

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

ABN: 95 571 805 442

Financial Statements

For the Year Ended 31 December 2023

**New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities
Union**

ABN: 95 571 805 442

Contents

For the Year Ended 31 December 2023

	Page
Financial Statements	
State Executive's Certificate	1
Accounting Officer's Certificate	2
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Detailed Profit and Loss Account	25
Independent Audit Report	27

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

ABN: 95 571 805 442

State Executive's Certificate

We, SHARON SEWELL and DAVID CRAWFORD, being two members of the State Executive of the New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union, do state on behalf of the State Executive, and in accordance with a resolution passed by the State Executive that:

- i. In the opinion of the State Executive, the attached financial report shows a true and fair view of the financial affairs of the Union as at 31 December 2023.
- ii. In the opinion of the State Executive, meetings of the Executive were held during the year ended 31 December 2023, in accordance with the rules of the Union.
- iii. To the knowledge of any member of the State Executive, there have been no instances where records of the Union or other documents (not being documents containing information made available to a member of the Union under Sub-Section 512 (2) of the Industrial Relations Act, 1991 as applied by Sub-Section 282(3) of the Industrial Relations Act, 1996), or copies of those records or documents, or copies of the rules of the Union, have not been furnished, or made available to members in accordance with the requirements of the Industrial Relations Act, 1991, the Regulations thereto, or the rules of the Union.
- iv. The Union has complied with Sub-Sections 517(1) and (5) of the Industrial Relations Act, 1991, in relation to the financial report in respect of the year ended 31 December 2023 and the Auditors' Report, thereon.

President

Sharon Sewell

Treasurer

David Crawford

Dated

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

ABN: 95 571 805 442


Accounting Officer's Certificate
31 December 2023

I, GRAEME KELLY, being the Officer responsible for keeping the accounting records of the New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union, certify that as at 31 December 2023, the number of members of the Union was 29,203.

In my opinion:

- i. The attached financial report shows a true and fair view of the financial affairs of the Union as at 31 December 2023.
- ii. A record has been kept of all monies paid by or collected from members, by duly authorised representatives of the Union and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the rules of the Union.
- iii. Approval for expenditure incurred by the Union, was obtained in accordance with the rules of the Union.
- iv. With regard to funds of the Union raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated.
- v. No loans or other financial benefits, other than remuneration in respect of their full time employment with the Union, were made to persons holding office in the Union.
- vi. The register of members of the Union was maintained in accordance with the Industrial Relations Act, 1996.

General Secretary


Graeme Kelly

Dated

Bentleys Sydney Audit Pty Ltd

Level 14, 60 Margaret Street
Sydney NSW 2000
Australia

ABN 11 644 751 753
ACN 644 751 753

T +61 2 9220 0700
F +61 2 9220 0777

bentleys.com.au

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

ABN: 95 571 806 442

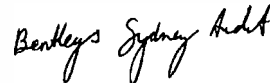
Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of New South Wales Local Government, Clerical, Administrative, Airlines & Utilities Union

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Michael Payne
Director
Sydney



Bentleys Sydney Audit Pty Ltd
Chartered Accountants

Dated: 1 July 2024

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

ABN: 95 571 805 442

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2023

		2023	2022
	Note	\$	\$
Income	5	16,578,735	15,959,225
Marketing expenses		(200,254)	(205,283)
Administrative expenses		(5,706,078)	(5,656,371)
Employee expenses		(8,683,843)	(8,007,473)
Depreciation		(874,603)	(897,557)
Finance lease expenses		(232,528)	(105,252)
Operating surplus for the year - General fund		881,429	1,087,289
Surplus on disposal of fixed assets		244,510	75,117
(Loss) on disposal of fair value assets - realised		-	(291,972)
Surplus for the year		1,125,939	870,434
Other comprehensive income for the year			
Net increase / (decrease) in fair value assets		632,143	(1,030,536)
Total comprehensive income/(loss) for the year		1,758,082	(160,102)

The accompanying notes form part of these financial statements.

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

ABN: 95 571 805 442

**Statement of Financial Position
As At 31 December 2023**

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	3,431,063	3,877,225
Trade and other receivables	7	442,234	387,401
Other financial assets	12	33,395,478	30,563,906
TOTAL CURRENT ASSETS		<u>37,268,775</u>	<u>34,828,532</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	8,033,583	8,511,432
Right-of-use assets	9	137,719	216,735
TOTAL NON-CURRENT ASSETS		<u>8,171,302</u>	<u>8,728,167</u>
TOTAL ASSETS		<u>45,440,077</u>	<u>43,556,699</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	666,330	728,156
Lease liabilities	9	80,722	78,835
Employee benefits	11	4,640,581	4,393,463
TOTAL CURRENT LIABILITIES		<u>5,387,633</u>	<u>5,200,454</u>
NON-CURRENT LIABILITIES			
Lease liabilities	9	61,487	142,173
Employee benefits	11	23,783	4,980
TOTAL NON-CURRENT LIABILITIES		<u>85,270</u>	<u>147,153</u>
TOTAL LIABILITIES		<u>5,472,903</u>	<u>5,347,607</u>
NET ASSETS		<u>39,967,174</u>	<u>38,209,092</u>
ACCUMULATED FUNDS AND RESERVES			
Fair Value through Other Comprehensive Income Investment Reserve		584,215	(47,928)
Accumulated funds		39,382,959	38,257,020
TOTAL ACCUMULATED FUNDS AND RESERVES		<u>39,967,174</u>	<u>38,209,092</u>

The accompanying notes form part of these financial statements.

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

ABN: 95 571 805 442

Statement of Changes in Equity
For the Year Ended 31 December 2023

2023

	Accumulated Funds	Fair Value Through Other Comprehensive Income Reserve	Total
	\$	\$	\$
Balance at 1 January 2023	38,257,020	(47,928)	38,209,092
Surplus for the year	1,125,939	-	1,125,939
Fair value through other comprehensive income assets	-	632,143	632,143
Balance at 31 December 2023	39,382,959	584,215	39,967,174

2022

	Accumulated Funds	Fair Value Through Other Comprehensive Income Reserve	Total
	\$	\$	\$
Balance at 1 January 2022	37,386,586	982,608	38,369,194
Surplus for the year	870,434	-	870,434
Fair value through other comprehensive income assets	-	(1,030,536)	(1,030,536)
Balance at 31 December 2022	38,257,020	(47,928)	38,209,092

The accompanying notes form part of these financial statements.

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

ABN: 95 571 805 442

Statement of Cash Flows
For the Year Ended 31 December 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Contributions and levies from members	15,383,855	15,205,001
Receipts from customers	934,639	473,883
Payments to suppliers and employees	(15,900,556)	(15,534,356)
Interest received	545,757	518,525
Rent received	98,723	99,911
Other receipts	340,759	741,129
Finance costs	(232,528)	(5,849)
Dividends received	35,215	-
Net cash provided by operating activities	19 <u>1,205,864</u>	<u>1,498,244</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment to acquire property, plant and equipment	(145,167)	(572,570)
Proceeds from the disposal of property, plant and equipment	71,939	145,330
Payment for investments	(10,000,000)	(1,474,950)
Receipts from sale of investments	8,500,000	1,440,500
Net cash used in investing activities	<u>(1,573,228)</u>	<u>(461,690)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Lease payments on ROU assets	<u>(78,798)</u>	<u>(73,590)</u>
Net cash provided by/(used in) financing activities	<u>(78,798)</u>	<u>(73,590)</u>
Net increase/(decrease) in cash and cash equivalents held	(446,162)	962,964
Cash and cash equivalents at beginning of year	<u>3,877,225</u>	<u>2,914,261</u>
Cash and cash equivalents at end of financial year	6 <u><u>3,431,063</u></u>	<u><u>3,877,225</u></u>

The accompanying notes form part of these financial statements.

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

ABN: 95 571 805 442

Notes to the Financial Statements

For the Year Ended 31 December 2023

The financial report is a general purpose financial report - simplified disclosures that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations and the New South Wales Industrial Relations Act 1996.

The functional and presentation currency of New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial report is for the entity New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union, as an individual entity ("the Union"). The New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union is an organisation registered under the New South Wales Industrial Relations Act, 1996. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union is not subject to the Corporations Act 2001.

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Material accounting policy information relating to the preparation of these financial statements are presented below, and are consistent with prior reporting periods unless otherwise stated.

2 Material Accounting Policy Information

(a) Revenue and other income

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer. The Union recognises revenue when it transfers control over a good or services to a customer. Each of New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union's activities are discussed below.

Contributions and Government Grants are accounted for on a cash receipts basis. Otherwise, the concept of accruals accounting has been adopted in the preparation of the financial statements.

Distributions from managed funds are recognised as income when declared and are then reinvested.

Interest is accounted for on an accruals basis.

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

(b) Income tax

No provision for Income Tax is necessary as the Union is exempt from Income Tax under Section 50 - 15 of the Income Tax Assessment Act 1997. The Union still has an obligation for Fringe Benefit Tax (FBT) and the Goods and Services Tax (GST).

Notes to the Financial Statements

For the Year Ended 31 December 2023

2 Material Accounting Policy Information (continued)

(c) Capitation fees and levies

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

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment in value.

Freehold land and buildings are measured on a cost basis.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the asset.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

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

Fixed asset class	Depreciation rate
Buildings	2.5%
Motor Vehicles	22.5%
Office Furniture and Equipment	5% - 33.33%
ROU Assets	2%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the statement of comprehensive income in the year that the item is disposed of.

(e) Impairment of non-financial assets

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in the statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. For the purpose of assessing value in use of assets not held primarily to generate cash, this represents depreciated current replacement cost, as the Union is a not-for-profit organisation.

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

ABN: 95 571 805 442

Notes to the Financial Statements

For the Year Ended 31 December 2023

2 Material Accounting Policy Information (continued)

(f) Employee benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on-costs.

Other employee benefits payable later than one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. In the case of Long Service Leave this results in an amount not materially different to that achieved by discounting future cash flows.

Employee benefits are presented as current liabilities in the statement of financial position if the Union does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Contributions are made by the Union to employee superannuation funds and are charged as expenses when incurred.

(g) Goods and Services Tax

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

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(h) Investments

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date, which is the date on which the entity commits to purchase, or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

Fair Value Through Other Comprehensive Income Assets

Investments, which are classified as Fair Value through Other Comprehensive Income, are measured at fair value. Unrealised gains or losses on these investments are recognised directly to equity in the Fair Value Through Other Comprehensive Income Investment Reserve until the investment is sold or until, based on objective evidence, a Fair Value Through Other Comprehensive Income financial asset is determined to be impaired at which time the cumulative gain or loss previously reported for that asset is included in the statement of comprehensive income.

Receivables

Receivables are non-derivative financial assets with a fixed or determinable payment that are not quoted on an active market. They are recognised at amortised cost.

Collectability of receivables is assessed on an ongoing basis. Receivables which are known to be uncollectable are written off. An allowance is made for doubtful debts where there is objective evidence (such as significant financial difficulty or delay in payment) that the Union will not be able to collect all amounts according to original terms.

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

ABN: 95 571 805 442

Notes to the Financial Statements For the Year Ended 31 December 2023

2 Material Accounting Policy Information (continued)

(h) Investments (continued)

Riverside Resort @Port

The assets and liabilities and the income and expenses of the Riverside Resort in Port Macquarie have been disclosed on a consolidated basis in the financial statements. Refer to Note 22 for further details.

(i) Cash

Cash and cash equivalents comprise cash on hand, cash at bank and deposits held at-call with bank.

(j) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Union has decided against early adoption of these Standards.

(k) New Accounting Standards Adopted by the Union

The Union has adopted all standards effective for the first time at 31 December 2023. The adoption of these has not caused any material adjustments to the reported financial position, performance or cash flow of the Union.

(l) Right of Use Asset

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

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

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

3 Information to be provided to members or registrar

In accordance with the requirements of the Industrial Relations Act, 1991 (NSW), the attention of members is drawn to the provisions of sub-sections (1) and (2) of section 512 which read as follows:

- 1) A member of an organisation, or the Industrial Registrar, may apply to the organisation for specified information prescribed by the regulations in relation to the organisation.
- 2) An organisation must, on the making of such an application, make the specified information available to the member or the Industrial Registrar in the manner, and within the time, prescribed by the regulations.

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

ABN: 95 571 805 442

Notes to the Financial Statements For the Year Ended 31 December 2023

4 Accounting Estimates and Judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Critical accounting estimates and assumptions

The Union makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

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

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

b) Critical judgements in applying the Union's accounting principles

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

ABN: 95 571 805 442

**Notes to the Financial Statements
For the Year Ended 31 December 2023**

5 Other Revenue and Income

Revenue from continuing operations

	2023	2022
	\$	\$
Revenue from members		
- contributions	14,040,156	13,822,728
	14,040,156	13,822,728
Revenue from other sources		
- Accommodation	537,745	430,803
- distribution from financial assets	4,614	109,771
- dividends	262,198	219,235
- training income	1,846	5,831
- interest	1,013,591	527,365
- picnic income	310,660	172,165
- rent	98,723	99,911
- superannuation Directors's fees	62,487	18,533
- sundry income	246,715	552,883
	2,538,579	2,136,497
Total Revenue	16,578,735	15,959,225

6 Cash and Cash Equivalents

Cash on hand	1,700	1,700
Cash at bank	1,086,705	1,788,188
Cash held by branches	533,413	150,282
Cash held by Riverside resort	1,809,245	1,937,055
Total cash and cash equivalents	3,431,063	3,877,225

7 Trade and Other Receivables

CURRENT		
Trade receivables	38,544	42,392
Prepayments	397,270	338,710
Sundry debtors	1,577	1,577
Sundry debtors - Riverside resort	4,843	4,722
Total current trade and other receivables	442,234	387,401

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

ABN: 95 571 805 442

Notes to the Financial Statements

For the Year Ended 31 December 2023

8 Property, Plant and Equipment

	2023	2022
	\$	\$
<u>Land and Buildings</u>		
Level 7, 321 Pitt St. Sydney	2,438,147	2,438,147
Level 8, 321 Pitt St. Sydney	1,916,120	1,916,120
Levels 7 & 8, 321 Pitt St Sydney -Building Improvements	746,635	746,635
1, 2 & 3/100 Market St. Wollongong	359,524	359,524
1/157 Gordon St Port Macquarie	-	94,697
Shops 11 & 12, 142 William St Bathurst	95,934	95,934
55-61 Prince St Grafton	61,804	61,804
2/46 Church St Dubbo	180,558	180,558
7/56 Fitzmaurice St, Wagga Wagga	60,638	60,638
1/100 Market St. Wollongong	400,930	400,930
Riverside Resort – Port Macquarie	5,114,488	5,114,488
125 Racecourse Road, Rutherford	1,245,717	1,229,354
	12,620,495	12,698,829
Accumulated depreciation	(6,105,910)	(5,855,411)
Total land and buildings	6,514,585	6,843,418
<u>Plant and equipment</u>		
Capital works in progress		
At cost	418,713	385,566
Total capital works in progress	418,713	385,566
Office furniture and equipment		
At cost	3,172,615	2,925,280
Accumulated depreciation	(2,583,831)	(2,366,939)
Total office furniture and equipment	588,784	558,341
Motor vehicles		
At cost	1,735,831	1,841,978
Accumulated depreciation	(1,224,330)	(1,117,871)
Total motor vehicles	511,501	724,107
Total plant and equipment	1,518,998	1,668,014
Total property, plant and equipment	8,033,583	8,511,432

During 2021, the land and buildings owned by the Union were valued by an independent valuer. The fair value of the properties was determined to be between \$80,000 and \$5,000,000 (depending on how the properties are parcelled). The total fair value of all properties was \$21,845,000. Fair values are determined by the valuer using market information, including prices for similar properties in comparable locations. The next valuation is due to take place in 2024.

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

ABN: 95 571 805 442

**Notes to the Financial Statements
For the Year Ended 31 December 2023**

8 Property, Plant and Equipment (continued)
Movements in carrying amounts of property, plant and equipment

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

	Land and Buildings	Office Furniture and Equipment	Motor Vehicles	Capital Works in Progress	Total
	\$	\$	\$	\$	\$
Year ended 31 December 2023					
Balance at the beginning of year	6,843,418	558,341	724,107	385,566	8,511,432
Additions	16,364	247,335	92,831	33,147	389,677
Disposals	(45,857)	-	(26,082)	-	(71,939)
Depreciation expense	(299,340)	(216,892)	(279,355)	-	(795,587)
Balance at the end of the year	6,514,585	588,784	511,501	418,713	8,033,583

	Land and Buildings	Office Furniture and Equipment	Motor Vehicles	Capital Works in Progress	Total
	\$	\$	\$	\$	\$
Year ended 31 December 2022					
Balance at the beginning of year	7,209,656	542,358	693,649	385,566	8,831,229
Additions	2,860	246,694	504,755	-	754,309
Disposals	(69,515)	(21,904)	(160,532)	-	(251,951)
Depreciation expense	(299,583)	(208,807)	(313,765)	-	(822,155)
Balance at the end of the year	6,843,418	558,341	724,107	385,566	8,511,432

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

ABN: 95 571 805 442

**Notes to the Financial Statements
For the Year Ended 31 December 2023**

9 Leases

Union as a lessee

The Union has leases over office equipment.

Terms and conditions of leases

The Union leases office equipment for Sydney and regional offices. The leases are generally between 4-5 years and some of the leases include a renewal option to allow the Union to renew the lease.

Right-of-use assets

	Plant and Equipment	Total
	\$	\$
Year ended 31 December 2023		
Balance at beginning of year	358,941	358,941
Accumulated depreciation at beginning of year	(142,206)	(142,206)
Depreciation charge in the year	(79,016)	(79,016)
Balance at end of year	<u>137,719</u>	<u>137,719</u>
	Plant and Equipment	Total
	\$	\$
Year ended 31 December 2022		
Balance at beginning of year	358,941	358,941
Depreciation charge	(142,206)	(142,206)
Balance at end of year	<u>216,735</u>	<u>216,735</u>

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$	\$
2023					
Lease liabilities	83,262	63,157	-	146,419	142,209
2022					
Lease liabilities	83,262	146,419	-	229,681	221,008

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

ABN: 95 571 805 442

**Notes to the Financial Statements
For the Year Ended 31 December 2023**

10 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
GST payable	232,326	205,532
Sundry Creditors - Riverside Resort	75,559	72,026
Sundry Creditors and Accruals	358,445	450,598
	<u>666,330</u>	<u>728,156</u>

11 Employee Benefits

Current liabilities		
Provision for long service leave	2,233,624	2,135,455
Provision for sick leave	1,469,568	1,364,948
Provision for annual leave	937,389	893,060
	<u>4,640,581</u>	<u>4,393,463</u>
Non-current liabilities		
Provision for long service leave	23,783	4,980
	<u>23,783</u>	<u>4,980</u>

12 Other Financial Assets

Investment General Fund	30,486,422	27,855,673
Long Service Leave Fund	2,323,905	2,267,521
Mortality Fund	310,610	308,651
Other investments	274,541	132,061
	<u>33,395,478</u>	<u>30,563,906</u>

Investments - General Fund Current

Cash and cash equivalents

Cash deposits	564,487	3,407,379
Term deposits	16,065,842	9,442,359

Assets at fair value through other comprehensive income

Shares in listed companies (at fair value)	5,312,650	4,831,979
Managed funds (at fair value)	1,035,943	963,156
Investments in bonds (at fair value)	7,507,500	9,210,800

Total	<u>30,486,422</u>	<u>27,855,673</u>
--------------	-------------------	-------------------

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

ABN: 95 571 805 442

Notes to the Financial Statements

For the Year Ended 31 December 2023

13 Auditors' Remuneration

	2023	2022
	\$	\$
Remuneration of the auditor Bentleys Sydney Audit Pty Ltd, for:)		
- auditing the financial statements	65,000	62,000
- taxation services	-	953
- assistance with the financial statements	4,000	-
Total	69,000	62,953

14 Salaries - Officers and Staff

Elected Officers	220,817	213,829
Officials	4,439,720	4,099,749
Administration Staff	1,819,581	1,792,032
Riverside Resort Staff	343,580	318,823
Total	6,823,698	6,424,433

15 Reserves

Fair value through other comprehensive income investment reserve		
Opening Balance	(47,928)	982,608
Change in fair value during the year	632,143	(1,030,536)
Balance at end of the year	584,215	(47,928)

16 Superannuation

Employees of the Union are entitled to benefits from superannuation plans on retirement, disability or death. The Union participated in four employer sponsored superannuation plans, one of which, the Local Government Superannuation Scheme is a defined benefit plan. The Scheme has advised that the assets and liabilities of the Union's employees are pooled with those of other employers. The Scheme has further advised that it is impractical to separate employers without additional cost to the employer. As a consequence the Union has elected to take the exemption allowed under AASB 119 and treat the Scheme for financial reporting purposes as a defined contribution scheme.

The other superannuation plans are defined contribution plans. The benefits provided under these plans are based on accumulated contributions and earnings for each employee. The Union's liability is limited to paying the contributions to the plans.

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

ABN: 95 571 805 442

Notes to the Financial Statements For the Year Ended 31 December 2023

17 Related Parties

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

- a) The aggregate amount of remuneration paid to officers during the financial year is disclosed in the Financial Report at Note 14.
- b) The aggregate amount paid during the financial year to a superannuation plan in respect of elected full-time officers is \$21,145 (2022: \$18,841).
- c) There have been no other transactions between the officers and the Union other than those relating to their membership of the Union and the reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

18 Financial Risk Management

(a) General objectives, policies and processes

The Union is exposed to risks that arise from its use of financial instruments.

There have been no substantive changes in the Union's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Union's financial instruments consist mainly of deposits with banks, local money market instruments, investments, trade receivables and payables. The main risks the Union is exposed to through its financial instruments are credit risk, liquidity risk and market risk (interest rate risk, other price risk and foreign currency risk).

The State Executive has overall responsibility for the determination of the Union's risk management objectives and policies and whilst retaining ultimate responsibility for them, the State Executive makes investment decisions after considering advice received from advisors.

	2023	2022
	\$	\$
Financial assets		
Held at amortised cost		
Cash	3,431,063	3,877,225
Cash deposits	21,942,979	17,684,552
General investments and term deposits	8,543,443	10,177,396
Other investments	2,909,055	2,708,233
Trade and other receivables	43,387	47,114
Total financial assets	36,869,927	34,494,520
Financial liabilities		
Trade and other payables	(666,335)	(806,992)
Lease liabilities	(142,208)	(221,007)
Total financial liabilities	(808,543)	(1,027,999)
Net financial assets	36,061,384	33,466,521

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

ABN: 95 571 805 442

Notes to the Financial Statements

For the Year Ended 31 December 2023

19 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2023	2022
	\$	\$
Profit for the year	1,125,938	870,434
Non-cash flows in profit:		
- depreciation	795,587	822,155
- depreciation on ROU assets	79,016	75,402
- net gain on disposal of property, plant and equipment	(244,510)	(75,117)
- loss on sale of investments	-	291,972
- dividend income	(226,983)	-
- other income	(472,448)	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(54,833)	(42,392)
- (increase)/decrease in other debtors	-	(71,572)
- (increase)/decrease in investments - Equity accounted	-	(343,199)
- (increase)/decrease in other assets	-	102,791
- increase/(decrease) in trade and other payables	(61,824)	(142,761)
- increase/(decrease) in provisions	265,921	-
- increase/(decrease) in employee benefits	-	10,531
Cashflows from operations	<u>1,205,864</u>	<u>1,498,244</u>

20 Events Occurring After the Reporting Date

The financial report was authorised for issue on _____ by the board of directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations, or the state of affairs of the Union in future financial years.

21 Contingencies

In the opinion of the Directors, the Union did not have any contingencies at 31 December 2023 (31 December 2022:None).

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

ABN: 95 571 805 442

Notes to the Financial Statements
For the Year Ended 31 December 2023

22 Riverside Resort

	2023	2022
	\$	\$
Statement of Financial Position		
Assets		
Current assets		
Cash and cash equivalents	1,809,245	1,937,055
Prepayments	14,698	-
Receivables	4,843	4,722
Total current assets	1,828,786	1,941,777
Non-current assets		
Land and buildings (at cost)	5,114,488	5,114,488
Less accumulated depreciation	(2,383,350)	(2,247,022)
Equipment (at cost)	340,875	328,173
Less accumulated depreciation	(154,710)	(114,658)
Capital work in progress	418,713	385,566
Total non-current assets	3,336,016	3,466,547
Total Assets	5,164,802	5,408,324
Liabilities		
Current liabilities		
Provision for annual leave	43,652	44,717
Other payables	71,901	72,026
Related party borrowings	4,219,242	4,217,996
Total current liabilities	4,334,795	4,334,739
Non-current liabilities		
Provision for sick leave & long service leave	27,587	27,816
Total Liabilities	4,362,382	4,362,555
Net assets/(liabilities)	802,420	1,045,769

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

ABN: 95 571 805 442

Notes to the Financial Statements
For the Year Ended 31 December 2023

22 Riverside Resort (continued)

	2023	2022
	\$	\$
Statement of Profit or Loss and Other Comprehensive Income		
Income		
Accommodation and rent	570,845	463,903
Interest	185	198
Sundry income	-	304,718
Laundry commission and linen	789	1,059
	<hr/>	<hr/>
Total income	571,819	769,878
Expenditure		
Depreciation	(176,379)	(172,164)
Employee benefits expense		
Annual, sick leave and long service leave	1,293	(28,385)
Salaries - staff	(343,581)	(318,823)
Superannuation	(36,908)	(32,618)
	<hr/>	<hr/>
	(379,196)	(379,826)
Other expenses		
Austar	(8,663)	(8,663)
Bank charges	(4,829)	(4,009)
Catering (motel)	(3,134)	(1,991)
Domestic supplies	(21,120)	(22,111)
Electricity and gas	(31,819)	(27,297)
Land tax	(66,946)	(67,386)
Payroll tax	(18,725)	(16,277)
Printing, stationary and advertising	(208)	(297)
Rates and taxes (council and water)	(38,788)	(41,796)
Repairs, replacements and maintenance	(42,416)	(28,484)
Sundries and other expenditure	(16,502)	(15,310)
Telephone	(6,622)	(7,262)
	<hr/>	<hr/>
	(259,772)	(240,883)
	<hr/>	<hr/>
Total expenditure	(815,347)	(792,873)
	<hr/>	<hr/>
Total operating (deficit) for the year	(243,528)	(22,995)

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

ABN: 95 571 805 442

**Notes to the Financial Statements
For the Year Ended 31 December 2023**

22 Riverside Resort (continued)

Statement of cash flows for the year ended 31 December 2023

	2023	2022
	\$	\$
Cash flows from operating activities		
Receipts from customers	576,087	478,358
Payments to suppliers and employees	(692,759)	(780,989)
Interest received	185	198
Rent received	33,100	33,100
Other receipts and insurance proceeds	-	304,719
	<hr/>	<hr/>
Net cash provided by / (utilised in) operating activities	(83,387)	35,386
Cash flow from investing activities		
Payments for Property, Plant and Equipment	(45,849)	(113,343)
Movement in reserves	1,426	-
	<hr/>	<hr/>
Net cash provided by / (used in) investing activities	(44,423)	(113,343)
Cash flow from financing activities		
Receipts from related parties	-	38,844
	<hr/>	<hr/>
Net increase in cash held	(127,810)	(39,113)
Cash and cash equivalents at beginning of financial year	1,937,055	1,976,168
	<hr/>	<hr/>
Cash and cash equivalents at end of financial year	1,809,245	1,937,055
	<hr/> <hr/>	<hr/> <hr/>
Reconciliation of cash flow from operating activities with net (deficit) / surplus		
Net (deficit) / surplus	(243,529)	(22,995)
Non-cash flows in net surplus/(deficit)		
Depreciation	176,379	172,164
Changes in assets and liabilities		
(Increase)/decrease in debtors	(14,819)	39,688
(Decrease)/increase in employee entitlements provision	(1,293)	28,385
(Decrease) in creditors & accruals	(126)	(181,856)
	<hr/>	<hr/>
	(83,388)	35,386
	<hr/> <hr/>	<hr/> <hr/>

**New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities
Union**

ABN: 95 571 805 442

**Notes to the Financial Statements
For the Year Ended 31 December 2023**

23 Statutory Information

The registered office and principal place of business of the Union is:

Level 7
321 Pitt Street
Sydney NSW 2000

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

ABN: 95 571 805 442

For the Year Ended 31 December 2023

Detailed Profit and Loss Account

	2023	2022
	\$	\$
Income		
Contributions	14,040,156	13,822,728
Superannuation Directors' Fees	62,487	18,533
Training income	1,846	5,831
Interest income	1,013,591	527,365
Distributions from financial assets	4,614	109,771
Dividend income	262,198	219,235
Rental income	98,723	99,911
Accommodation	537,745	430,803
Sundry income	246,715	552,883
Picnic income	310,660	172,165
Total income	16,578,735	15,959,225
Less: Expenses		
General administration expenses	421,890	431,227
Advertising	2,261	29,677
Affiliation fees	453,282	503,038
Annual conference expenses	405,615	432,426
Capitation fees	883,246	924,915
Delegates, executive and organising expenses	887,375	695,681
Donations	33,336	311,545
Training	45,450	31,920
Employee assistance expenses	18,154	26,460
Honoraria	120,404	133,841
Legal and professional fees	12,670	93,143
Mortality benefits	87,136	47,727
OH&S expenses	33,743	36,084
Property expenses	300,889	337,122
Picnic expenses	132,961	70,817
Union magazine	143,891	144,223
Women's committee and conference expenses	28,577	12,443
Youth committee expenses	4,212	-
Auditors remuneration	71,821	62,953
Computer expenses	330,947	262,568
Depreciation expense	874,603	897,557
Electricity & water	100,572	92,227
Attendance allowance - other organisations	1,047	252
Hire - Other	28,461	-
Insurance	226,328	163,058
Land tax	125,493	127,582
Finance leases	232,528	105,252
Marketing and promotion	200,254	205,283
Motor vehicle expenses	475,263	379,722
Postage	117,535	126,296

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

ABN: 95 571 805 442

For the Year Ended 31 December 2023

Detailed Profit and Loss Account

	2023	2022
	\$	\$
Printing and stationery	81,491	57,353
Salaries - Officers and staff	6,823,698	6,424,432
Sick leave	199,718	130,981
Annual leave	122,045	80,375
Fringe benefits tax	128,913	122,366
Employment sundry	9,883	17,111
Superannuation contributions	803,550	737,480
Long service leave	213,709	151,184
Payroll tax	382,327	343,544
Telephones (including mobiles)	132,028	122,071
Total Expenses	15,697,306	14,871,936
Operating surplus for the year - General fund	881,429	1,087,289
Other items:		
(Loss) on disposal of fair value assets - realised	-	(291,972)
Surplus on disposal of fixed assets	244,510	75,117
Surplus for the year	1,125,939	870,434
Other comprehensive income for the year		
Net increase / (decrease) in fair value assets	632,143	(1,030,536)
Total comprehensive income for the year	1,758,082	(160,102)

Independent Audit Report to the members of New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union ('the Union'), which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in accumulated funds and reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the State Executive's certificate and accounting officer's certificate.

In our opinion, the financial report of the Union is in accordance with Australian Accounting Standards and the Industrial Relations Act 1996:

- i. giving a true and fair view of the entity's financial position as at 31 December 2023 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards – Simplified Disclosure and the Industrial Relations Act 1996.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Union in accordance with the Industrial Relations Act 1996 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The State Executive and General Secretary are responsible for the other information. The other information comprises the information included in the Union's annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the State Executive and General Secretary for the financial report

The State Executive and the General Secretary of the Union are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Industrial Relations Act 1996* and for such internal control as the State Executive and General Secretary determines is necessary to enable the preparation of financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the State Executive and General Secretary are responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Union or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

We identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the State Executive and General Secretary.

We conclude on the appropriateness of State Executive and General Secretary's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Union to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

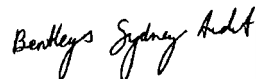
We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

We communicate with the State Executive and General Secretary regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the State Executive and General Secretary with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Michael Payne
Director
Sydney



Bentleys Sydney Audit Pty Ltd
Chartered Accountants

Date: 3 July 2024