

The Australian Workers Union

(Victorian Branch)

**AUDITORS REPORT
FINANCIAL STATEMENT AND NOTES THERETO
FOR THE YEAR ENDED
30 JUNE 2021**

**Operating Report
For the period ended 30 June 2021**

Principal activities and changes

The principal activities of the Association continued to be those of a registered trade union for the benefit of its members to secure better conditions of employment, better wages and better representation of its members before industrial tribunals and other bodies and members of a public utility and State enterprise organisations and public bodies and promote the interests of members. There were no significant changes to the activities of the Association or its administration.

Results

The work of the Association for the period ended 30 June 2021 is detailed in the financial statements.

Review of Operations

The Branch has set itself a target of 3 million members and has achieved a net increase of 13 million members in the period ended 30 June 2021. The increase in membership is due to the recruitment of new members and the retention of existing members.

Events after the reporting period

There are no events after the reporting date to disclose.

Future Developments

The principal activities of the Branch are set out in the financial statements and will continue to be those of a registered trade union for the benefit of its members and the promotion of the interests of its members.

Rights of members to resign

Rule 10 – Resignation of a member – provides for resignation of a member in accordance with clause 1B of the Constitution of the Association.

Membership of Superannuation Scheme

Part of the 2020-2021 financial year is covered by the 2001 Superannuation Scheme for members of the Association.

Donna B. Prime Super Director Appointed 200-201

Number of Members

Number of members at the end of 2020-2021 13,000

Number of Employees

Number of employees at the end of 2020-2021 0

Operating Report
For the period ended 30 June 2021

Names of Members on Branch Executive

The following were members of the Branch Executive as at 30 June 2021

Table with 3 columns: Name, Position, and Role. Includes names like Ben Dennis, Comm. Mtr, Treasurer, etc.

During the term the following member resigned to be of the Branch Executive

- List of resignations: Peter Speer (1 Oct 2020), Geoff Tice (2 Oct 2020), Geoff Sharp (2 Sept 2020), Geoff Pepp (12 Oct 2021), Brad O'Rourke (21 Mar 2021)

During the term the following member were appointed to the Branch Executive

Geoff O'Rourke was appointed on 2 September 2020

Handwritten signature: Ben Dennis

Signature of Ben Dennis

Ben Dennis, Secretary of the Victorian Branch

Name and title of Ben Dennis

30 September 2021

Date of the report

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
FOR THE YEAR ENDED 30 JUNE 2021**

I, Ben Daniels, being the Secretary of the Victorian Branch of the Australian Workers Union, do hereby certify that:

- 1. That the documents lodged hereafter are a true and correct copy of the annual report for the period ended 30 June 2021 referred to in Section 200 of the Fair Work (Registered Organisations) Act 2009.
- 2. That the report presented to the Branch committee on 30 September 2021 is a true and correct copy of the report referred to in Section 200 of the Fair Work (Registered Organisations) Act 2009.



.....

Ben Daniels (Secretary)

Designated Officer

Dated this 30th day of September 2021

OFFICER DECLARATION STATEMENT

I, Ben Denis, being the Secretary of the Australian Workers Union of Australia (AWU) Victorian Branch, declare that the information required to be disclosed during the reporting period ended 30 September 2021 has been disclosed in the financial report.



.....
Ben Denis – Secretary

Delegated Officer

Dated 30 September 2021

BRANCH EXECUTIVE STATEMENT

On 30 September 2021 the Branch Executive of the Victorian Branch approved the following resolution in relation to the General Purpose Financial Report of the Branch for the period ended 30 June 2021:

The Branch Executive desires in relation to the PFR that it be approved:

- that the Financial Statement and other components of the Financial Statement Standard
- to the Financial Statement and other components of the other requirements imposed by the Reporting Code of Part 3 Chapter of the *Fair Work (Registered Organisations) Act 2009* the R.O. that
- the Financial Statement and other components of the other requirements imposed by the Reporting Code of Part 3 Chapter of the *Fair Work (Registered Organisations) Act 2009* the R.O. that
- and there are reasonable grounds to believe that the report will not be able to pay its debt or that the balance sheet is not possible
- to direct the Financial Statement to the PFR report and other the end of that year
- that meet the Branch Executive here and in accordance with the rules of the Association
- that the Financial Statement report will be made in accordance with the rules of the Association
- that the Financial Statement report will be kept and maintained in accordance with the R.O. that
- that there be a resolution adopted or more report of the Financial Statement report will be kept for profit or other matter of the other report of the Association
- that there be a resolution adopted in accordance with the rules of the Association that the member of the Association be provided to the member of the Association
- that there be a resolution adopted in accordance with the rules of the Association that there be a resolution adopted

The resolution made in accordance with the resolution of the Branch Executive



Signature of the Branch Executive

Ben Davis Secretary of the Victorian Branch

Name and title of the Branch Executive

30 September 2021

Date of the Branch Executive

AUDITOR'S INDEPENDENCE DECLARATION

TO THE BRANCH EXECUTIVE OF THE AUSTRALIAN WORKERS UNION

I declare that to the best of my knowledge and belief no director or officer of the period ended 30 June 2021 there have been

any circumstances that would affect my independence or require me to refer to the audit

any circumstances that are capable of being properly understood as relating to the audit

Stannards Accountants & Advisors

Stannards Accountants and Advisors



MB S

Registered Company Auditor of 3

Order Correct Public Practice Certificate

Approved Auditor of the Audit Reformat - 201

Dated 30 September 2021

THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

**Section 255(2A) Expenditure Report
for the year ended 30 June 2021**

The Branch presents the expenditure report as required under section 255(2A) of the Report for the year ended 30 June 2021.

	2021 \$	2020 \$
CATEGORIES OF EXPENDITURE		
Remuneration and other employment related costs and employee expenses	31,333	0
Advertising and Subscription	3	0
Operating costs	2,211	3,223
Donations to Political Parties	0	1
Depreciation	2,111	1,000
Total	7,568,631	9,036,405

Ben Davis

Signature of the person who prepared the report

Ben Davis Secretary of the Victorian Branch

Name and title of the person who prepared the report

THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

Statement of Profit or Loss for the year ended 30 June 2021

	Note	2021 \$	2020 \$
REVENUE			
Member ^{ship} ^{con} trib ^{utions}		1,001,320	1,020,000
Grant			100,000
Gift ^{and} Secret ^{ary} ^{Trust}		120	101,000
Un ^{der} written Br ^{anch} ^{Office} ^{Lease} ^{Comm} ment ^{ment}		10,000	20,000
Sp ^{onsor} ^{ship} ^{Income} – ^{Contract} ^{Work}	11b	2,000	1,000
IT ^{and} ^{Bank}		10,000	10,000
Profit ^{Share}		11,000	10,000
Sp ^{onsor} ^{ship} ^{Income} – ^{Other} ^{Part}		1,000	3,000
De ^{ferred} ^{Re} ce ^{ived}		20	10
Dir ^{ect} ^{or} ^{Lease} ^{Re} ce ^{ived}		10,000	12,000
Gift ^{and} ^{Secret}			3,000
Inter ^{est}		1,000	1,000
Share ^{Mer} it ^{ment}		1,000	1,000
Re ^{nt} ^{Income}		200	200
Sub ^{scri} ption ^{Income}		3,200	1,010
Ad ^{vert} ^{isement}			
Le ^{ase} ^{Re} ce ^{ived}		1,000	200,000
Don ^{ation} ^{Income} – ^{Other}			
Don ^{ation} ^{Income} – ^{Other} ^{Member}			
Don ^{ation} ^{Income} – ^{Other} ^{Member}			
Gift ^{and} ^{Secret}			
Re ^{nt} ^{Income} ^{and} ^{Other}			
Imp ^{ro} ved ^{Contract} ^{Re} ce ^{ived}			
Total Revenue	1	1,030,000	1,040,000
EXPENSES			
Direct Membership Expenses			
Gift ^{and} ^{Secret}	11b	10,000	10,000
Le ^{ase}	1	1,000	1,000
Emb ^{roid} ^{ery} ^{and} ^{Other}		231,000	1,020,000
Le ^{ase} – ^{Member} ^{Service} ^{and} ^{Other}		200,200	1,030,000
Le ^{ase} – ^{Member} ^{Service} ^{and} ^{Other} ^{Matter}		3,000	1,000
IT ^{and} ^{Bank} ^{Re} ce ^{ived}	11b		
Grant ^{and} ^{Secret}		10,000	1,000
Comm ^{mit} ^{ment} ^{and} ^{De} ^{duction}			12,000
Comm ^{mit} ^{ment} ^{and} ^{De} ^{duction} ^{and} ^{Other}		3,000	3,000
Don ^{ation} ^{Income}	12	2,000	3,000
Pr ^{it} ^{and} ^{Member}		1,303	1,000
Gift ^{and} ^{Secret}			
Depre ^{ci} ^{ation} ^{and} ^{Other}		1,000	1,000
Member ^{ship} ^{Man} ^{agement}			2,000
Mer ^{it} ^{and} ^{Other}		3,000	23,000
Gift ^{and} ^{Secret} ^{and} ^{Other}		3,000	1,000
Bere ^{ave} ^{ment} ^{and} ^{Other}		10,000	1,000
IT ^{and} ^{Bank} ^{Re} ce ^{ived}		10,000	2,000
Total		1,000,000	3,000,000

THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

Statement of Profit or Loss for the year ended 30 June 2021 (cont'd)

	Note	2021 \$	2020 \$
OH&S Expenses & Projects			
Conferences		111,222	2,000
Travel		1,333	1,200
Total		130,555	3,200
Shop Stewards & Delegates			
Meeting expenses - Delegates		0	0
Delegates' expenses		0	2,333
Printing expenses		0	12
Supplies		0	1
Protective equipment		0	1,333
Total		0	4,679
Payroll Expenses			
Salaries		3,221	3,300
Superannuation		1,000	2,033
Conferencing expenses		31	33
Printing		1,000	1,210
Office Belongings		300	1,012
Printing expenses		1,011	200
Office Services		23	3,111
Printing		302	322
Printing		200	011
RD expenses		2,331	0
Total		10,303	11,000
Training & Tuition			
Conferencing		211	0
Seminar expenses		3,000	23
Travel expenses		1,310	3,000
Printing		1	0
Total		5,532	3,223
Officials			
Communitarian Meeting		23,211	2,100
Printing		2,000	23
Travel expenses		3,333	0
Meeting expenses		0	1,000
Printing expenses Meeting		0	1
Printing & Tuition		23	1,000
Printing expenses		0	20
Total		30,567	4,124

The accompanying notes form part of the Financial Report

THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

Statement of Profit or Loss for the year ended 30 June 2021 (cont'd)

	2021 \$	2020 \$
Motor Vehicle Expenses		
Recontract	20001	10020
Car maintenance	00000	00010
Petrol	00002	123003
Service	30203	02001
Tire	0100	10000
Motor vehicle expense offset	02030	00003
Profit or Recontract expense	020000	032000
Depreciate Motor vehicle	100000	102001
Total	000100	000330
Telephone Expenses		
Telephone bill	120030	100020
Mobile Phone	000000	000030
Service or equipment maintenance	130003	130002
Total	000000	030000
Property Expenses		
Rent	110002	110003
Property Rate or maintenance	200010	200000
Property Maintenance	200003	220002
Depreciate Board or Recontract	330000	330000
Depreciate furniture or equipment	110002	120000
Board corporate fee	000001	000001
Office furniture	000000	100002
Sound equipment	000010	000030
Total	202012	200000
General Expenses		
Advertisement or Subscription	000003	000000
Printing or Statement	100000	100000
Bank fee or Charge	300000	300023
Insurance	010001	000030
Electricity or Gas	230002	200003
Membership or fee	010003	320032
Employee or IR	100011	000000
Statement fee	000000	100030
Unrecovered or expense	000000	030030
Total	300030	200000
Office Expenses		
Stationery	200000	300000
Postage or Courier	120000	100000
Printing	000003	200000
Office equipment or Paper	000000	200000
Office Recontract or equipment	010002	300020
Maintenance or office equipment	000000	000000
Computer Maintenance or Support	000002	100003
Software or equipment	100000	000022
Total	100000	100020
Total Expenses	00000031	00030000
Net Profit/(Loss) for the Year	10000000	00000000

The accompanying notes form part of the financial Report

THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

**Statement of Comprehensive Income
for the Year Ended 30 June 2021**

	2021 \$	2020 \$
Profit or loss for the period	1,967,974	(849,944)
Other comprehensive income for the period	-	-
Total comprehensive income for the period	1,967,974	(849,944)
Total comprehensive income attributable to: Members of the organisation	1,967,974	(849,944)

The accompanying notes form part of the financial statements.

THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

Statement of Financial Position as at 30 June 2021

	Note	2021 \$	2020 \$
Current Assets			
Prepaid expenses and other receivables		3,000,000	3,201,000
Trade receivables		33	11,000
Other assets		1,000	3,000
Merchandise for sale		3,000	2,000
Total Current Assets		5,029,578	3,886,802
Non-Current Assets			
Investment property - land		1,231,100	1,231,100
Investment property		23,331	23,331
Share in other companies		1,002	1,002
Property plant and equipment		1,000,000	1,000,312
Total Non-Current Assets		2,377,754	2,398,581
Total Assets		7,407,332	6,285,383
Current Liabilities			
Trade payables		3,002,100	1,330,220
Other payables		11,000	1,003,000
Employee entitlements		1,200,210	1,300,000
Total Current Liabilities		2,061,518	2,907,543
Total Liabilities		2,072,518	2,907,543
Net Assets		5,345,814	3,377,840
Equity			
Retained earnings		3,345,814	3,377,840
Total Equity		5,345,814	3,377,840

The accompanying notes form part of the financial statements.

THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

Statement of Changes in Equity for the Year Ended 30 June 2021

	2021 \$	2020 \$
Commenced – Balance	3,300,000	2,200,000
Profit for the Period	1,000,000	1,000,000
Other Comprehensive Income for the Year	0	0
Total Accumulated Funds – End of Year	5,345,814	3,377,840

The accompanying notes form part of this Financial Report

THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

Statement of Cash Flows for the Year Ended 30 June 2021

	Note	2021 Inflows/ (Outflows) \$	2020 Inflows/ (Outflows) \$
Cash flows from Operating Activities			
Contribution from Members		2,000	2,000
Receipt from other parties		3,000	2,000
Interest Received		1,000	0
Receipt from other parties		3,000	3,000
Revised Parties		32,000	3,000
Payment to other parties		(1,000)	(2,000)
Payment to other parties		(3,000)	(1,000)
Payment to Supplier and employees		(11,000)	(10,000)
Net Cash Provided by operating activities	10b	1,000	3,000
Cash flows from Investing Activities			
Payment for Property Plant and equipment		(330,000)	(332,000)
Proceed from the Disposal of Material		1,000	0
Receipt of Proceeds		0	12,000
Net Cash Provided by investing activities		(200,000)	(13,000)
Net Increase in Cash and Cash Equivalents		1,000	(10,000)
Cash and Cash Equivalents at Beginning of Year		3,201,000	2,000,000
Cash and Cash Equivalents at End of Year	10c	3,202,000	3,201,000

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

1. Statement of Significant Accounting Policies

The accounting policies that have been adopted in the preparation of these financial statements are:

a. Basis of Preparation

The financial statements are prepared on an accrual basis and have been prepared in accordance with the Australian Accounting Standards and interpreted in accordance with the Australian Accounting Standards Board (ASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009* for the purpose of preparing the financial statements. The Victorian Branch is a 'not for profit' entity.

The financial statements have been prepared on an accrual basis and in accordance with the accounting concept of certainty and liability measured at fair value. Expenses in the reporting period are recognised when incurred on the accrual basis. The effect of the provisions of the Act 2009 are taken into account in the financial statements. The financial statements are prepared in accordance with the reporting period of the Victorian Branch.

The reporting period of the Victorian Branch is 30 June 2021 and is reported in accordance with the Victorian Branch's financial reporting period of 2021.

b. Income Tax

The Victorian Branch is a not-for-profit entity and is exempt from income tax under the Income Tax Assessment Act 1997. The Victorian Branch is not liable for income tax on its income.

c. Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation.

Depreciation is calculated on the prime cost and diminishing value method and is brought to account over the estimated economic life of the asset. Depreciation rates are applied as follows:

	2021 & 2020
Buildings	20%
Office equipment	20%
Computer equipment	20%
Motor vehicles	20%
Refrigerator & kitchen items	10%

**Notes to and Forming Part of the Financial Statements
for the Year Ended 30 June 2021**

d. Employee Entitlements

Short-term employee benefits

Provision is made for the Union's obligation for short-term employee benefits. Short-term employee benefits are benefits that are expected to be settled within 12 months after the end of the reporting period in which the employee renders the related service. Short-term employee benefits are measured at the undiscounted amount expected to be paid at the balance sheet date.

Long-term employee benefits

Provision is made for employee's long service leave and annual leave entitlements not expected to be settled within 12 months after the end of the reporting period in which the employee renders the related service. Long-term employee benefits are measured at the present value of the expected future payments to be made to employees expected to receive the benefit. The present value of the benefit is determined by discounting the estimated future payments to the end of the reporting period at the discount rate determined by reference to market yields at the end of the reporting period of government bonds that mature on dates that approximate the term of the obligations. The measurement of long-term employee benefits is reviewed in profit or loss in the period in which the obligation occurs.

The Union's obligations for long-term employee benefits are presented as current provisions in the statement of financial position except where the obligation is not due or is non-refundable to defer settlement for at least 12 months after the end of the reporting period. Where the obligation is presented as current provisions.

Superannuation

Contributions are made by the Union to employee superannuation funds and are expected to be recovered. The Union is not obliged to contribute to these funds other than to meet its liability under the superannuation guarantee system and is under no obligation to make up any shortfall in the funds' assets to meet payments due to employees.

The number of full-time equivalent employees at 30 June 2021 is 2,200 (2020: 2,000).

e. Revenue

The Union enters into various arrangements where the Union considers from either party. These arrangements include consideration of the Union member's subscription and other fees and contributions.

The timing of recognition of the amount of either revenue or income depends on the nature and substance of the arrangement.

Revenue from contracts with customers

Where the Union has a contract with a customer, the Union recognizes revenue when or as it transfers control of the good or service to the customer. The amount recognized is the arrangement fee or contract fee to the customer if the criteria are met.

The arrangement is identifiable.

The arrangement is a promise that the Union will perform a service to transfer goods or services to the customer or to other parties as beneficiaries of the customer that are identifiable. The amount to be determined is the performance obligation that has been identified.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021 (cont'd)**

1. Summary of Accounting Policies (cont'd)

e. Revenue (Cont'd)

Membership subscriptions

For membership subscriptions arrangements that meet the criteria to be classified as a contract with a customer, revenue is recognised when the promised good or service transfers to the customer or a member of the Union.

Where the Union does not meet the criteria for the promised good or service, revenue is recognised when the membership service is provided to the member based on the passage of time over the subscription period to reflect the Union's promise to stand ready to provide assistance and support to the member required.

For membership subscriptions paid in advance, the Union is obligated to apply the promised benefit to not deduct the transaction price or the extent of the promised benefit component because the period from when the customer pays and the good or service transfers to the customer is the year or less.

The Union membership programme additionally or separately from the Union at their discretion receive private or public services or goods from the Union or separate contract with a customer.

Levies

Levies paid by a member or other parties as arrangements that meet the criteria to be a contract with a customer is recognised as revenue when or when the good transfers to the member.

When arrangements where the criteria for a contract with a customer are not met, the Union recognises the levies as income upon receipt.

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

Consideration is received by the Union to enable the entity to further its objectives. The Union recognises the cash contribution as consideration of income when the consideration is received from the Union obtained from the contribution based on the rights and obligations in the arrangement.

The arrangements do not meet the criteria to be classified as a contract with a customer because either the arrangement is not enforceable or the Union is not obligated to transfer goods or services to the customer.

The Union's recognition of the cash contribution does not give rise to a related liability.

During the reporting period, the Union did not receive any consideration from the Union as arrangements. Therefore, consideration is not recognised as income upon receipt.

The Union's cash and other contributions from members are provided to the Union as a contribution. The Union's contribution for the year ended 30 June 2021 is \$0.00.

Volunteer services

During the reporting period, the Union received no volunteer services. When arrangements where the Union receives volunteer services and the fair value of the volunteer services can be measured reliably, the Union recognises the fair value of the volunteer services received as income together with the corresponding expense where the expense will be the fair value of the volunteer services. The Union's volunteer services are recognised as the Union's contribution to the development of the Union's objectives and the Union's contribution to the development of the Union's objectives.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021 (cont'd)

1. Summary of Accounting Policies (cont'd)

e. Revenue (Cont'd)

Income recognised from transfers

Where part of an identifiable intangible asset is transferred to acquire or construct an identifiable intangible asset, the portion of the asset that is transferred to the Union's own use, a liability is recognised for the obligation to acquire or construct the asset. Income is recognised on the obligation to acquire or construct the asset at the time of the purchase of the asset. The asset that is transferred or constructed is recognised at the time of the purchase of the asset and equipment.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal when at the date the disposal occurs, the cash or other economic benefits are expected from the sale or disposal of the asset or the disposal of the asset is expected to be greater than the cost of disposal. The gain or loss is calculated as the difference between the net disposal proceeds and the carrying amount of the asset at the date of disposal.

Interest income

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

f. Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the tax authority. The net amount of GST payable to the tax authority is recognised as a liability. Revenue and expenses in the statement of comprehensive income are stated exclusive of GST.

g. Cash and Cash Equivalents

For the purpose of the Statement of Financial Position and cash flows, cash includes cash on hand and deposits at bank and in the money market.

h. Financial Instruments

Intangible assets and measurement

Intangible assets and liabilities are recognised when the costs are incurred or the liability is incurred. The measurement of the asset or liability is based on the fair value of the asset or liability at the date of recognition. The fair value is determined based on the price received or receivable for the asset or liability in an arm's length transaction.

Intangible assets are measured at cost less accumulated amortisation and impairment losses, except where the instrument is classified as "at fair value through profit or loss" in which case the instrument is measured at fair value. Amortisation is calculated based on the expected useful life of the asset. The useful life is determined based on the expected period over which the asset will generate cash flows. The useful life is determined based on the expected period over which the asset will generate cash flows.

Trade receivables are measured at the transaction price of the trade receivable, less expected credit losses. Expected credit losses are measured based on the probability of default of the trade receivable. The expected credit losses are measured based on the probability of default of the trade receivable. The expected credit losses are measured based on the probability of default of the trade receivable.

Revenue from contracts with customers is recognised when the customer obtains control of the asset. Control is transferred to the customer when the customer has the ability to direct the use of the asset and to obtain the benefits from the asset. Revenue is recognised when the customer obtains control of the asset.

Notes to and Forming Part of the Financial Statements
for the Year Ended 30 June 2021

1. Summary of Accounting Policies (cont'd)

h. Financial Instruments (cont'd)

Classification and subsequent measurement

Financial assets

Financial assets are classified and measured as

- amortised cost
- fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless the financial asset is

- a contract that is not a derivative or a contract that is a derivative but is not a financial liability (as defined in paragraph 11 of IAS 32) and is held in a business model whose objective is to hold the financial asset to collect contractual cash flows
- held in a business model whose objective is to hold the financial asset to collect contractual cash flows and to sell the financial asset
- a derivative that is not a financial liability (as defined in paragraph 11 of IAS 32) and is held in a business model whose objective is to realise the financial asset

Financial liabilities are classified and measured at amortised cost unless the effective interest method

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

The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the instrument to the net carrying amount of the instrument

Financial assets are held in a business model if

- incurred for the purpose of repurchasing or reselling in the near term
- part of a portfolio where there is an objective of short-term profit
- a derivative instrument except for a derivative that is a financial liability or a derivative that is an effective hedging instrument

Financial assets or liabilities are classified as held for sale if they are held for sale in the near term and their fair value is measured at amortised cost

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

Financial assets are classified as held for sale if they are held for sale in the near term and their fair value is measured at amortised cost

Financial liabilities are classified and measured as

Financial liabilities

Financial liabilities are classified and measured as

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

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

1. Summary of Accounting Policies (cont'd)

h. Financial Instruments (cont'd)

Measurement of the book value of primary criteria

- the contract is the primary criterion
- the book value is the primary criterion

Assets that meet the conditions of objective measurement at amortised cost

- the asset is measured at amortised cost
- the contract term of the asset is to receive or pay a fixed or determinable amount of cash or another financial asset or liability at a fixed or determinable date

Assets that meet the conditions of objective measurement at fair value through profit or loss

- the contract term of the asset is to receive or pay a fixed or determinable amount of cash or another financial asset or liability at a fixed or determinable date
- the book value is the primary criterion

Assets that do not meet the measurement conditions are measured at fair value through profit or loss

The effect of the derecognition of a financial instrument is measured at fair value through profit or loss

- the mismatch or accounting mismatch is measured or recognised as an "accounting mismatch" that would otherwise arise from measuring assets or liabilities or recognising the income and expense of them at different times
- it is a condition of the derecognition measurement or recognition criteria and information about the group is documented appropriate to the performance of the asset or liability that is part of the group or asset or liability or be measured and reported separately as a fair value measurement
- it is a hybrid contract that contains an embedded derivative that is not a separate contract or is not a contract

The measurement of the derecognition of a financial instrument is measured at fair value through profit or loss at the time of the derecognition and is recognised as a derivative

Assets that are measured at fair value through profit or loss

At the end of the reporting period, the effect of the derecognition of a financial instrument is measured at fair value through profit or loss at the time of the derecognition and is recognised as a derivative

Recovery of the primary criteria are recognised and derecognised at the end of the reporting period at the company's accounting policy.

**Notes to and Forming Part of the Financial Statements
for the Year Ended 30 June 2021**

1. Summary of Accounting Policies (cont'd)

h. Financial Instruments (cont'd)

Derecognition

Derecognition refers to the removal of recognised assets or liabilities from the statement of financial position.

Derecognition of liabilities

A liability is derecognised only if it is extinguished as a result of the contract is discharged or repaid or the liability is extinguished or a new liability is substituted for the original liability. A liability is substituted for the original liability if the original liability is replaced by a new liability with the same terms and conditions.

The difference between the carrying amount of the liability derecognised and the consideration paid and payable is recognised as income or expense in profit or loss.

Derecognition of assets

An asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred to another party and the risks and rewards of ownership are transferred.

The following criteria need to be satisfied for the derecognition of an asset:

- the right to receive cash flows from the asset has expired or been transferred
- risks and rewards of ownership of the asset have been transferred
- the entity no longer controls the asset or the asset is not a profit-bearing asset to the extent of the asset to a third party

An derecognition of an asset is measured at amortised cost if the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

An derecognition of a debt instrument is measured at fair value after comprehensive income measurement or fair value measurement in the measurement reference frame if the difference between the carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

An derecognition of an investment in equity is measured at fair value after comprehensive income measurement or fair value measurement in the measurement reference frame if the difference between the carrying amount and the sum of the consideration received and receivable is recognised in profit or loss or transferred to retained earnings.

The entity recognises a loss or expense or expected credit loss if:

- an asset is measured at amortised cost or fair value after comprehensive income
- the receivable is
- contract asset
- an immaturity that is not measured at fair value after profit or loss
- a contract liability that is not measured at fair value after profit or loss

Notes to and Forming Part of the Financial Statements
for the Year Ended 30 June 2021

1. Summary of Accounting Policies (cont'd)

h. Financial Instruments (cont'd)

Financial instruments are measured at fair value.

- Financial instruments measured at fair value through profit or loss
- equity instruments measured at fair value through other comprehensive income

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument or credit loss at the date of the balance sheet, which are due to default events that are expected to be received over the expected life of the financial instrument.

The entity used the following approach to impairment applicable under IFRS 9:

- the 12-month approach
- the simplified approach
- the purchased or originated credit-impaired approach
- the credit risk impairment approach

12-month approach

Under the 12-month approach, it is reported as a 12-month expected credit loss at the end of the reporting period.

- The credit loss rate is the expected credit loss rate at the end of the reporting period.
- Where there is a significant increase in credit risk, the credit loss rate is the expected credit loss rate at the end of the reporting period.

Simplified approach

The simplified approach does not require the determination of credit risk at the end of the reporting period but instead requires the recognition of lifetime expected credit loss at all times.

The approach is applicable to:

- trade receivables
- lease receivables

The expected credit loss rate is the probability-weighted estimate of credit loss at the end of the reporting period. The expected credit loss rate is determined as 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. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Purchased or originated credit-impaired approach

For financial instruments that are considered to be credit-impaired at the end of the reporting period, the entity measures any change in lifetime expected credit loss as 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. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Notes to and Forming Part of the Financial Statements
for the Year Ended 30 June 2021

1. Summary of Accounting Policies (cont'd)

h. Financial Instruments (cont'd)

Impairment of credit instruments

- The amount of impairment is the lower of borrower
- breach of contract or default or paid due date
- lender granted to the borrower a concession, due to the borrower's financial difficulty, that the lender could not otherwise consider
- the likelihood that the borrower will be bankrupt or other insolvency or liquidation
- the disappearance of the market for the instrument or be otherwise significantly

credit impairment provisions approach

The impairment is determined to be the credit loss at the reporting date the entity estimates that the credit loss has increased significantly since the reporting date and is expected to be realized over the next 12 months expected credit loss

In order to make a determination that the impairment is the credit loss the entity applies to the credit instrument ratios or other methods which are a combination of comparable debtors credit risk

The impairment is considered to be the credit loss

- there is a risk of default by the borrower
- the borrower has a strong capacity to meet its contractual obligations and obligations in the near term
- other evidence of economic and business conditions in the near term may not be sufficient to reduce the ability of the borrower to meet contractual obligations and obligations

Recovery of expected credit losses is measured at

the reporting date is a more significant movement in the loss allowance or an impairment loss or loss in the statement of profit and loss and other comprehensive income

The current amount of impairment is measured at amortised cost and the loss allowance is related to that asset

Items measured at fair value through other comprehensive income are recognised at fair value if the loss allowance is fair value recognised in other comprehensive income. The amount is related to changes in credit loss transferred from other comprehensive income to profit or loss at each reporting period

For impairment that are recognised as a commitment let to be drawn on the reporting date or previously or loss allowance is created in the statement of financial position to recognise the loss allowance

Impairment are measured at fair value trade date and include the transaction costs of the related contract or commitment

Subject to the requirements of the Branch, the entity does not have a liability to be the extent that a financial instrument has been impaired or provided devalue in the case of the instrument is considered to determine whether an impairment loss or credit impairment loss is recognised in the Income Statement

**Notes to and Forming Part of the Financial Statements
for the Year Ended 30 June 2021**

1. Summary of Accounting Policies (cont'd)

i. Fair Value of Assets and Liabilities

The amounts measured at fair value are either a recurring or non-recurring measurement of the asset or liability at the reporting date.

The fair value of the asset or liability is the amount that would be received from the sale of the asset or liability in an orderly transaction between a market participant at the measurement date.

The fair value of a market-based measurement is based on the observable market price information used to determine the fair value and the measurement is made based on the characteristics of the asset or liability. The fair value of an asset or liability that is not traded in an active market is determined using one or more valuation techniques. The valuation techniques used to estimate the fair value of an asset or liability are based on the market data.

The fair value of a market-based measurement is based on the observable market price information used to determine the fair value and the measurement is made based on the characteristics of the asset or liability. The fair value of an asset or liability that is not traded in an active market is determined using one or more valuation techniques. The valuation techniques used to estimate the fair value of an asset or liability are based on the market data.

The fair value of an asset or liability is the amount that would be received from the sale of the asset or liability in an orderly transaction between a market participant at the measurement date.

The fair value of an asset or liability is the amount that would be received from the sale of the asset or liability in an orderly transaction between a market participant at the measurement date.

j. Leases

All lease contracts are accounted for as leases if the contract contains or is part of a larger arrangement that includes a lease. The contract contains a lease if the contract conveys the right to use an identified asset for a period of time in exchange for consideration. Leases with a term of 12 months or less are not accounted for as leases. Leases with a term of 12 months or less are not accounted for as leases.

The fair value of the lease liability is measured at the present value of the lease payments that will be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease or the rate that would be used to determine the fair value of the underlying asset.

- Lease payments included in the measurement of the lease liability are as follows:
- Fixed lease payments, including any amounts that are indexed to a consumer price index or a similar price index.
- Variable lease payments that depend on an index or a rate, which are measured at the commencement date.
- The amount expected to be paid by the lessee under a residual value guarantee.
- The exercise price of a purchase option, if the lessee is reasonably certain to exercise the option.
- Payments for termination of the lease, if the lessee is reasonably certain to terminate the lease.

The right-of-use asset is measured at the commencement date as the present value of the lease payments that will be made at or before the commencement date, less any incentives received. The lease liability is measured at the commencement date as the present value of the lease payments that will be made at or before the commencement date, less any incentives received.

**Notes to and Forming Part of the Financial Statements
for the Year Ended 30 June 2021**

1. Summary of Accounting Policies (cont'd)

j. Leases (cont'd)

Royalties are depreciated over the lease term or the shorter of the lease term or the shorter of the term of the underlying asset or the term of the right to use the asset, whichever is shorter. The depreciation is calculated on a straight-line basis over the shorter of the term of the underlying asset or the term of the right to use the asset, whichever is shorter.

Other intangible assets

Our leasehold interest in land is classified as a leasehold interest in land. The leasehold interest in land is classified as a leasehold interest in land. The leasehold interest in land is classified as a leasehold interest in land.

The contract is entered

The contract is entered into for the purpose of the business and is not a contract for the sale of land or a contract for the sale of a leasehold interest in land.

The contract is entered into for the purpose of the business and is not a contract for the sale of land or a contract for the sale of a leasehold interest in land. The contract is entered into for the purpose of the business and is not a contract for the sale of land or a contract for the sale of a leasehold interest in land.

The contract is entered into for the purpose of the business and is not a contract for the sale of land or a contract for the sale of a leasehold interest in land. The contract is entered into for the purpose of the business and is not a contract for the sale of land or a contract for the sale of a leasehold interest in land.

The contract is entered into for the purpose of the business and is not a contract for the sale of land or a contract for the sale of a leasehold interest in land. The contract is entered into for the purpose of the business and is not a contract for the sale of land or a contract for the sale of a leasehold interest in land.

k. Trade and other receivables

Trade and other receivables are recognised at the amount of the invoice and are measured at the net amount expected to be received.

Our trade receivables do not include any significant amounts of impairment. The trade receivables are measured at the net amount expected to be received.

There are no significant amounts of trade receivables that are measured at the net amount expected to be received. The trade receivables are measured at the net amount expected to be received.

Debt instruments other than trade receivables

Our debt instruments other than trade receivables are measured at the net amount expected to be received. The debt instruments are measured at the net amount expected to be received.

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

1. Summary of Accounting Policies (cont'd)

k. Trade and other receivables (cont'd)

Trade receivables are recognised at the time of sale... There were no provisions for doubtful debts... There were no provisions for doubtful debts...

The Union considers a contract to be a contract if it is enforceable... The Union considers a contract to be a contract if it is enforceable...

l. Trade and other payables

Trade payables and other liabilities payable are recognised when the Union becomes obliged to make future payments...

m. Operating Segment

The Union is incorporated under the laws of the Commonwealth of Australia...

n. Critical Accounting Estimates and Judgements

The Union's critical accounting estimates and judgements are incorporated in the financial report based on the information available...

Key Estimates – Impairment

The Union's impairment of assets is based on the current conditions... The Union's impairment of assets is based on the current conditions...

o. New Accounting Standards Adopted by the Union

The Union has adopted the new accounting standards... The Union has adopted the new accounting standards...

**Notes to and Forming Part of the Financial Statements
for the Year Ended 30 June 2021**

**2. Information to be provided to Members or The Commissioner, Registered Organisations
Commission**

1. The requirement of the Australian Registered Organisations Act 2008 (the Act) requires a member to disclose to the prescribed bodies set out in Section 212 of the Act the following information:

1. A Member must disclose to the Commissioner Registered Organisations the information to the Commissioner or prescribed bodies prescribed information in relation to the information to be made available to the person making the application.

2. The application must be in writing and must specify the period of time in which the member or prescribed body must be made available. The period must not be less than 14 days after the application is made to the Commissioner.

3. The information must comply with the application made under section 212 of the Act.

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

3. Fund Analysis

For the financial year ended 30 June 2021 there were no applicable and or account operated in respect of the company's activities. Contributions or received by the rate of the account there are no transfer and or funds from a member's account or restricted funds. The report is prepared for the year ended 30 June 2021. There are no balance led in the year ended 30 June 2021. The amount is disclosed in the Statement of Financial Position for the company or restricted contributions and funds are held in separate accounts.

	2021 \$	2020 \$
--	------------	------------

4. Cash and Cash Equivalents

Bank of Australia - Current account	11,311	200
Bank of Australia - Current account	3,221	2,003
Petty cash	0	10
	3,221	2,013

5. Other Assets

Subscription and prepaid	100	300
	100	300

Credit Losses

There are no credit losses or credit losses on trade and other receivables. There are no provisions made during the year 2020. The current year's credit losses are \$31,000.

The provisions for credit losses in 2020 are \$0.

Other

Other receivables include the amount of the inter-branch receivables. The receivables are of a short-term nature and are performed by the receivables.

THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

6. Property, Plant and Equipment

	2021 \$	2020 \$
Goodwill		
Cost	3,000,220	3,000,220
Accumulated Depreciation	(823,300)	(823,300)
Right of Use Intangible	2,176,920	2,176,920
Cost	3,110	3,110
Accumulated Depreciation	(3,110)	(3,110)
Computer Equipment	2,300	2,001
Cost	1,103	3,022
Accumulated Depreciation	(1,100)	(3,120)
Motor Vehicle	1,000	1,000
Cost	1,120,000	1,000,000
Accumulated Depreciation	(110,000)	(0)
Right of Use Property	1,300	1,000
Cost	2,100,000	3,102,300
Accumulated Depreciation	(1,000,000)	(2,000,000)
Total Property, Plant and Equipment	1,000,000	1,000,000

Reconciliation of the carrying amount of property, plant and equipment at the beginning and end of the reporting period

2021	Goodwill	Right of Use Intangible	Computer Equipment	Motor Vehicle	Right of Use Property	Total
Opening Balance	2,176,920	2,001	2,001	1,000	1,000,000	3,181,922
Additions		1,000	2,000	22,330		23,330
Depreciation expense	(300)	(1,000)	(1,000)	(1,000,000)	(2,000,000)	(2,302,300)
Carrying amount at end of period	2,176,920	2,001	2,001	1,000	1,000,000	3,181,922

2020	Goodwill	Right of Use Intangible	Computer Equipment	Motor Vehicle	Right of Use Property	Total
Opening Balance	2,176,920	3,110	3,110	2,000	1,300	3,811,440
Additions		3,000	22,000	2,330		33,330
Depreciation expense	(300)	(1,000)	(1,000)	(1,200,000)	(2,000,000)	(2,302,300)
Carrying amount at end of period	2,176,920	2,001	2,001	1,000	1,000,000	3,181,922

THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

6. Property, Plant and Equipment (cont'd)

The Branch owned the following property at the reporting date:

	Balance at 30 June 2021 \$	Balance at 30 June 2020 \$
Portland 103/11 Perce Street Melb	3,000	3,000
Suite 3/3 Room Road Street Melb	2,000	2,000
	3,000	3,000
Accumulated Depreciation	(233)	(33)
	2,767	2,967

Under the right of use the following property are reclassified in the same line item in the Statement of Financial Position

7. Provisions

	2021 \$	2020 \$
Current:-		
Accumulated Leave	23	30
Provision for Superannuation	3,000	1,032
	12,023	13,362
Non-Current:-		
Provision for Superannuation	-	-
	-	-
Total	12,023	13,362

The amount of the above provisions are payable as follows:

	Holders of Office		Employees		Total	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Accumulated Leave	10,100	11,000	32,100	20,000	42,200	31,000
Provision for Superannuation	3,000	3,031	3,000	3,000	6,000	6,031
Separation Fund						
Redundancy						
Other Provisions						
Total	13,100	14,031	35,100	23,000	58,200	37,031

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

7. Provisions (cont'd)

Employee Provisions

Employee provisions represent amounts accrued for employee leave and long service leave.

The current portion of the provisions made for the total amount accrued for employee leave entitlement and the amounts accrued for long service leave entitlements that were settled due to employees completing the required period service. Based on past experience the amount due at the period the financial statements are prepared is based on current liabilities to be settled within the next 12 months. Therefore amounts may be considered as current liabilities since the amount due will be used to settle the settlement of these amounts to the effect employees will be able to use their leave entitlement.

The non-current portion of the provisions are made for amounts accrued for long service leave entitlements that were not yet settled in relation to those employees who have not yet completed the required period service.

8. Equity

	2021 \$	2020 \$
Unlimited funds		
Balance at beginning of period	3,300,000	2,200,000
Net profit or loss for period	1,000,000	1,000,000
Other comprehensive income for the period	-	-
Balance at end of period	<u>4,300,000</u>	<u>3,200,000</u>
Total	<u>4,300,000</u>	<u>3,200,000</u>

THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021 (cont'd)

9. Employee Benefits

Employee benefits provided during the period

	Order of the		Employee		Total	
	2021	2020	2021	2020	2021	2020
Superannuation contributions	2,000,000	1,000,000	3,100,000	3,020,000	3,230,000	3,000,000
Short-term employee benefits	0	3,020	2,000	3,000	1,000	2,000
Long-term employee benefits	0	3,000	112,000	3,000	1,000	3,000
Termination benefits	0	2,000,000	2,000	2,000	2,000	2,000,000
Employee benefits	0	0	0	23,000	0	23,000
Total	2,000,000	1,000,000	3,100,000	3,111,000	3,230,000	3,000,000

10. Cash Flow Information

	2021	2020
	\$	\$
Reconciliation of cash flows		
Operating activities	3,000,000	3,200,000
Investing activities	0	1,000,000
Financing activities	3,000,000	3,200,000
Reconciliation of cash flows		
Operating Profit before Tax	1,000,000	1,000,000
Operating Profit		
Depreciation	2,000,000	2,000,000
Provision for doubtful debts	2,000,000	1,300,000
Movement in provisions	0	3,000,000
Change in provisions		
Decrease in provisions	3,300	0
Decrease in provisions	2,100	2,000
Decrease in provisions	0	0
Decrease in provisions	1,000,000	1,000,000
Decrease in provisions	2,000,000	1,000,000
Decrease in provisions	1,000,000	1,000,000
Operating Profit before Tax	1,000,000	3,000,000

THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

**Notes to and Forming Part of the Financial Statements
for the Year Ended 30 June 2021 (cont'd)**

11. Related Party Information

Remuneration of office holders and directors for the year ended 30 June 2021

Short-term Remuneration		Post-Employment Benefits		Other Benefits		Non-Cash Benefits	
2021	2020	2021	2020	2021	2020	2021	2020
\$	\$	\$	\$	\$	\$	\$	\$
32,000	31,000	3,000	3,000	0	0	1,300	1,000

There were no other benefits received by any director for 2020.

The office holder received other 'non cash' benefits (2020) except as disclosed above. The office holder also received the car and/or private car and motor/perpetual interest in a motor vehicle and did receive a retiral pension from the office holder and did receive.

The office holder or other office holder of the Union or its related entities and/or receipt of remuneration in their own name because they were a member and/or held position of a Board or other committee member.

The office holder held office as a position of the Board or other committee member because they were an office holder of the Union.

They were appointed in the position before 2020.

They received remuneration from a third party because of the performance of their duties as an office holder of the Union.

Transactions between the Victorian Branch and other branches of the Australian Workers Union (term and conditions)

	2021 \$	2020 \$
Subsidy	2,000	0
Lease	2,000	0
SS	20,000	2,000
Insurance	0	2,000
Membership card rebate	2,000	0
Other	0	0
Retiree	32,000	2,000
Spouse	2,000	0
Sundry income	0	0

	2021 \$	2020 \$
Other Branches (Sundry income)		
Unemployed Branches	230	300
Other State of Victoria Branches	3	12
State of Victoria Branches	0	0
Other State of Victoria Branches	0	12
Total Branches	31	300

During the reporting period between the Victorian Branch and other branches or their related entities were no arm's length term and conditions and committed to 2020. The Victorian Branch received no other fees or other income from the Victorian Branch committee for 2020.

THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021 (cont'd)

11. Related Party Information (cont'd)

Amounts disclosed for 2020 and 2021 were re-evaluated from the previous period and payment to that effect was \$3,000 made in 2020.

Payments were made to former related parties.

Related party balances at year end

Amount re-evaluated upon balance sheet report date – after balance

	2021 \$	2020 \$
Amounts disclosed	3,320	1,000
Queensland Branch	-	-
NSW Branch	1,000	-
SA Branch	-	-
WA Branch	-	-
Former Services	-	-
	<u>12,000</u>	<u>1,000</u>
National Office		
Arrangements made to be made after year	1,000	3,000
Spending	2,000	0,000
Subsidies	1,000	0,300
Leases	2,000	-
Staff	20,000	2,200
Centre	0,000	2,000
Settlement	32,000	2,000
Member support expenditure	2,000	0,000
Staff	20	0,000
Staff	1,000	0,000
Receipts	1,000	1,000
Payments made	1,000	2,000
Arrangements made after year	<u>3,320</u>	<u>1,000</u>
Queensland Branch		
Arrangements made to be made after year	-	-
Staff	230	3,000
Payments made	230	300
Arrangements made after year	<u>-</u>	<u>-</u>
New South Wales Branch		
Arrangements made to be made after year	-	-
Staff	-	-
Receipts	-	-
Staff	1,000	1,100
Payments made	222	1,100
Arrangements made after year	<u>1,000</u>	<u>-</u>
South Australia Branch		
Arrangements made to be made after year	-	-
Staff	-	-
Payments made	-	-
Arrangements made after year	<u>-</u>	<u>-</u>

THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021 (cont'd)

11. Related Party Information (Cont'd)

	2021 \$	2020 \$
Western Australia Branch		
Outstanding amount due to the Union	0	0
Outstanding amount	0	1,000
Receipt	0	1,000
Outstanding amount	0	0
Payment made	0	0
Outstanding amount due to the Union	0	0
Tasmania Branch		
Outstanding amount due to the Union	0	0
Outstanding amount	310	300
Payment made	310	300
Outstanding amount due to the Union	0	0
Chifley Services Pty Ltd		
Outstanding amount due to the Union	0	0
Share	0	0
Outstanding amount	3,000	0
Commenced fee	2,000	2,112
Outstanding amount	2,200	2,313
Payment made	3,000	0
Receipt	2,313	2,000
Outstanding amount due to the Union	0	0

The Union has a bank balance of \$1,231,000 interest free and unsecured.

12. Donations

	2021 \$	2020 \$
Part of Part	0	100
Other	202	200
	202	300
Donations of \$1,000	233	102
Donations of \$1,000	111	301
	202	303

There were no contributions made by the Union in 2020.

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021 (cont'd)

13. Segment Reporting

The entity provides services to members employed in the manufacturing sector...

14. Union's Details

The principal place of business of the entity is:
Speyer Street
ST MARYS RD 3003

15. Financial Instruments

a. Financial Risk Management

The entity's financial instruments consist of deposits with banks, bills and securities, short term investments and payables.

The entity does not have any derivatives contracts at 30 June 2021 (2020 nil).

The purpose of the financial instruments is to manage the operations of the entity.

i Treasury Risk Management

The Branch committee meets on a regular basis to manage interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

ii Financial Risk

The main risks the entity is exposed to through its financial instruments are credit risk, interest rate risk and liquidity risk. The entity is not exposed to market risk or foreign exchange risk.

Liquidity Risk

The entity manages credit risk by monitoring interest rates and ensuring that adequate cash flows are maintained.

Credit Risk

The main exposure to credit risk is through the cash and other receivables. It is a policy of the entity to only trade with creditworthy counterparties and to monitor their credit ratings.

THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

**Notes to and Forming Part of the Financial Statements
for the Year Ended 30 June 2021**

15. Financial Instruments (cont'd)

Interest Rate Risk

The Union's exposure to interest rate risks and the effective interest rates of financial assets and liabilities both recognised and reclassified are as follows:

Financial Instruments	Floating Interest Rate		Fixed Interest Rate maturing in: less than 1 year		Fixed Interest Rate maturing in: 1 year or more		Non-Interest Bearing		Total Carrying Amount as per Statement of Financial Position		Weighted Average Effecting Interest Rate	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 %	2020 %
Cash and cash equivalents Receivable Other receivable Total	3,000,010	3,201,000						100	3,000,000	3,201,000	1.3	1.0
Debt Payable Other payable Total							30	1,111,002	30	1,111,002		
Total Net interest-bearing	3,000,010	3,201,000					30	2,889,000	3,000,000	3,000,000		

**Notes to and Forming Part of the Financial Statements
for the Year Ended 30 June 2021**

15. Financial Instruments (cont'd)

b. Net Fair Values

The net fair value of the Union's commercial bank deposits at 30 June 2021 is estimated at (2020: \$nil). The net fair value of the Union's other financial assets and financial liabilities are not expected to be significantly different from the carrying amounts and therefore are measured at carrying amounts in the statement of financial position as at 30 June 2021.

c. Sensitivity Analysis

Interest rate risk

The effect is performed on a sensitivity analysis relating to the exposure to interest rate risk at balance date. The sensitivity analysis demonstrates the effect of the correct period results and effect on the total result from a change in the rate.

Interest rate sensitivity analysis

At 30 June 2021 the effect on profit and equity of a 1% increase in interest rate on the interest-bearing items would be as follows:

	2021 \$	2020 \$
Change in profit		
Increase in interest rate by 2%	1000	1021
Decrease in interest rate by 2%	(1000)	(1021)
Change in equity		
Increase in interest rate by 2%	1000	1021
Decrease in interest rate by 2%	(1000)	(1021)

d. Past due receivables

There were no receivables past their due date at 30 June 2021 (2020: none) or any impairment provisions recorded.

**Notes to and Forming Part of the Financial Statements
for the Year Ended 30 June 2021**

16. Fair Value Measurement

The measurement and recognition of assets and liabilities at fair value is a recurring basis after initial recognition

- Measurement of fair value through profit or loss
- Measurement of assets and liabilities
- Recurring and non-recurring

The disclosure of fair value measurement is based on the classification of assets and liabilities at fair value as recurring or non-recurring

a. Fair Value Hierarchy

ASB 13 *Fair Value Measurement* requires the disclosure of the measurement basis used for the fair value measurement of assets and liabilities at fair value. The measurement basis used is determined by the measurement basis used for the asset or liability at the measurement date.

Level 1	Level 2	Level 3
Measurement based on quoted prices in an active market for identical assets or liabilities at the measurement date	Measurement based on inputs other than quoted prices in an active market for identical assets or liabilities that are observable for the asset or liability either directly or indirectly	Measurement based on inputs that are not observable for the asset or liability

The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. The valuation techniques used to measure the fair value of assets and liabilities are based on the observable market data and inputs required to measure the fair value of the asset or liability. Level 2 inputs are based on observable market data for the asset or liability, and Level 3 inputs are based on unobservable market data for the asset or liability.

Valuation techniques

The choice of valuation technique that is appropriate in the circumstances and the amount of data available to measure the fair value of assets and liabilities is determined primarily by the specific characteristics of the asset or liability being measured. The valuation techniques used are selected on the basis of one or more of the following considerations:

- *Market approach:* valuation techniques that use prices and other relevant information generated by market transactions or identical similar assets or liabilities
- *Income approach:* valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value
- *Cost approach:* valuation techniques that reflect the current replacement cost of an asset at its current service potential

When valuation techniques require inputs that reflect the assumptions that market participants would use to price the asset or liability, the assumptions used to measure the fair value of assets and liabilities are based on the assumptions that market participants would use to price the asset or liability. The assumptions used to measure the fair value of assets and liabilities are based on the assumptions that market participants would use to price the asset or liability. The assumptions used to measure the fair value of assets and liabilities are based on the assumptions that market participants would use to price the asset or liability.

THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

16. Fair Value Measurement (cont'd)

a. Fair Value Hierarchy (cont'd)

The following tables provide the fair values of the Union's assets and liabilities measured at the reporting date. The tables are presented in the order of increasing measurement reliability.

	30 June 2021			
Recurring fair value measurements	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Trade receivables				
Trade payables				
Other receivables		1,000		1,000
Total financial assets recognised		1,000		1,000
Non-financial assets				
Freehold land and buildings		2,113		2,113
Total non-financial assets recognised		2,113		2,113

	30 June 2020			
Recurring fair value measurements	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Trade receivables				
Trade payables				
Other receivables		1,000		1,000
Total financial assets recognised at fair value		1,000		1,000
Non-financial assets				
Freehold land and buildings		2,000		2,000
Total non-financial assets recognised at fair value		2,000		2,000

b. Valuation Techniques and Inputs Used to Measure Level 2 Fair Values

Description	Fair Value at 30 June 2021 \$	Valuation Technique(s)	Inputs Used
Trade receivables	1,000	Market approach using quoted market prices	Price per share market bid
Non-financial assets Freehold land and buildings	2,113	Market approach using recent comparable market data or similar properties appraised using discounted cash flow method	Price per square metre borrowing rate

**Notes to and Forming Part of the Financial Statements
for the Year Ended 30 June 2021**

16. Fair Value Measurement (cont'd)

c. Disclosed Fair Value Measurements

The assets and liabilities are not measured at fair value at the reporting date. However, the fair value of the assets and liabilities is determined at the reporting date.

- receivable and other debtors
- payable and other payable
- lease liability

The table provides the details of the assets and liabilities that are measured at fair value at the reporting date and a description of the valuation techniques used.

Description	Fair Value at Hierarchy Level	Valuation Technique(s)	Inputs Used
<i>Assets</i> receivable and other debtors	3	same approach as disclosed in the financial statements	Market interest rate or similar rates

Description	Fair Value at Hierarchy Level	Valuation Technique(s)	Inputs Used
<i>Liabilities</i> payable and other payable	3	same approach as disclosed in the financial statements	Market interest rate or similar rates
lease liability	2	same approach as disclosed in the financial statements	Direct commercial borrowings rate or similar rate

THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

17. Revenue

The table below sets out revenue and its components by source and type of customer

Source of Revenue:	2021 \$	2020 \$
Revenue from contracts with customers		
Member subscription	1,001,320	1,020,000
Revenue from reportable entities	200	0
Insurance brokerage commission	1,000	2,000
Sponsorship	0	3,000
Merchandise	300	1,000
	1,003,620	1,026,000
Revenue from furthering objectives		
Grant and/or donation	0	0
Training	12,000	100,000
Project	1,000	10,000
Other	0	2,000
	13,000	112,000
Other revenue		
Lease/rental	1,000,000	200,000
Interest	1,000	0
Other	1,000	2,000
	1,002,000	202,000
Total Revenue by Source	9,536,605	8,186,461
Type of Customer:		
Revenue from contracts with customers		
Member	1,002,210	1,020,202
Revenue from reportable entities	200	0
Other parties	1,000	0
	1,003,410	1,020,202
Revenue for furthering objectives		
Other	0	0
Other parties	13,000	112,000
	13,000	112,000
Other revenue		
Other parties	1,000,000	202,000
	1,000,000	202,000
Total Revenue by Customer Type	9,536,605	8,186,461
Total Revenue by Type of Customer		
Member	1,002,210	1,020,202
Reportable entities	200	0
Other	0	0
Other parties	3,333	200,000
	9,536,605	8,186,461

Revenue is measured at fair value less costs to incur. There are no significant changes in the measurement of revenue.

THE AUSTRALIAN WORKERS UNION - (Victorian Branch)

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

18. Affiliation Fees	2021 \$	2020 \$
Social and Trade Union Labour Unions	1,000	1,000
Business Related Trade Union Labour Unions	2,000	2,000
Construction Labour Party and other Branches	1,000	2,000
Other Trade Unions	1,000	1,000
Bed and Trade Unions	100	100
General and Related Trade Union Labour Unions	3,000	3,000
Service Trade Union Labour Unions	1,300	1,300
Apprentice Trade Union Labour Unions	1,000	1,000
Other and Border Trade Union Labour Unions	1,000	1,000
	<u>11,000</u>	<u>11,000</u>

19. Operating Commitments

Operating Lease Commitments – as lessee

The minimum lease equipment repayable under the lease agreement is payable at 30 June 2021.

The lease agreement is payable over the term of the lease. The lease term is 10 years but can be extended for up to 20 years. More than one year.

	11/2	11/2
	10/31	10/33
	<u>10/33</u>	<u>10/0</u>

20. Capital Commitments & Contingencies

At 30 June 2021 the entity has no capital commitments or contingencies.

21. Subsequent Events

No matter or arrangement was made since the end of the reporting period or matters that affect the operations of the Branch subsequent to the reporting period ended 30 June 2021.

22. Other Disclosures

The entity did not receive any support from any other reporting entity during the period and it provides no support in terms of financial support as a result of the reporting period as disclosed in the Statement of Profit and Loss. There were no expenses in relation to the annual meeting of members of the entity and no expenses or meetings of the committee, staff or other bodies of the entity during the reporting period.

The entity did not receive any support or benefit under Part 2 of Chapter 3 of the R of R or determined or reported by the Member of the R of R or other committees under section 2 of the R of R.

At the end of the reporting period 2021 (2020) 1,020/23 employees were employed in credit and other related to the entity. There were no employees in 2020 (1,000) and other matters 2021 (2020) 13. There were no paid employees or employer provided at the end of the reporting date 2020.

There were no employees or contractors employed or provided by the entity in 2020 (2020) except as recorded in the report. There were no parties paid in the R of R or Related matters in 2020.

No part of the entity's operations were administered by other reporting entities during the period.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE AUSTRALIAN WORKERS UNION
(VICTORIAN BRANCH)**

To the Members of the Australian Workers Union (Victorian Branch)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Australian Workers Union (Victorian Branch) which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss, the statement of comprehensive income, the statement of movements in equity and the statement of cash flows for the year ended 30 June 2021, notes to the financial statements and a summary of accounting policies, the Branch Certificate Statement for the Sub-Item 200/200 report and the Officer Declaration Statement.

Our opinion is based on the financial report prepared in accordance with the accounting policies of the Australian Workers Union (Victorian Branch) as at 30 June 2021 and the performance and the cash flows for the year ended on that date in accordance with

a) the Australian Accounting Standards

b) any other requirements imposed by the Report of the Auditor of Part 3 of Chapter 3 of the Corporations Act 2001 (the R Act)

We declare that the Branch Executive's are not the same order as in the preparation of the financial statements of the Australian Workers Union (Victorian Branch) in appropriate.

Basis for Opinion

We conducted our audit in accordance with the Australian Auditing Standards or requirements under those standards are further described in the Auditor's Responsibilities in the Auditor's Report section. Our reports are independent of the Report of the Auditor of the Australian Workers Union (Victorian Branch) and are prepared in accordance with the ethical requirements of the Accounting Professional and Standards Board (APAS 110 Code of Ethics for Professionals Accountants) the independence requirements are related to our audit of the financial report of the Australian Workers Union (Victorian Branch) in accordance with the Code.

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

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

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

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

We acknowledge that our audit of the financial report is our responsibility and to read the other information and to determine whether the other information is materially misstated in the financial report or our opinion is based on the other information obtained in the audit or otherwise appears to be materially misstated. However, we are not required to report that information if we do not have to report in the record.

**INDEPENDENT AUDIT REPORT
(Cont'd)**

Responsibilities of the Branch Executive for the Financial Report

The Branch Executive of the Branch is responsible for the preparation of the financial report that complies with the applicable accounting standards and the RMA's requirements. The Branch Executive determines the accounting policies used in the preparation of the financial report and is responsible for the accuracy of the financial report. The Branch Executive is also responsible for the disclosure of any material misstatements or errors in the financial report. The Branch Executive is also responsible for the disclosure of any material misstatements or errors in the financial report.

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is to obtain reasonable assurance about whether the financial report 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 the applicable auditing standards will detect all material misstatements. Misstatements can arise from fraud or error and are considered material if they could reasonably be expected to influence the economic decisions of users based on the financial report.

Our audit was conducted in accordance with the applicable auditing standards. The external procedures and methods prescribed in the auditing standards are the basis for our audit.

- identify and disclose the risk of material misstatement in the financial report that is due to fraud or error. We are responsible for the design and implementation of the audit procedures to address the risk of material misstatement. We are also responsible for the design and implementation of the audit procedures to address the risk of material misstatement.
- obtain an understanding of the reporting unit's internal control in order to design audit procedures that are appropriate in the circumstances. This is done for the purpose of assessing the effectiveness of the reporting unit's internal control.
- evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the Branch Executive.
- provide an opinion on the Branch Executive's use of the accounting standards. We are also responsible for the design and implementation of the audit procedures to address the risk of material misstatement. We are also responsible for the design and implementation of the audit procedures to address the risk of material misstatement.
- provide the appropriate representation letter and other information in the auditor's report. We are also responsible for the design and implementation of the audit procedures to address the risk of material misstatement.
- obtain sufficient appropriate audit evidence regarding the financial statements to support the opinion in the auditor's report. We are also responsible for the design and implementation of the audit procedures to address the risk of material misstatement.

**INDEPENDENT AUDIT REPORT
(Cont'd)**

We have examined the Balance Sheet and related information in the matter of the period ended 30 September 2021 and the audit and related information and the related disclosures in the financial statements that we identified during our audit.

Therefore, we are of the opinion that the financial statements are presented fairly in all material aspects.

Stannards Accountants and Advisors



Melanie B. Somers
Partner

Member of the
Dated 30 September 2021

Registered Company Auditor of the
Order of Chartered Professional Accountants
Approved Auditor of the Order of Chartered Accountants – 2011