

**NATIONAL UNION OF WORKERS, NSW BRANCH
A.B.N. 89 572 801 634
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2016**

Contents

Operating Report
Committee of Management Statement
Statement of Comprehensive Income
Statement of Financial Position
Statement of Changes in Equity
Cash Flows Statement
Notes to and Forming part of the Financial Statements
Independent Audit Report

**NATIONAL UNION OF WORKERS,
NEW SOUTH WALES BRANCH**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

The Committee of Management presents its report on the reporting unit for the financial year ended 30 June 2016.

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

The principal activities of the Branch were to improve the wages and working conditions of its members. This was undertaken through bargaining with employers, maintaining the content of modern awards and by appearing before industrial tribunals, principally the Fair Work Commission.

During the reporting period the Union made submissions to a number of public enquiries and either launched or fostered campaigns around issues of importance to its members and working men and women generally.

Decisions of the Branch Committee of Management were implemented in furtherance of the above during the reporting period.

No significant change occurred in the nature of those activities during the year.

The reporting unit has not undertaken any recovery of wages activity in the financial year.

Operating Result

The operating result of the Branch for the year ended 30 June 2016 was a consolidated loss of \$ 2,077,086 (2015: Surplus \$256,004). National Union of Workers, NSW Branch loss: \$511,980. National Training Group Pty Ltd loss: \$1,562,441. NUW Lawyers Pty Ltd loss: \$ 2,665. No provision for tax was necessary as the Branch is considered tax exempt.

Significant Changes in financial affairs

There was no significant change in the financial affairs of the Branch during the year with the exception of the findings of the Royal Commission as set out in Part 4 of Chapter 4 of the Royal Commission report.

Rights of Members to resign

All members have the right to resign from the Union in accordance with Rule 59 of the Union Rules (and section 174 of the Fair Work (Registered Organisations) Act 2009); namely by providing written notice addressed and delivered to the Secretary of the Branch, including via email.

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

No officers and/or members of the Branch are directors of the companies that are trustees of superannuation funds which require one or more of their directors to be a member of a registered organisation.

Number of members

The number of persons that were at the end of the financial year recorded in the register of members for sec. 230 of Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the Branch under sec. 244 of the Fair Work (Registered Organisations) Act 2009 was 12,029.

Number of employees

The number of persons who were at the end of the financial year employees of the Branch including both full-time and part-time employees measured on a full-time equivalent basis was twenty six (26)

FTE = 25.47

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

The names of the Branch Committee of Management (BCOM) in office at any time during or since the end of the financial year are:

Name	Position
Martin Cartwright	Secretary
Bruno Mendonca	Assistant Secretary
Marilyn Issanchon	Branch President
Jason Peter Perry	Branch Vice President
Derrick Belan	Branch Secretary (resigned 31 October 2015)
Wayne Ronald Meaney	Branch Assistant Secretary (resigned 29 January 2016)
John Eric Anderson	Trustee
Terry McQuillan	Trustee
Stefan Mueller	Trustee
Russel Gibbons	Committee Member
Patrick Luxford	Committee Member
Colin Minns	Committee Member
Sharon Morris	Committee Member
Lance Nicholson	Committee Member
Jeffery Pearling	Committee Member
Geoffrey Pearson	Committee Member
Suzanne Penetito	Committee Member
Sherelle Roberts	Committee Member
John Rowbotham	Committee Member
Guyen (Gavin) Yagci	Committee Member

All BCOM members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Remuneration and Disclosure

Under section 148A of the Fair Work (Registered Organisations) Act 2009 and Rule 14B of the Union's Rules, the two highest paid officers of the New South Wales Branch and their remuneration for the reporting period were

Name	Office	Total Remuneration
Martin Cartwright	Secretary	\$ 158,846.74
Bruno Mendonca	Assistant Secretary	\$ 145,187.00

The above relevant remuneration for each of the above offices includes the following:
annual leave and annual leave loading in accordance with Rule 68(d)
long service leave in accordance with Rule 69 (e)
a superannuation contribution in accordance with Rule 69

Additionally the above officers have an entitlement to paid parental leave and other leave that is regulated by the national Employment Standards.

Relevant non cash benefits provided to each paid officer during the reporting period were the provision of a maintained, registered and insured motor vehicle as well as salary continuance insurance.

The above officers, (along with non elected officers of the Union) are entitled to claim reimbursements associated with travel, meals and incidentals (both interstate and overseas) as well as attendance at conferences in accordance with the policy of the Union. As reimbursements these are not considered to be remuneration or non cash benefits.

The above officers are entitled to claim reimbursement of home telephone and internet access and to receive media and/or professional subscriptions in accordance with Union policy. These are not considered to be non cash benefits.

To the best of our knowledge and belief, no officer and employee of the entity is a superannuation fund trustee or a director of a company that is a superannuation fund trustee.

To the best of our knowledge and belief, the following officers and employees of the entity are directors of a company or member of a board:

Officer/Employee	Position	Company Name	Principal activities	Other Position not held
Craig Shannon	Director	National Training Group Pty Limited	Registered training organisation	Because he is an employee of the reporting unit
Craig Shannon	Member of Executive	Unions ACT	Peak body for trade unions in Canberra and the region	Nominated by the reporting unit
Craig Shannon	Board Member	Unions ACT Property Trust	Property Management	Nominated by Unions ACT
Craig Shannon	Director	Havelock Housing	Community Housing	Position <u>not</u> held because he is on reporting unit or by a peak council

No other disclosures as required under Rule 14B were made by officers for the reporting period.

The Union maintains a register of interests of all officers and observes procedures for dealing with conflicts of interests. There were no conflicts recorded or noted during the reporting period.

The salary, classification and staff and pay scale of all appointed officers and staff of the Union is as determined from time to time by Union's National Council in accordance with the Rules.

All officers in accordance with Rule 14D are required to undertake training approved by the General Manager of the Fair Work Commission by 29 December 2013 or within six months of assuming office. All officers have complied with this Rule. A register of participation in approved training is maintained by the Union.

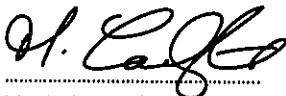
Costs associated with the delivery of the training and attendance is met by the Union.

Members wishing to obtain additional information or detail on any of these matters may do so by contacting the Union's office on 02 9682 4622 or by email - jlord@nuw.com.au

A copy of the Union's rules along with the additional material relevant to governance is available for download on the website - nuw.www.org.au/publicnotices

Prepared and signed for and on behalf of the Committee of Management:-

Date: 12 December 2016



.....
Martin Cartwright, New South Wales Branch Secretary

National Union of Workers, New South Wales Branch

COMMITTEE OF MANAGEMENT STATEMENT

On 9th December 2016 the Committee of Management of the National Union of Workers, New South Wales Branch passed the following resolution in relation to the general purpose financial report (GPFR), containing amendments to notes for the year ended 30 June 2016.

The Committee of Management declares in relation to the GPFR that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with the reporting guidelines of the General Manager
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate subject to the matters described in Note 2 to the accounts and raised in the qualified auditor's report;
- d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- e) during the financial year to which the GPFR relates and since the end of that year:
 - i) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - ii) the financial affairs of the National Union of Workers, New South Wales Branch have been kept and maintained in accordance with the rules of the organisation including the rules of the branch concerned subject to the matters raised in Note 2 to the accounts. We note that Martin Cartwright was appointed Branch Secretary on 29th January 2016 and is addressing the matters raised in that note; and
 - iii) the financial records of the National Union of Workers, New South Wales Branch have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009;
 - iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation;
 - v) where information has been sought in any request by a member of National Union of Workers, New South Wales Branch or General Manager duly made under section 272 of the Fair Work (Registered Organisations) Act 2009, that information has been furnished to the member or General Manager; and
 - vi) no orders for inspections of financial records by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 have been made.
 - vii) No revenue was derived from undertaking recovery of wages activity.

For Committee of Management: Martin Cartwright

Title of Office Held: Branch Secretary

Signature:



Date: 12-Dec-16

NATIONAL UNION OF WORKERS, NSW BRANCH
A.B.N. 89 572 801 634
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	CONSOLIDATED		PARENT	
		2016	2015	2016	2015
		\$	\$	\$	\$
REVENUE					
Membership Subscription		7,075,209	7,603,837	7,075,209	7,603,837
Dividends received		-	243	-	20,243
Interest received		82,048	97,353	80,651	87,742
Rental revenue		52,025	44,227	52,025	44,227
Profit on sale of asset		11,013	602	-	602
Sundry Income		23,799	1,661	20,252	480,792
TOTAL REVENUE		7,244,094	7,747,923	7,228,137	8,237,443
TOTAL INCOME					
Sales - National Training Group Pty Ltd		1,697,103	9,508,682	-	-
GST Adjustment - National Training Grp PL	-	991,881	-	-	-
Fees NUW Lawyers		18,018	-	-	-
TOTAL OTHER INCOME		723,240	9,508,682	-	-
TOTAL INCOME		7,967,334	17,256,605	7,228,137	8,237,443
EXPENSES					
Advertising		32,323	123,135	29,008	67,550
Affiliation fees		36,669	58,181	36,669	58,181
Apparel		15,625	41,717	15,625	41,717
Arbitration reports & awards		13,287	38,515	13,287	38,515
Accounting and audit fees	13	214,316	31,500	156,871	31,500
Bad debt written-off		24,077	5,000	-	5,000
Commissions		-	56,598	-	56,598
Computer expenses		64,548	85,121	64,549	85,121
Consultancy fees		54,614	254,299	54,614	38,889
Contractors		1,556,192	7,898,587	506	-
Delegates' fees & expenses		-	39,559	-	39,559
Depreciation	3B	371,111	406,036	347,745	383,178
Distress fund expenditure		6,909	345,833	6,909	345,833
Donations		88,905	24,071	88,906	24,071
Electricity		31,510	32,881	24,594	31,031
Employee expenses	3A	4,153,778	3,876,225	3,885,440	3,628,219
Federal Council sustentation fees		1,468,663	1,441,357	1,468,663	1,441,357
Federal IR Campaign		-	54,616	-	54,616
General expenses		394,873	541,304	326,532	328,474
Insurance		211,169	276,233	207,687	268,460
Interest paid		4,667	2,460	1,854	-
Legal expense		214,042	10,283	213,166	-
Net losses from sale of assets		22,221	-	22,221	-
Meeting expenses		210,094	157,305	210,094	157,305
Motor vehicle		153,294	163,537	150,131	156,718
Officer's travelling & other expenses		74,612	45,190	42,952	40,798
Postage		18,719	17,458	17,113	13,840
Printing & stationery		68,662	67,122	51,831	39,008
Prov Doubtful Debts		102,319	-	-	-
Rates		20,266	24,388	20,266	24,388
Rent		155,171	139,730	64,885	48,073
Repairs & maintenance		97,799	106,678	66,106	99,267

The accompanying notes form part of these financial statements

NATIONAL UNION OF WORKERS, NSW BRANCH
A.B.N. 89 572 801 634
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	CONSOLIDATED		PARENT	
		2016 \$	2015 \$	2016 \$	2015 \$
Security Services		42,881	1,580	42,881	1,580
Sponsorship		18,227	79,856	18,227	79,856
Staff training		9,760	28,224	9,760	24,524
Telephone		93,117	98,061	81,026	95,520
TOTAL EXPENSES		10,044,420	16,572,640	7,740,118	7,748,746
SURPLUS/-DEFICIT BEFORE TAX FOR		- 2,077,086	683,965	- 511,981	488,697
Income tax expense		-	177,810	-	-
SURPLUS/-DEFICIT AFTER TAX FOR		- 2,077,086	506,155	- 511,981	488,697
Non-Controlling Interest		- 800	6,829	-	-
SURPLUS/- DEFICIT FOR THE PERIOD		- 2,076,286	499,326	- 511,981	488,697
OTHER COMPREHENSIVE INCOME					
Gain/-loss on revaluation of assets		-	250,151	-	250,151
TOTAL COMPREHENSIVE INCOME		- 2,076,286	249,175	- 511,981	238,546
TOTAL COMPREHENSIVE INCOME					
Members of NUW (Parent Entity)		- 2,076,286	249,175	- 511,981	238,546
Non-controlling interest		- 800	6,829	-	-
TOTAL		- 2,077,086	256,004	- 511,981	238,546

The accompanying notes form part of these financial statements

NATIONAL UNION OF WORKERS, NSW BRANCH
A.B.N. 89 572 801 634
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2016

	Note	CONSOLIDATED		PARENT	
		2016	2015	2016	2015
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4	3,069,643	4,227,691	3,006,433	3,884,080
Trade and other receivables	5	647,598	805,815	1,013,824	849,752
TOTAL CURRENT ASSETS		<u>3,717,241</u>	<u>5,033,506</u>	<u>4,020,257</u>	<u>4,733,832</u>
NON-CURRENT ASSETS					
Land and buildings	7A	2,043,648	1,952,550	2,043,648	1,952,550
Property, plant & equipment	7C	722,343	745,600	686,955	670,751
Other investments	6	3,707	3,707	3,718	3,718
TOTAL NON-CURRENT ASSETS		<u>2,769,698</u>	<u>2,701,857</u>	<u>2,734,321</u>	<u>2,627,019</u>
TOTAL ASSETS		<u>6,486,939</u>	<u>7,735,363</u>	<u>6,754,578</u>	<u>7,360,851</u>
LIABILITIES					
CURRENT LIABILITIES					
Trade & other payables	8	1,791,243	844,296	655,390	604,260
Employee provisions	9A	352,421	251,597	352,421	251,597
TOTAL CURRENT LIABILITIES		<u>2,143,664</u>	<u>1,095,893</u>	<u>1,007,811</u>	<u>855,857</u>
NON-CURRENT LIABILITIES					
Employee provisions	9B	461,535	707,780	461,534	707,780
Chattel Mortgage	8A	27,136	-	-	-
TOTAL CURRENT LIABILITIES		<u>488,671</u>	<u>707,780</u>	<u>461,534</u>	<u>707,780</u>
TOTAL LIABILITIES		<u>2,632,335</u>	<u>1,803,673</u>	<u>1,469,345</u>	<u>1,563,637</u>
NET ASSETS		<u>3,854,604</u>	<u>5,931,690</u>	<u>5,285,233</u>	<u>5,797,214</u>
EQUITY					
General fund		3,665,600	5,734,977	5,121,661	5,626,733
Distress fund		163,572	170,481	163,572	170,481
Non-controlling interest		25,432	26,232	-	-
TOTAL EQUITY	10	<u>3,854,604</u>	<u>5,931,690</u>	<u>5,285,233</u>	<u>5,797,214</u>

The accompanying notes form part of these financial statements

NATIONAL UNION OF WORKERS, NSW BRANCH
A.B.N. 89 572 801 634
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

Consolidated	General funds \$	Members' distress funds \$	Non-controlling interest \$	Total equity \$
Balance as at 1 July 2014	5,330,063	326,219	24,404	5,680,686
Surplus/(deficit) for the year	655,065	- 155,738	6,828	506,155
Other comprehensive income for the year	- 250,151			- 250,151
Fully franked dividend paid			- 5,000	- 5,000
Closing balance as at 30 June 2015	<u>5,734,977</u>	<u>170,481</u>	<u>26,232</u>	<u>5,931,690</u>
Deficit for the year	- 2,069,377	- 6,909	- 800	- 2,077,086
Other comprehensive income for the year	-	-	-	-
Fully franked dividend paid	-	-	-	-
Closing balance as at 30 June 2016	<u>3,665,600</u>	<u>163,572</u>	<u>25,432</u>	<u>3,854,604</u>

Parent	General funds \$	Members' distress funds \$	Non-controlling interest \$	Total equity \$
Balance as at 1 July 2014	5,232,447	326,219	-	5,558,666
Surplus/(deficit) for the year	644,437	- 155,738	-	488,699
Other comprehensive income for the year	- 250,151	-	-	- 250,151
Fully franked dividend paid				-
Closing balance as at 30 June 2015	<u>5,626,733</u>	<u>170,481</u>	<u>-</u>	<u>5,797,214</u>
Deficit for the year	- 505,072	- 6,909	-	- 511,981
Other comprehensive income for the year				
Closing balance as at 30 June 2016	<u>5,121,661</u>	<u>163,572</u>	<u>-</u>	<u>5,285,233</u>

The accompanying notes form part of these financial statements

NATIONAL UNION OF WORKERS, NSW BRANCH
A.B.N. 89 572 801 634
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	CONSOLIDATED		PARENT	
		2016 \$	2015 \$	2016 \$	2015 \$
OPERATING ACTIVITIES					
<i>Cash received</i>					
Membership subscriptions		7,074,958	7,199,469	7,074,164	7,199,469
Interest received		82,048	97,353	80,651	87,921
Other Income received		1,791,197	9,457,001	73,321	545,262
<i>Cash used</i>					
Employees		- 4,188,185	- 3,830,390	- 3,919,847	- 3,279,700
Suppliers		- 5,464,298	- 12,227,212	- 3,708,667	- 4,185,877
Net cash from/(used by) operating activities	11B	- 704,280	696,221	- 400,378	367,075
INVESTING ACTIVITIES					
<i>Cash received</i>					
Proceeds for sale of motor vehicles		68,500	23,900	45,000	28,500
<i>Cash used</i>					
Purchase of property, plant & equipment		- 522,268	- 124,367	- 522,269	- 31,789
Payments for investments		-	-	-	7
Net cash from/(used by) investing activities		- 453,768	- 100,467	- 477,269	- 3,296
FINANCING ACTIVITIES					
<i>Cash used</i>					
Dividends paid		-	- 5,000	-	-
Net cash from/(used by) financing activities		-	- 5,000	-	-
Net increase/(decrease) in cash held		- 1,158,048	590,754	- 877,647	363,779
Cash & cash equivalent at the beginning of the reporting year		4,227,691	3,636,937	3,884,080	3,520,301
Cash & cash equivalent at the end of the reporting year	11A	3,069,643	4,227,691	3,006,433	3,884,080

NATIONAL UNION OF WORKERS, NSW BRANCH
A.B.N. 89 572 801 634
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1 Summary of Significant Accounting Policies

The principal place of business for the National Union of Workers, NSW Branch is 1 Bridge St, Granville NSW. The business operates in one segment being the support of its members within NSW.

1.1 Basis of Preparation of the Financial Report

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

The following specific accounting policies, which are consistent with the previous unless otherwise stated, have been adopted in the preparation of this report:

The financial report has been prepared on the basis of historical costs and does not take into account changing money values or, except where otherwise stated, current valuations of non-current assets.

1.2 Comparative amounts

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year information and other disclosures.

1.3 Significant Accounting Judgements and Estimates

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

1.4 New Australian Accounting Standards

Adoption of the new Australian Accounting Standards requirements

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

The accounting policies adopted are consistent with those of the previous financial year.

Future Australian Accounting Standards Requirements

No new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on the Union.

NATIONAL UNION OF WORKERS, NSW BRANCH
A.B.N. 89 572 801 634
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1.5 Revenue

Revenue from member subscriptions are accounted for on a cash receipts basis. Otherwise the concept of accruals accounting has been adopted in the preparation of the financial report.

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

Interest revenue and dividend revenue are recognised when received.

1.6 Employee benefits

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

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

Other long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Union in respect of services provided by employees up to reporting date.

1.7 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

1.8 Financial instruments

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

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

NATIONAL UNION OF WORKERS, NSW BRANCH
A.B.N. 89 572 801 634
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1.9 Financial assets

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

Fair value through profit or loss

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

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

Held-to maturity investments

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

Available-for-sale

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

Loan and receivables

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

NATIONAL UNION OF WORKERS, NSW BRANCH
A.B.N. 89 572 801 634
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment.

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

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash

flows, discounted at the financial asset's original effective interest rate.

Derecognition of financial assets

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

1.10 Contingent Liabilities and Contingent Assets

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

Contingent liabilities exist in relation to matters of litigation involving the Union, and which have not been resolved at the date of adoption of these accounts. All such matters are being vigorously defended by the Union and no provision has been made in the accounts for such matters.

The Union may also be liable for costs in respect of certain legal matters but it is not possible to assess the amount of such costs, and accordingly, no provision for same had been made in the accounts.

NATIONAL UNION OF WORKERS, NSW BRANCH
A.B.N. 89 572 801 634
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1.1 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

Purchase of land, buildings, plant & equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost if dismantling and removing the item and restoring the site on which it is located.

Revaluations - Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulation depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revaluated amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current or current and future reporting periods, as appropriate.

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

	2016	2015
Land & buildings	40 years 3 to 20 years	40 years 3 to 20 years

Derecognition

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

NATIONAL UNION OF WORKERS, NSW BRANCH
A.B.N. 89 572 801 634
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1.1 Impairment of non-financial assets

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

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

1.1 Taxation

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

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

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

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

2 Contingent Assets

The Royal Commission into Trade Union Governance and Corruption sought access to some of NUW (NSW)'s financial records and issued summons to a number of officer holders and staff. The Royal Commission's hearing into NUW (NSW) have concluded and its findings issued.

During the hearings, it became apparent that NUW (NSW) may have been defrauded by some of its officers and staff with at least one staff member admitting to unauthorised credit card use. NUW (NSW) are investigating these omissions and allegations and intend on seeking recovery of misappropriated funds.

Two of former officeholders and staff have been charged by the police and cases are anticipated to be before the court in 2017/18. The amounts involved total approximately \$1.3 million.

The Union's former I.T provider has also been charged by the Police with fraud. The outcome of the charge and any potential claim cannot be quantified at the date of this report. A receivable in relation to the monies involved has not been raised in the accounts as its recoverability cannot be assured beyond reasonable doubt. Should the action be decided in favour of the Union.

NATIONAL UNION OF WORKERS, NSW BRANCH
A.B.N. 89 572 801 634
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	CONSOLIDATED		PARENT	
	2016	2015	2016	2015
	\$	\$	\$	\$
3A Expenses				
Employee expenses				
The total in the Statement of comprehensive income includes a component for redundancies and are made up as follows:				
Holders of Office:				
Wages and salaries	1,987,663	1,606,816	1,987,663	1,606,816
Superannuation	249,202	282,975	249,202	282,975
Leave and other entitlements	- 15,255	8,680	- 15,255	8,680
Separation and redundancies	185,438	-	185,438	-
Other employee expenses	85,604	161,227	85,604	161,227
Subtotal employee expenses holders of office	2,492,652	2,059,698	2,492,652	2,059,698
Employees other than office holders:				
Wages and salaries - NUW	1,078,446	1,135,299	1,078,446	1,135,299
Wages and salaries - NTG	246,231	226,527	-	-
Superannuation - NUW	165,382	226,011	165,382	226,011
Superannuation - NTG	22,107	21,479	-	-
Leave and other entitlements	- 130,166	37,155	- 130,166	37,155
Separation and redundancies	78,777	51,022	78,777	51,022
Other employee expenses	200,349	119,035	200,349	119,035
Subtotal employee expenses employee other than office holders	1,661,126	1,816,528	1,392,788	1,568,522
Total employee expenses	4,153,778	3,876,226	3,885,440	3,628,220
3B Depreciation & amortisation				
Depreciation				
Buildings & improvements	32,675	47,449	32,675	47,449
Property, plant and equipment	259,635	282,486	236,269	259,628
Total depreciation	292,310	329,935	268,944	307,077
Amortisation				
Intangibles - Software	78,801	76,101	78,801	76,101
Total amortisation	78,801	76,101	78,801	76,101
Total depreciation and amortisation	371,111	406,036	347,745	383,178

NATIONAL UNION OF WORKERS, NSW BRANCH
A.B.N. 89 572 801 634
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	CONSOLIDATED		PARENT	
	2016	2015	2016	2015
	\$	\$	\$	\$
4 Cash & cash equivalents				
Cash at bank (members equity - LSL)	-	342,996	-	342,996
Cash at bank (CBA CMT)	114	417	114	417
Cash at bank (Cheuqe Account)	177,449	692,560	177,449	692,560
Cash at bank (NTG)	48,816	85,824	-	-
Cash at bank (NUWL)	12,605	-	-	-
Cash at bank (Members Equity - at call)	2,827,770	2,847,007	2,827,770	2,847,007
Trust Account - NTG	-	9	-	-
Saver Account - NTG	1,713	250,400	-	-
Cash on hand	1,185	1,187	1,100	1,100
	<u>3,069,643</u>	<u>4,227,691</u>	<u>3,006,433</u>	<u>3,884,080</u>
5 Trade & Other Receivables				
Accrued Interest				
Prepayments	47,190	96,956	47,190	96,956
Accounts Receivable	585,130	495,105	578,035	495,105
Sundry Loans etc	15,278	-	388,599	-
Sundry debtors	-	213,754	-	257,691
	<u>647,598</u>	<u>805,815</u>	<u>1,013,824</u>	<u>849,752</u>
6 Financial Assets				
Non-current				
<i>Shares, listed companies, at fair value</i>				
Insurance Australia Group Limited	3,482	3,482	3,482	3,482
<i>Shares, unlisted companies, at cost</i>				
Trade Union Medical Centre	225	225	225	225
<i>Shares, unlisted companies, at fair value</i>				
Manic Times Pty Ltd*				
National Training Group Pty Ltd	-	-	4	4
NUW Lawyers Pty Ltd	-	-	7	7
	<u>3,707</u>	<u>3,707</u>	<u>3,718</u>	<u>3,718</u>

NATIONAL UNION OF WORKERS, NSW BRANCH
A.B.N. 89 572 801 634
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	CONSOLIDATED		PARENT	
	2016	2015	2016	2015
	\$	\$	\$	\$
7 Non-Current Assets				
7A Land & Buildings				
Buildings & Improvements, at cost	2,595,340	2,471,567	2,595,340	2,471,567
Less: accumulated depreciation	- 986,512	- 953,837	- 986,512	- 953,837
	<u>1,608,828</u>	<u>1,517,730</u>	<u>1,608,828</u>	<u>1,517,730</u>
Land, at value	434,820	434,820	434,820	434,820
Total Land & Buildings, at value	<u>2,043,648</u>	<u>1,952,550</u>	<u>2,043,648</u>	<u>1,952,550</u>

Reconciliation of the Opening and Closing Balances of Land and Building

As at 1 July

Gross book value	2,906,389	2,906,389	2,906,389	2,906,389
Less: Accumulated depreciation and impairment	- 953,839	- 906,389	- 953,839	- 906,389
Net book value 1 July	<u>1,952,550</u>	<u>2,000,000</u>	<u>1,952,550</u>	<u>2,000,000</u>
Additions	123,773		123,773	
Revaluations				
Depreciation expense	- 32,675	- 47,450	- 32,675	- 47,450
Net book value 30 June	<u>2,043,648</u>	<u>1,952,550</u>	<u>2,043,648</u>	<u>1,952,550</u>

Net book value as of 30 June represented by:

Gross book value	3,030,160	2,906,389	3,030,160	2,906,389
Less: Accumulated depreciation and impairment	- 986,512	- 953,839	- 986,512	- 953,839
Net book value 30 June	<u>2,043,648</u>	<u>1,952,550</u>	<u>2,043,648</u>	<u>1,952,550</u>

NATIONAL UNION OF WORKERS, NSW BRANCH
A.B.N. 89 572 801 634
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	CONSOLIDATED		PARENT	
	2016	2015	2016	2015
	\$	\$	\$	\$
7B Plant & Equipment				
Motor Vehicles				
Motor vehicles, at cost	906,127	988,163	857,744	914,222
Less: accumulated depreciation	- 390,167	- 509,995	- 362,392	- 490,145
Total Motor Vehicles	<u>515,960</u>	<u>478,168</u>	<u>495,352</u>	<u>424,077</u>
Office Furniture & Fittings				
Furniture & fittings, at cost	788,504	725,866	762,921	700,284
Less: accumulated depreciation	- 657,770	- 612,884	- 646,966	- 608,060
Total Office Furniture & Fittings	<u>130,735</u>	<u>112,982</u>	<u>115,955</u>	<u>92,224</u>
Total Plant & Equipment	<u>646,695</u>	<u>591,150</u>	<u>611,307</u>	<u>516,301</u>

Reconciliation of the Opening and Closing Balances of Plant and Equipment

As at 1 July				
Gross book value	1,714,029	1,628,967	1,614,506	1,622,017
Less: Accumulated depreciation and impairment	- 1,122,879	- 845,596	- 1,098,205	- 843,780
Net book value 1 July	<u>591,150</u>	<u>783,371</u>	<u>516,301</u>	<u>778,237</u>
Additions	459,178	113,562	459,178	20,989
Depreciation expense	- 259,635	- 282,485	- 236,269	- 259,627
Disposals	- 143,998	- 23,298	- 127,903	- 23,298
Net book value 30 June	<u>646,695</u>	<u>591,150</u>	<u>611,307</u>	<u>516,301</u>
Net book value as of 30 June represented by:				
Gross book value	1,694,066	1,714,029	1,620,664	1,614,506
Less: Accumulated depreciation and impairment	- 1,047,371	- 1,122,879	- 1,009,358	- 1,098,205
Net book value 30 June	<u>646,695</u>	<u>591,150</u>	<u>611,307</u>	<u>516,301</u>

NATIONAL UNION OF WORKERS, NSW BRANCH
A.B.N. 89 572 801 634
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	CONSOLIDATED		PARENT	
	2016	2015	2016	2015
	\$	\$	\$	\$
7C Intangibles				
Computer software				
Internally developed	315,206	315,206	315,206	315,206
Less: accumulated amortisation	- 239,557	- 160,756	- 239,557	- 160,756
Total Computer software	<u>75,649</u>	<u>154,450</u>	<u>75,649</u>	<u>154,450</u>
<i>Reconciliation of the Opening and Closing Balances of Intangibles</i>				
As at 1 July				
Gross book value	315,205	304,405	315,205	304,405
Less: Accumulated amortisation and impairment	- 160,755	- 84,655	- 160,755	- 84,655
Net book value 1 July	<u>154,450</u>	<u>219,750</u>	<u>154,450</u>	<u>219,750</u>
Additions		10,800		10,800
Amortisation		- 76,100		- 76,100
Net book value 30 June	<u>154,450</u>	<u>154,450</u>	<u>154,450</u>	<u>154,450</u>
Net book value as of 30 June represented by:				
Gross book value	315,205	315,205	315,205	315,205
Less: Accumulated amortisation and impairment	- 239,557	- 160,755	- 239,557	- 160,755
Net book value 30 June	<u>75,648</u>	<u>154,450</u>	<u>75,648</u>	<u>154,450</u>
Total Plant & Equipment (7B & 7C)	722,343	745,600	686,955	670,751
8 Trade & Other Payables				
Sundry Creditors & Accruals	521,208	499,332	373,708	259,296
Other Creditor - National Office	12,049	135,722	12,049	135,722
GST Payable	1,257,987	209,242	269,633	209,242
	<u>1,791,243</u>	<u>844,296</u>	<u>655,390</u>	<u>604,260</u>
8A Finance Arrangements				
Chattel Mortgage	27,136	-	-	-
	<u>27,136</u>	<u>-</u>	<u>-</u>	<u>-</u>

NATIONAL UNION OF WORKERS, NSW BRANCH
A.B.N. 89 572 801 634
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	CONSOLIDATED		PARENT	
	2016	2015	2016	2015
	\$	\$	\$	\$
9 Employee Provisions				
9A Provisions - Current Liabilities				
Office Holders				
Annual Leave	169,064	135,203	169,064	135,203
	<u>169,064</u>	<u>135,203</u>	<u>169,064</u>	<u>135,203</u>
Employee other than Office Holders				
Annual Leave	183,357	116,394	183,357	116,394
	<u>183,357</u>	<u>116,394</u>	<u>183,357</u>	<u>116,394</u>
Total	<u>352,421</u>	<u>251,597</u>	<u>352,421</u>	<u>251,597</u>
9B Provisions - Non-current Liabilities				
Office Holders				
Long service leave	136,226	473,913	136,226	473,913
	<u>136,226</u>	<u>473,913</u>	<u>136,226</u>	<u>473,913</u>
Employee other than Office Holders				
Long service leave	325,308	233,867	325,308	233,867
	<u>325,308</u>	<u>233,867</u>	<u>325,308</u>	<u>233,867</u>
Total	<u>461,534</u>	<u>707,780</u>	<u>461,534</u>	<u>707,780</u>
Total Provisions	<u>813,955</u>	<u>959,377</u>	<u>813,955</u>	<u>959,377</u>
10 Equity				
General funds				
Balance as at start of year	5,734,978	5,330,059	5,626,733	5,232,447
Transferred to reserve		404,919		394,286
Transferred out of reserve	- 2,069,378		- 505,072	
Balance as at end of year	<u>3,665,600</u>	<u>5,734,978</u>	<u>5,121,661</u>	<u>5,626,733</u>
Distress fund				
Balance as at start of year				
Transferred to reserve	170,481	326,219	170,481	326,219
Transferred out of reserve	- 6,909	- 155,738	- 6,909	- 155,738
Balance as at end of year	<u>163,572</u>	<u>170,481</u>	<u>163,572</u>	<u>170,481</u>
Total Reserves attributable to NUW	<u>3,829,172</u>	<u>5,905,459</u>	<u>5,285,233</u>	<u>5,797,214</u>

NATIONAL UNION OF WORKERS, NSW BRANCH
A.B.N. 89 572 801 634
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	CONSOLIDATED		PARENT	
	2016	2015	2016	2015
	\$	\$	\$	\$
11 Cash Flows				
11A Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement				
Cash and cash equivalents				
Cash at bank (Members Equity - LSL)	177,449.02	342,996	177,449.02	342,996
Cash at bank (CBA CMT)	113.90	417	113.90	417
Cash at bank (Cheque Account)	-	692,560	-	692,560
Cash at bank (NTG)	48,815.67	85,824	-	-
Cash at bank (Members Equity - at call)	2,827,770.24	2,847,007	2,827,770.24	2,847,007
Trust Account (NTG)	-9.10	7,300	-	-
Saver (NTG)	1,713.03	250,400	-	-
Cash at Bank (NUWL)	12,605.14	-	-	-
Cash on hand	1,185.00	1,187	1,100	1,100
	<u>3,069,643</u>	<u>4,227,691</u>	<u>3,006,433</u>	<u>3,884,080</u>
11B Reconciliation of surplus/(deficit) to net cash from operating activities				
Net comprehensive income	- 2,077,086	256,004	- 511,981	238,543
Adjustments for non-cash items				
Depreciation	371,111	406,036	347,745	383,178
Asset revaluation movements	-	250,151	-	250,151
Bad debts written off	126,397	-	-	5,000
Gain(Loss) on disposal of assets	- 11,208	- 602	22,221	- 602
Changes in assets/liabilities				
(Increase)/decrease in net receivables	8,185	- 595,989	- 213,839	- 659,743
(Increase)/decrease in prepayments	49,467	- 9,532	49,767	- 9,533
Increase/(decrease) in other payables	974,275	344,318	51,130	118,835
Increase/(decrease) in employee	- 145,421	45,835	- 145,421	41,246
Increase/Decrease Plant & Equipment	-	-	-	-
Net cash from/(used by) operating activities	<u>- 704,280</u>	<u>696,221</u>	<u>- 400,378</u>	<u>367,075</u>

NATIONAL UNION OF WORKERS, NSW BRANCH
A.B.N. 89 572 801 634
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	CONSOLIDATED		PARENT	
	2016	2015	2016	2015
	\$	\$	\$	\$

12 Related Party Disclosures

12A Related Party Transactions for the Reporting Period

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

During the year ended 30 June 2016, The Union sold six cars, some of which were to certain family members of key management personnel. All cars were sold at amounts based on independent valuations from Peter Warren Motors Warwick Farm.

12B Key Management Personnel Remuneration for the Reporting Period

Short-term employee benefits

Salary (including annual leave taken)	1,451,105	1,606,816	1,204,874	1,606,816
Annual leave accrued	169,064	135,203	169,064	135,203
Total short-term employee benefits	1,620,170	1,742,019	1,373,938	1,742,019

Post-employment benefits:

Superannuation	148,792	282,975	126,684	282,975
Total post-employment benefits	148,792	282,975	126,684	282,975

Other long-term benefits:

Long service leave	136,226	473,913	136,226	473,913
Total other long-term benefits:	136,226	473,913	136,226	473,913

Total	285,018	756,888	262,910	756,888
--------------	----------------	----------------	----------------	----------------

13 Remuneration of Auditors

Value of the services provided

Financial statement audit services	40,555	22,000	25,555	22,000
Other services	-	9,500	-	9,500
Total remuneration of auditors	40,555	31,500	25,555	31,500

NATIONAL UNION OF WORKERS, NSW BRANCH
A.B.N. 89 572 801 634
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

14 Notice to Members

Subsection 272(5) of the *Fair Work (Registered Organisations) Act 2009* requires the accounts to include a copy of subsection 272(1), 272(2) & 272(3) as follows:

272 Information to be provided to members or General Manager of Fair Work Australia

(1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specific prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under Section (1).

Note: This subsection is a civil penalty provision (see section 305)

15 Controlled Entities

National Union of Workers owns 100% of interest in National Training Group Pty Ltd (NTG) (A.B.N. 62 149 171 264, established on 7 February 2011). This ownership was reflected in the consolidated financial statements in 2014 for the first time.

National Union of Workers owns 70% of interest in NUW Lawyers Pty Ltd. (A.B.N. 79 606 309 415, established on 9 June 2015).

Subsidiaries	Country of Incorporation	Percentages Owned (%)
National Training Group Pty Ltd (audited)	Australia	100
NUW Lawyers Pty Ltd (unaudited)	Australia	70

The financial statements of NUW Lawyers Pty Ltd were compiled by Chan and Naylor and were not subject to audit.

The accounts disclose a small loss for the year ended 30th June 2016 and the result is not material in the context of the overall consolidated net loss for the 2016 year.

Consolidation

The financial results of the abovenamed subsidiary companies have been consolidated as a group as required by Australian Accounting Standards. National Training Group Pty Ltd (NTG) recorded a net loss for the year of \$1,562,441 after providing for the outcome of GST audit by the Australian Taxation Office of \$991,881.

NTG have lodged an objection to the assessment with the ATO. The outcome of which was not decided at the date of this report. There is significant uncertainty NTG will be able to continue as a going concern and will likely be wound up. The Union, as a shareholder of NTG, will not be liable for the ATO debt if the Company has shortfall in funds to pay creditors in any liquidation.

NATIONAL UNION OF WORKERS, NSW BRANCH
A.B.N. 89 572 801 634
STATEMENT OF COMPREHENSIVE INCOME (GENERAL FUND)
FOR THE YEAR ENDED 30 JUNE 2016

	Note	CONSOLIDATED		PARENT	
		2016	2015	2016	2015
		\$	\$	\$	\$
REVENUE					
Membership Subscription		7,075,209	7,413,742	7,075,209	7,603,837
Dividends received		-	243	-	20,243
Interest received		82,048	97,353	80,651	87,742
Rental revenue		52,025	44,227	52,025	44,227
Profit on sale of asset		11,013	602	-	602
Sundry income		23,799	1,661	20,252	480,792
TOTAL REVENUE		7,244,093	7,557,828	7,228,136	8,237,443
OTHER INCOME					
Sales - National Training		1,697,104	9,508,682	-	-
GST Adjustment - National Training Grp PL	-	991,881	-	-	-
Fees NUW Lawyers		18,018	-	-	-
TOTAL OTHER INCOME		723,241	9,508,682	-	-
TOTAL INCOME		7,967,334	17,066,510	7,228,136	8,237,443
EXPENSES					
Advertising		32,323	123,135	29,008	67,550
Affiliation fees		36,669	58,181	36,669	58,181
Apparel		15,625	41,717	15,625	41,717
Arbitration reports & awards		13,287	38,515	13,287	38,515
Accounting and audit fees	13	214,316	31,500	156,871	31,500
Bad debt written-off		24,077	5,000	-	5,000
Commissions		-	56,598	-	56,598
Computer expenses		64,548	85,121	64,549	85,121
Consultancy fees		54,614	254,299	54,614	38,889
Contractors		1,556,192	7,898,587	506	39,559
Delegate's fees & expenses		-	39,559	-	383,178
Depreciation	3B	371,111	406,036	347,745	24,071
Donations		88,905	24,071	88,905	31,031
Electricity		31,510	32,881	24,594	3,628,219
Employee expenses	3A	4,153,779	3,876,225	3,885,440	1,441,357
Federal Council sustentation fees		1,468,663	1,441,357	1,468,663	54,616
Federal IR Campaign		-	54,616	-	340,755
General expenses		394,874	541,304	326,532	268,462
Insurance		211,169	276,233	207,687	-
Interest paid		4,667	2,460	1,854	-
Legal expense		214,042	10,283	213,166	-
Net losses from sales of assets		22,221	-	22,221	-
Meeting expenses		210,094	157,305	210,094	157,305
Motor vehicle		153,293	163,537	150,131	156,718
Officer's travelling & other expenses		74,612	45,190	42,952	40,798
Postage		18,719	17,458	17,113	13,840
Printing & stationery		68,662	67,122	51,831	39,008
Provision for Doubtful Debts		102,319	-	-	-
Rates		20,266	24,388	20,266	24,388
Rent		155,170	139,730	64,885	48,073
Repairs & maintenance		97,798	106,678	66,105	99,267
Security Services		42,881	1,580	42,881	1,580

NATIONAL UNION OF WORKERS, NSW BRANCH
A.B.N. 89 572 801 634
STATEMENT OF COMPREHENSIVE INCOME (GENERAL FUND)
FOR THE YEAR ENDED 30 JUNE 2016

	Note	CONSOLIDATED		PARENT	
		2016	2015	2016	2015
		\$	\$	\$	\$
Sponsorship		18,227	79,856	18,227	79,856
Staff training		9,760	28,224	9,760	24,524
Telephone		93,116	98,061	81,025	95,520
TOTAL EXPENSES		10,037,511	16,226,807	7,733,208	7,415,196
SURPLUS/-DEFICIT BEFORE		- 2,070,177	839,703	- 505,072	822,247
Income tax expense		-	- 177,810	-	- 177,810
SURPLUS/-DEFICIT AFTER		- 2,070,177	661,893	- 505,072	644,437
Non-Controlling Interest		- 800	6,829		
SURPLUS/-DEFICIT FOR THE		- 2,069,377	655,064	- 505,072	644,437
OTHER COMPREHENSIVE					
Gain on revaluation of assets		-	250,151	-	250,151
TOTAL COMPREHENSIVE		- 2,069,377	404,913	- 505,072	394,286
TOTAL COMPREHENSIVE					
Members of NUW (Parent)		- 2,069,377	404,913	- 505,072	394,286
Non-controlling interest		- 800	6,829		
TOTAL		- 2,070,177	411,742	- 505,072	394,286

Not subject to audit

NATIONAL UNION OF WORKERS, NSW BRANCH
A.B.N. 89 572 801 634
STATEMENT OF COMPREHENSIVE INCOME (DISTRESS FUND)
FOR THE YEAR ENDED 30 JUNE 2016

	Note	CONSOLIDATED		PARENT	
		2016 \$	2015 \$	2016 \$	2015 \$
Income					
Membership Contribution		-	190,095	-	190,095
Total income		<u>-</u>	<u>190,095</u>	<u>-</u>	<u>190,095</u>
Expenses					
Distress Fund Expenditure		6,909	345,833	6,909	345,833
Total expenses		<u>6,909</u>	<u>345,833</u>	<u>6,909</u>	<u>345,833</u>
Total comprehensive income		<u>-</u>	<u>155,738</u>	<u>-</u>	<u>155,738</u>

Not subject to audit

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF NATIONAL UNION OF WORKERS NSW BRANCH**

ABN: 89 572 8014 634

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the accompanying financial report of National Union of Workers NSW Branch which comprises the Statement of Financial Position as at 30 June 2016, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, the recovery of wages activity, the designated officer's certificate and the Committee of Management Statement.

Basis for Qualified Opinion

Following the conclusion of the Royal Commissions hearing and subsequent findings into the National Union of Workers - New South Wales Branch. It became apparent that internal fraud may have occurred by certain officers and staff of the Union. The irregularities mainly centred around the misuse of union credit cards, payroll, and EFT fraud (refer Note 2 to the Accounts).

The Union is pursuing legal action to recover the monies lost as a result of the defalcations. A receivable in relation to the monies involved has not been raised in the accounts as its recoverability cannot be assured beyond reasonable doubt.

Qualification by Auditor of subsidiary National Training Group Pty Ltd

As a result of matters raised in Note 1 to the financial statements – Going Concern and Note 2 – Events after the reporting period there is significant uncertainty that the Company will be able to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary when the liquidation takes place.

The fraudulent activity referred to in Note 2 may have continued over a period of time during which we were not auditors this being the first year of our appointment. For this reason we also qualify our opinion in relation to opening balances presented in the report.

Our audit was limited to confirmation of the assets and liabilities disclosed in the Balance Sheet. Due to the matters raised in Note 2 to the accounts no assurance is given with regard to the system of internal control in place, which appears not to have been operating effectively.

Committee of Management's Responsibility for the Financial Report

The Committee of management are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australia Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, the Fair Work (registered Organisation) Act 2009 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Conroy Audit & Advisory

Principal: David Conroy FCA

ABN: 95 373 401 379

Liability limited by a scheme approved under Professional Standards Legislation.



Address:

Level 2/154 Elizabeth Street
Sydney NSW 2000

T: 02 9267 9227

F: 02 9261 3384

E: d.conroy@bryanrush.com.au

Auditors' responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of APES110 - Code of Ethics for professional Accountants.

Audit opinion

As part of the audit of the financial statement, we have concluded that management's use of going concern basis of accounting in the preparation of the reporting unit's financial statement is appropriate.

In our opinion, except for the effects of the matters described in the basis for qualified opinion section of our report, the financial report of National Union of Workers NSW Branch gives a true and fair view of the Union's financial position as at 30 June 2016 and of its performance for the year ended on that date and is presented fairly in accordance with

- (a) Australian Accounting Standards
- (b) any other of the requirements imposed by the Reporting Guidelines for the purposes of Section 253 or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

In accordance with the Reporting Guidelines for the purposes of section 253, the following declarations are made in reference to the Auditor, Mr. David Conroy

Is a Registered Company Auditor (approved auditor).

Is a member of the Institute of Chartered Accountants in Australia and holds a current Public Practice Certificate.

Conroy Audit & Advisory



Principal: David Conroy FCA

Address: Level 2, 154 Elizabeth St Sydney NSW 2000

Dated : 12 December 2016