 5 Years | | Over 5 Years | | Total | |
|--|---------------|---------------|--------------|----------|--------------|----------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Financial liabilities due for payment | | | | | | | | |
| Trade and other payables | 77,842 | 78,098 | - | - | - | - | 77,842 | 78,098 |
| Total contractual outflows | <u>77,842</u> | <u>78,098</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>77,842</u> | <u>78,098</u> |

The timing of expected outflows is not expected to be materially different from contracted cashflows.

(c) Interest rate risk

The Branch is not exposed to any significant interest rate risk.

(d) Foreign exchange risk

Sensitivity Analysis

The Branch Committee has performed an assessment of its exposure to interest rate risk, liquidity risk and credit risk at balance date. The Branch is not currently subject to any interest rate risk on its financial liabilities and has assessed that there is no exposure to liquidity risk required to meet its financial obligations. The Branch's exposure to credit risk has been assessed as not material, due to the nature, collectable and recoverability of amounts owed.

As a result of the risk assessment performed, any positive or negative changes in the interest rate risk, liquidity risk or credit risk would not have a material effect on the financial statements. Hence quantitative disclosures are not required.

The Australian Workers' Union, Tasmania Branch

Notes to the Financial Statements

For the Year Ended 30 June 2020

12 Key Management Personnel Compensation

| | 2020 | 2019 |
|--|----------------|----------------|
| | \$ | \$ |
| Short term employee benefits - Officer | 716,266 | 638,065 |
| Long-term benefits - Officer | - | - |
| Post-employment benefits | - | - |
| Termination benefits | - | - |
| Share-based payments | - | - |
| | <u>716,266</u> | <u>638,066</u> |

13 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, and which in management's opinion is comparable to amounts that would have been paid to non related parties.

Transactions with the National Secretariat and other branches are separately disclosed within notes 6, 8 and 10(c) to the financial statements. There is no doubtful debt provision raised against related parties. There were no payments to former related parties of the Branch. Transactions with related parties:

| Name | Annual membership | Conference & Dinner Events | Member Services | Outstanding at 30 June 2020 |
|---------------------|-------------------|----------------------------|-----------------|-----------------------------|
| | \$ | \$ | \$ | \$ |
| Mr Laurie Gregson | \$650 | - | - | \$50 |
| Jill Reid | \$650 | - | - | \$50 |
| Mr Ian Wakefield | \$650 | - | - | - |
| Mr Robert Flanagan | \$650 | - | - | \$50 |
| Mr Kevin Midson | \$650 | - | - | \$50 |
| Mr Philip Garth | \$650 | - | - | \$50 |
| Mr Bill Lowe | - | - | - | - |
| Mr Steve Downling | \$650 | - | - | \$50 |
| Mr Ross Richardson | \$650 | - | - | \$50 |
| Alanah McLean | \$650 | - | - | \$50 |
| Mr Andrew Sutcliffe | \$650 | - | - | \$50 |
| Mr Anthony Beven | \$650 | - | - | \$50 |

The Australian Workers' Union, Tasmania Branch

Notes to the Financial Statements

For the Year Ended 30 June 2020

14 Auditors' Remuneration

| | 2020 | 2019 |
|--|-------|-------|
| | \$ | \$ |
| Remuneration of the auditor, Crowe Audit Australia (2019: John Harrison), of the Branch for: - auditing and compiling the financial report | 6,950 | 6,400 |

15 Fair Value Measurement

The Union measures the following assets and liabilities at fair value on a recurring basis:

- Financial assets
- Financial liabilities

Fair value hierarchy

The Branch has no financial assets or liabilities at fair value (2019: Land and Buildings \$1,472,275).

16 Going Concern

These financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the payment of liabilities in the ordinary course of business. Should the Branch be unable to continue as a going concern, it may be unable to realise the carrying value of assets and to meet its liabilities as they become due.

17 Capital Commitments

There are no capital commitments as at 30 June 2020 (2019: Nil).

18 Contingent Liabilities and Contingent Assets

There are no other contingencies at year end (2019: Nil).

19 Operating Segments

The Branch operates predominantly in one business and geographical segment being The Branch operates predominantly in one business and geographical segment being servicing the needs of workers and to represent their interests in industrial matters.

The Australian Workers' Union, Tasmania Branch

Notes to the Financial Statements

For the Year Ended 30 June 2020

20 Other specific disclosures funds

| | 2020 | 2019 |
|--|------|------|
| | \$ | \$ |
| Compulsory levy/voluntary contribution fund | | |
| Balance at start of year | - | - |
| Transferred to reserve | - | - |
| Transferred out of reserve | - | - |
| Balance at end of year | - | - |
| Other fund(s) required by rules | | |
| Balance at start of year | - | - |
| Transferred to reserve | - | - |
| Transferred out of reserve | - | - |
| Balance at end of year | - | - |

21 Events After the End of the Reporting Period

The Coronavirus (COVID-19) pandemic continues to impact both communities and businesses throughout the world, including Australia. The community where the branch operates. The scale, timing and duration of potential impacts on the branch is unknown, as are and future mitigating factors. The Branch continues to closely monitor the impacts of COVID-19 and will respond as appropriate.

There are no other subsequent events as at reporting date to be disclosed or adjusted for.

22 Branch Details

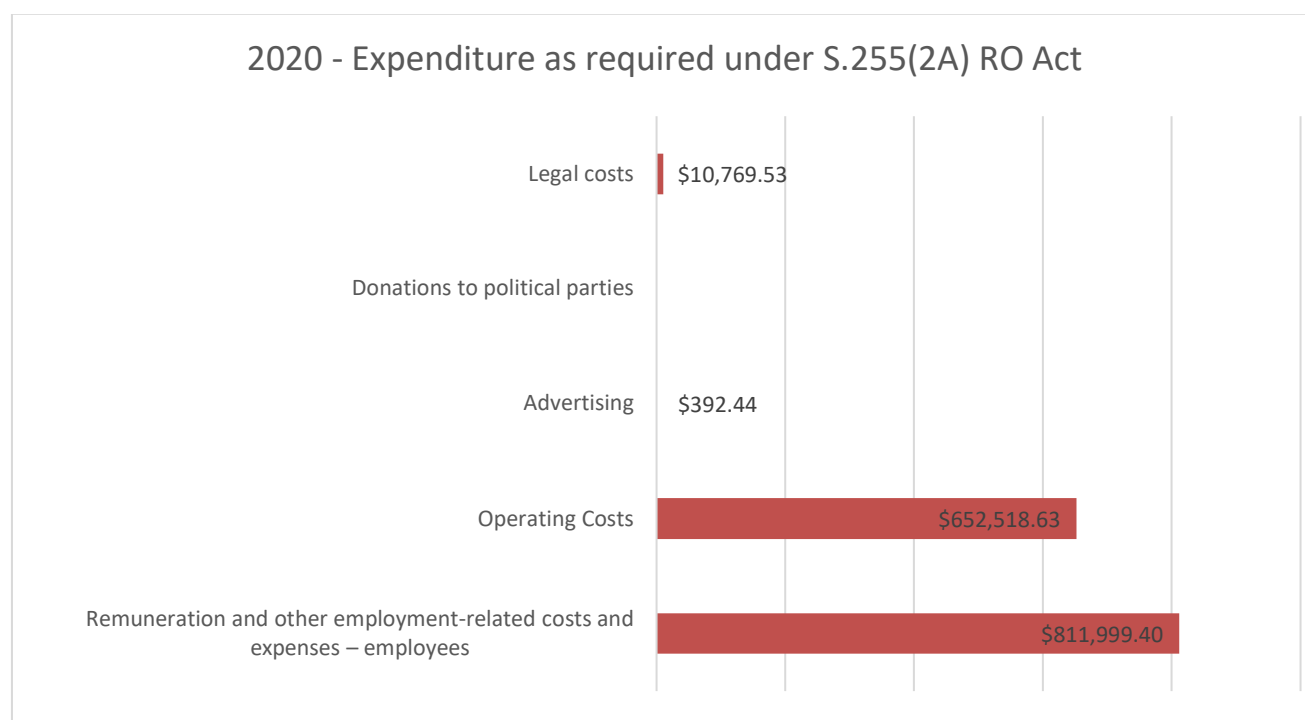
The registered office of the organisation is:
The Australian Workers' Union, Tasmania Branch
1/332-334 Main Road
Glenorchy TAS 7010

The Australian Workers' Union, Tasmania Branch

Subsection 255 (2A) Report

For the year ended 30 June 2020

The Branch Committee presents the Subsection 255(2A) report on the Reporting Unit for the year ended 30 June 2020.



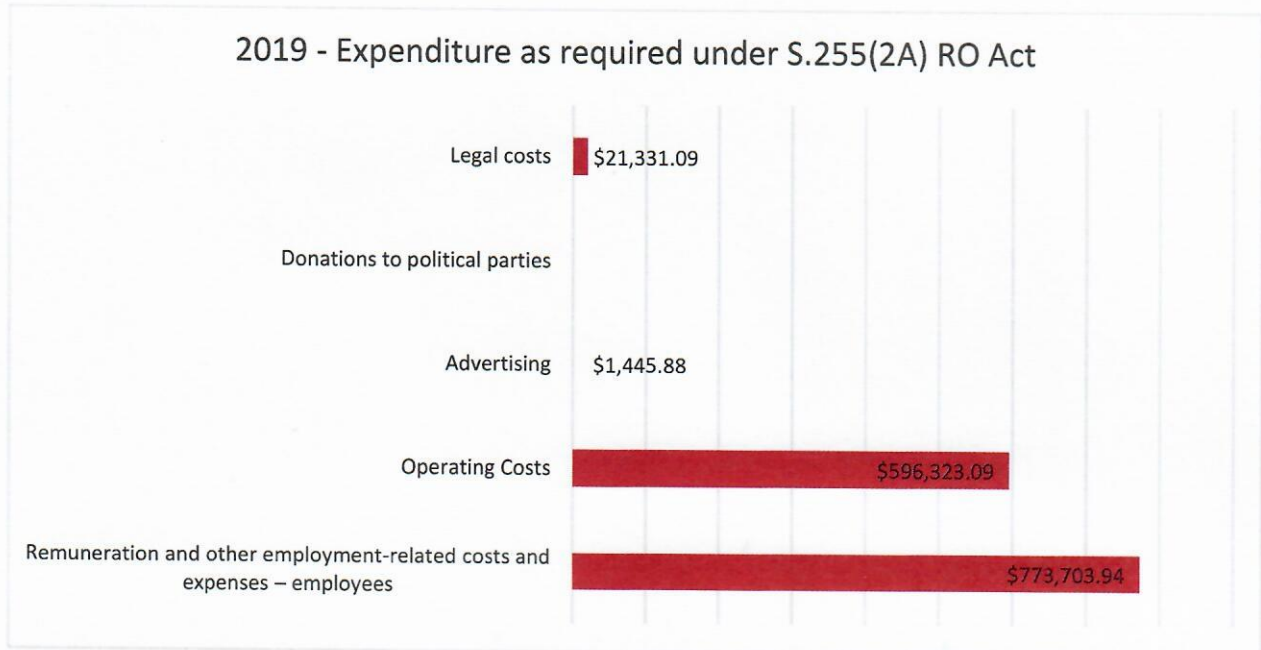
Total = \$1,475,680

The Australian Workers' Union, Tasmania Branch

Subsection 255 (2A) Report

For the year ended 30 June 2020

(continued)



Total = \$1,392,804

Signature of designated officer:

Name and title of designated officer: Mr Ian Wakefield Branch Secretary

Signed in accordance with the resolution of the Members of the Branch Committee.

Dated this 18th day of September 2020.

The Australian Workers' Union, Tasmania Branch

Auditors' Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Accounting Professional Ethical Pronouncements in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Crowe Audit Australia



Alison Flakemore
Senior Partner

Dated this 18 day of September 2020.

Hobart, Tasmania.

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The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Audit Australia, an affiliate of Findex (Aust) Pty Ltd.
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The Australian Workers' Union, Tasmania Branch

Independent Audit Report to the members of The Australian Workers' Union, Tasmania Branch

Opinion

We have audited the financial report of The Australian Workers' Union, Tasmania Branch, which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies the Committee of Management Statement and Sub Section 255 (2A) Report.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Branch as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with:

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

Basis for Opinion

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

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

Emphasis of Matter – Going Concern

We have assessed that management's use of the going concern basis of accounting in the preparation of the Committee's financial report appears appropriate.

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The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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The Australian Workers' Union, Tasmania Branch

Independent Audit Report to the members of The Australian Workers' Union, Tasmania Branch

Other Information

The Committee are responsible for the other information. The other information comprises the Operating Report the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee of Management for the Financial Report

The Committee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Branch's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.

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The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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The Australian Workers' Union, Tasmania Branch

Independent Audit Report to the members of The Australian Workers' Union, Tasmania Branch

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Committee'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'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 Committee's ability to continue as a going concern. If we conclude that a material uncertainty exists, we required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the 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 Committee to express an opinion on the financial report. Our responsible for the direction, supervision and performance of the Committee audit. We remain solely responsible for our audit opinion.

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



Crowe Audit Australia



Alison Flakemore

Senior Partner

Qualifications

Fair Work (Registered Organisations) Act 2009 – Registered Auditor No AA2017/135

Bachelor of Commerce with Honours

Registered Company Auditor No. 241220

Institute of Chartered Accountants Australia No. 96387

Hold a current Practise Certificate

Dated this...21st..day of.....September.....2020.

Hobart, Tasmania.

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