



Fair Work
Commission

4 January 2024

Angus McFarland

Branch Secretary

Australian Municipal, Administrative, Clerical and Services Union-New South Wales and ACT (Services) Branch

Sent via email: angus@asu.org.au

CC: travasb@esvgroup.com.au

Dear Angus McFarland

**Australian Municipal, Administrative, Clerical and Services Union-New South Wales and ACT (Services) Branch
Financial Report for the year ended 30 June 2023 – (FR2023/85)**

I acknowledge receipt of the financial report for the year ended 30 June 2023 for the Australian Municipal, Administrative, Clerical and Services Union-New South Wales and ACT (Services) Branch. The documents were lodged with the Fair Work Commission (the Commission) on 14 December 2023.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under sections 253, 265, 266 and 268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under section 268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2024 may be subject to an advanced compliance review.

Reporting Requirements

The Commission's website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the section 253 reporting guidelines and a model set of financial statements.

The Commission recommends that reporting units use these model financial statements to assist in complying with the RO Act, the section 253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please call 1300 341 665 or email regorgs@fwc.gov.au.

Yours sincerely

Fair Work Commission

Australian Municipal, Administrative, Clerical and Services Union, New South Wales and ACT (Services) Branch


s.268 Fair Work (Registered Organisations) Act 2009

Certificate by prescribed designated officer

Certificate for the year ended 30 June 2023

I, **Angus McFarland** being the **Branch Secretary** of the **Australian Municipal, Administrative, Clerical and Services Union, New South Wales and ACT (Services) Branch** certify:

- that the documents lodged herewith are copies of the full report for the Australian Municipal, Administrative, Clerical and Services Union, New South Wales and ACT (Services) Branch for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on **23 November 2023** and
- that the full report was presented to a meeting of the committee of management (the Branch Executive) of the reporting unit on **14 December 2023** in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:  _____

Name of prescribed designated officer: Angus McFarland

Title of prescribed designated officer: Branch Secretary

Dated: 14 December 2023

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES
UNION, NEW SOUTH WALES AND ACT (SERVICES) BRANCH**

**TRADING AS
AUSTRALIAN SERVICES UNION, NEW SOUTH WALES AND ACT (SERVICES)
BRANCH**

ABN 60 715 604 720

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

**REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2023**

The Branch Committee of Management presents the expenditure report as required under subsection 255(2A) for Australian Municipal, Administrative, Clerical and Services Union, New South Wales and ACT (Services) Branch for the year ended 30 June 2023.

Categories of expenditures (all amounts are exclusive of GST)	2023 \$	2022 \$
Remuneration and other employment-related costs and expenses - employees	4,905,966	4,759,907
Advertising	-	-
Operating costs	2,663,687	2,167,422
Donations to political parties	15,209	39,000
Legal costs	16,171	5,913

Signed for and on behalf of the Committee of Management.



Angus McFarland
Branch Secretary

Date 16/11/23

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

In accordance with the Fair Work (Registered Organisations) Act 2009 (“the Act”), the Branch Executive presents the following report.

Principal Activities

The principal activity of the Branch (or the “Union”) during the year was that of a branch of a registered trade union. Those activities included but were not limited to representing members before Fair Work Commission, negotiating Enterprise Agreements, providing legal advice relating to Workers Compensation, representing members with individual and collective grievances, provision of industrial advice, provision of training, provision of union publications, protection of members’ health and safety at work, promoting the interests of the members and improvement of living standards and quality of life for members.

The results of the Branch’s principal activities were to improve the wages and conditions of employment of the Branch membership and to uphold members’ industrial rights.

Results

The Branch’s principal activities resulted in a net surplus for the financial year of \$887,748 (2022: \$1,319,248).

Significant changes in the Branch’s Financial Affairs

There was no significant change in the financial affairs of the Branch.

Rights of Members – Manner of Resignation

All members have a right to resign in accordance with rule 32 of the Union’s Registered Rules and section 174(1) of the Fair Work (Registered Organisations) Act 2009. In accordance with section 174(1) of the Fair work (Registered Organisations) Act 2009, a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

Superannuation Fund Office Holders

No officer or member of the Branch is a trustee of a superannuation entity or a director of a company that is a trustee of a superannuation fund where the criteria for the officer or member being the trustee or a director is that the officer or member is an officer or member of the union.

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

Other Prescribed Information

In accordance with Regulation 159 of the Fair Work (Registered Organisations) Regulations 2009:–

- (a) the number of persons who, at the end of the financial year, were recorded in the register of members and who are taken to be members of the Branch was 16,137.
- (b) 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 46.
- (c) The Branch held elections which were declared on 1 June 2023. Following Rules changes which came into effect from the declaration of the election, some names of office have changed. The table below details the offices and office holders of the Branch Executive (Committee of Management) for periods before and after the declaration of the election.

Name of Office	Name of Office Holder	During the period 1 July 2022 – 1 June 2023
Branch President	Narelle Clay	1 July 2022 – 1 June 2023
Deputy Branch President	Danna Nelse	1 July 2022 – 1 June 2023
Deputy Branch President	Benjamin Kensington	1 July 2022 – 1 June 2023
Branch Vice-President (Water and Ports)	Patrick Walsh	1 July 2022 – 1 June 2023
Branch Vice-President (Transport)	Natalie Noyeaux	1 July 2022 – 1 June 2023
Branch Vice-President (Social and Community Services)	Julie Perkins	1 July 2022 – 1 June 2023
Branch Vice-President (Hunter Water)	Matt Dries	1 July 2022 – 1 June 2023
Branch Treasurer	Samantha Parker	1 July 2022 – 1 June 2023
Branch Secretary/National Executive Representative	Natalie Lang	1 July 2022 – 16 September 2022
Branch Secretary/National Executive Representative	Angus McFarland	16 September 2022 – 1 June 2023
Deputy Branch Secretary	Judith Wright	1 July 2022 – 6 April 2023
Deputy Branch Secretary	Jan Primrose	7 April 2023 – 1 June 2023
Branch Executive Member (Water and Ports)	Riccardo Facci	1 July 2022 – 1 June 2023
Branch Executive Member (Water and Ports)	Wayne Grant	1 July 2022 – 31 August 2022
Branch Executive Member (Social and Community Services)	Tracey Willow	1 July 2022 – 1 June 2023
Branch Executive Member (Social and Community Services)	Daney Faddoul	1 July 2022 – 1 June 2023
Branch Executive Member (Social and Community Services)	Nadia Saleh	1 July 2022 – 1 June 2023
Branch Executive Member (Social and Community Services)	Maralyn Schofield	1 July 2022 – 1 June 2023
Branch Executive Member (Social and Community Services)	Lisa Smajlov	1 July 2022 – 1 June 2023
Branch Executive Member (Social and Community Services)	Marc Carra	1 July 2022 – 1 June 2023
Branch Executive Member (Social and Community Services)	Maree Geraghty	1 July 2022 – 1 June 2023
Branch Executive Member (Social and Community Services)	Angelique Sasagi	1 July 2022 – 1 June 2023
Branch Executive Member (Airlines, Shipping, Travel and Information Technology)	Maria Clegg	1 July 2022 – 1 June 2023

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION, NEW SOUTH WALES AND ACT (SERVICES) BRANCH
ABN 60 715 604 720**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

Name of Office	Name of Office Holder	During the period 1 July 2022 – 1 June 2023
Branch Executive Member (Transport)	Martin Davis	1 July 2022 – 1 June 2023
Branch Executive Member (Hunter Water)	Peter Hull	1 July 2022 – 1 March 2023

Name of Office	Name of Office Holder	During the period 1 June 2023 – 30 June 2023
Branch President	Narelle Clay	1 June 2023 – 30 June 2023
Branch Deputy President	Danna Nelse	1 June 2023 – 30 June 2023
Branch Deputy President	Benjamin Kensington	1 June 2023 – 30 June 2023
Branch Vice-President - Social and Community Services	Julie Perkins	1 June 2023 – 30 June 2023
Branch Vice-President - Water	Patrick Walsh	1 June 2023 – 30 June 2023
Branch Vice-President - Transport and Technology	Maria Clegg	1 June 2023 – 30 June 2023
Branch Treasurer	Angelique Sasagi	1 June 2023 – 30 June 2023
Branch Secretary / First National Executive Representative	Angus McFarland	1 June 2023 – 30 June 2023
Deputy Branch Secretary	Jan Primrose	1 June 2023 – 30 June 2023
Branch Executive Member – Social and Community Services	Tracey Willow	1 June 2023 – 30 June 2023
Branch Executive Member – Social and Community Services	Daney Faddoul	1 June 2023 – 30 June 2023
Branch Executive Member – Social and Community Services	Marc Carra	1 June 2023 – 30 June 2023
Branch Executive Member – Social and Community Services	Lisa Smajlov	1 June 2023 – 30 June 2023
Branch Executive Member – Social and Community Services	Katia Munoz	1 June 2023 – 30 June 2023
Branch Executive Member – Social and Community Services	Michelle Carrig	1 June 2023 – 30 June 2023
Branch Executive Member – Water	Matt Dries	1 June 2023 – 30 June 2023
Branch Executive Member – Transport and Technology	Tim Neill	1 June 2023 – 30 June 2023

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

Officers and Employees Who are Directors of a Company or a Member of a Board

Pursuant to section 37 of Reporting Guidelines apply for the purpose of section 253 of the RO Act 2009, the following officers and employees are directors of a company or a member of a board:

There are no officers or employees that are directors of a company or members of a board.

Other Relevant Information

On 6th of April 2023, Judith Wright resigned as Deputy Secretary and Jan Primrose started in the role on 7th April 2023.

On Friday the 16th of September 2022, Natalie Lang resigned as Branch Secretary and Angus McFarland started in the role on Friday the 16th of September 2022.

Signed for and on behalf of the Committee of Management.



Angus McFarland
Branch Secretary

Date 16/11/2023

**BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT FOR THE YEAR ENDED
30 JUNE 2023**

On 16 November 2023, **Branch Committee of Management** of the **Australian Municipal, Administrative, Clerical and Services Union, New South Wales and ACT (Services) Branch** (the "Branch") passed the following resolution:

1. The Branch Committee of Management (Branch Executive) authorises the Secretary to sign the Operating Report for the financial year ended 30 June 2023.
2. The Branch Committee of Management (Branch Executive) passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2023:

Branch Committee of Management (the "Committee") of the Australian Municipal, Administrative, Clerical and Services Union, New South Wales and ACT (Services) Branch declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the Committee were held in accordance with the rules of the organisation including the rules of the Branch concerned; and
 - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the Branch have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the Branch have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the Branch or Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

Signature of designated officer: 

Name and title of designated officer: Angus McFarland – Branch Secretary

Dated: 16/11/23

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 \$	2022 \$
Revenue from contracts with customers			
Membership fees	4	8,363,293	8,100,078
Capitation fees and other revenue from another reporting unit	4a	-	-
Levies	4b	-	-
Total revenue from contracts with customers		8,363,293	8,100,078
Other Income			
Grants and/or donations	4c	16,000	-
Revenue from recovery of wages activity		-	-
Net gains on sale of assets		-	-
Administration fee – ASU of NSW (General)		75,000	75,000
Administration fee – WEF		20,000	20,000
Administration fee – ATOA		20,000	20,000
Investment income	4d	65,523	243
Other income	4e	69,817	157,332
Total other income		266,340	272,575
Total income		8,629,633	8,372,653
Expenses			
Employee expenses	5a	4,905,966	4,759,907
Capitation fees and other expense to another reporting unit	5b	554,010	491,494
Affiliation fees	5c	169,017	132,724
Administration expenses	5d	554,512	425,494
Grants or donations	5e	16,312	40,500
Depreciation and amortisation		331,522	85,577
Finance costs		100,176	-
Occupancy costs		33,824	264,783
Legal costs	5f	8,063	5,913
Net losses from sale of assets		392	-
Other expenses	5g	1,029,392	817,844
Audit fees		38,699	29,169
Share of net loss from associate		-	-
Total expenses		7,741,885	7,053,405
Surplus for the year		887,748	1,319,248

(The accompanying notes form part of these financial statements.)

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES
UNION, NEW SOUTH WALES AND ACT (SERVICES) BRANCH
ABN 60 715 604 720**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	Notes	2023 \$	2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	3,027,328	4,068,668
Trade and other receivables	7	189,496	138,499
Financial Assets	10	2,000,000	-
Other assets	9	919,040	997,779
Total current assets		<u>6,135,864</u>	<u>5,204,946</u>
Non-current Assets			
Plant and equipment	11	518,156	623,492
Right of Use Asset	13	834,805	-
Total non-current assets		<u>1,352,961</u>	<u>623,492</u>
Total assets		<u>7,488,825</u>	<u>5,828,438</u>
LIABILITIES			
Current Liabilities			
Trade payables	12	425,766	401,222
Lease liabilities	14	142,820	-
Employee provisions	15	1,181,746	1,307,598
Contract liabilities	8	234,253	232,237
Total current liabilities		<u>1,984,585</u>	<u>1,941,057</u>
Non-current Liabilities			
Lease liabilities	14	729,111	-
Total non-current liabilities		<u>729,111</u>	<u>-</u>
Total liabilities		<u>2,713,696</u>	<u>1,941,057</u>
Net assets		<u>4,775,129</u>	<u>3,887,381</u>
EQUITY			
Accumulated surplus		4,775,129	3,887,381
Total equity		<u>4,775,129</u>	<u>3,887,381</u>

(The accompanying notes form part of these financial statements.)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Accumulated Surplus	Total
	\$	\$
Balance at 30 June 2021	2,568,133	2,568,133
Comprehensive income		
Net surplus for the year	1,319,248	1,319,248
Other comprehensive income	-	-
Total Comprehensive Income	<u>1,319,248</u>	<u>1,319,248</u>
Balance at 30 June 2022	<u>3,887,381</u>	<u>3,887,381</u>
Comprehensive income		
Net surplus for the year	887,748	887,748
Other comprehensive income	-	-
Total Comprehensive Income	<u>887,748</u>	<u>887,748</u>
Balance at 30 June 2023	<u>4,775,129</u>	<u>4,775,129</u>

OTHER FUNDS OR ACCOUNTS

Prescribed disclosures

There are no other funds or accounts operated in respect of compulsory levies raised by the Branch, or voluntary contributions collected from members of the reporting unit.

There are no transfers to or withdrawals from a fund (other than the general fund), account, asset or controlled entity.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from members		9,058,256	9,035,816
Payments to suppliers and employees		(7,572,459)	(7,019,825)
Receipts/(payments) from/to other reporting units	22c	(611,810)	(540,135)
Other receipts		308,386	406,228
Interest paid		-	(15)
Interest received		65,523	242
Net cash from operating activities	22b	<u>1,247,896</u>	<u>1,882,311</u>
Cash flows from investing activities			
Payments for purchase of plant & equipment	11a	(59,617)	(617,561)
Proceeds from sale of plant & equipment		392	-
Payments for financial asset		(2,000,000)	64,333
Net cash (used in) investing activities		<u>(2,059,225)</u>	<u>(553,228)</u>
Cash flows from financing activities			
Lease repayments		(230,011)	(1,592)
Net receipts from Australian Services Union of NSW		-	-
Net cash (used in) financing activities		<u>(230,011)</u>	<u>(1,592)</u>
Net increase in cash held		(1,041,340)	1,327,491
Cash at beginning of financial year		4,068,668	2,741,177
Cash at end of financial year	22a	<u>3,027,328</u>	<u>4,068,668</u>

(The accompanying notes form part of these financial statements.)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, and the Fair Work (Registered Organisations) Act 2009.

The financial report of the Australian Municipal, Administrative, Clerical and Services Union, New South Wales & ACT (Services) Branch (the "Branch" or "Union") for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the Branch Committee of Management on 16 November 2023.

Basis of Preparation

The financial report is for the Australian Municipal, Administrative, Clerical and Services Union, New South Wales and ACT (Services) Branch, and in accordance with the Fair Work (Registered Organisations) Act 2009 the Branch is a reporting unit. The Australian Services Union is an organisation registered under the Fair Work (Registered Organisations) Act 2009. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the Branch are not subject to the Corporations Act 2001. The branch is not a for-profit entity.

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

The following is a summary of the significant accounting policies adopted by the Branch in the preparation of the financial report.

RECOVERY OF WAGES ACTIVITY

The Branch has not undertaken recovery of wages activity and has not derived revenues for the financial year in respect of such activity. There is no financial information associated with this type of activity that must be disclosed as an additional financial report as required by subsection 253(2)(c) of the RO Act.

(a) New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date stated in the standard. The accounting policies adopted are consistent with those of the previous financial year.

Future Australian Accounting Standards

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on the Branch include:

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This Standard amends AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

The Branch does not expect the adoption of this amendment to have an impact on its financial statements.

(b) Current versus non-current classification

The Branch presents assets and liabilities in the statement of financial position based on the current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Branch classifies all other liabilities as non-current.

(c) Revenue

The Union enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Revenue from contracts with customers

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

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

Membership income

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

If there is only one distinct membership service promised in the arrangement, the Union recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Union's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the Union allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the Union charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the Union recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Union has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less. When a member subsequently purchases additional goods or services from the Union at their standalone selling price, the Union accounts for those sales as a separate contract with a customer.

Interest income

Interest revenue is recognised on a proportional basis, taking into account the interest rates applicable to the financial assets.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

All revenue is stated net of the amount of Goods and Services Tax (GST).

(d) Income Tax

No provision for Income Tax is necessary as Industrial Trade Unions are exempt from Income Tax under Section 50-15 of the Income Tax Assessment Act 1997.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

(e) 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.

(f) Property, Plant and Equipment

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

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Branch commencing from the time the asset is ready for use.

The depreciation rates used for each class of asset are:

Furniture & Fixtures	20%
Computer Equipment	25% - 33.3%
Motor Vehicles	20% - 33.3%

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 profit or loss and other comprehensive income in the year that the item is derecognised.

(g) Leases

The Union assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Union as a lessee

The Union applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Union recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use-assets

The Union recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Union at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Lease liabilities

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

In calculating the present value of lease payments, the Union uses the implicit interest rate or incremental borrowing rate if the implicit lease rate is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Union's short-term leases are those that have a lease term of 12 months or less from the commencement including month to month arrangements. It also applies the lease of low-value assets recognition exemption to leases that are below \$15,000. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount. The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

(h) Impairment

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 profit or loss and other 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 a depreciated current replacement cost, as the Branch is a not-for-profit organisation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

(i) Liabilities related to contracts with members

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a member before the Union transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the Union performs under the contract (i.e., performance obligations of the related goods or services to the customer).

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a member. The Union's refund liabilities arise from members' right of return. The liability is measured at the amount the Union ultimately expects it will have to return to the customer. The Union updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

(j) Employee Benefits

Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year 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.

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

(k) Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Branch's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Branch initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Branch's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Branch commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into financial assets at amortised cost.

Financial assets at amortised cost

The Branch measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (**EIR**) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Branch's financial assets at amortised cost includes trade receivables and loans to related parties.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Branch has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) The Branch has transferred substantially all the risks and rewards of the asset, or
 - b) the Branch has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Branch has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Branch continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

(I) Trade receivables

For trade receivables that do not have a significant financing component, the Branch applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Branch has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

(m) 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.

(n) Comparatives

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

(o) Going Concern

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

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

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

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 Branch makes estimates and assumptions concerning the future. By definition, the resulting accounting estimates seldom equal the related actual results.

Included in the trade and other receivables is the membership in arrears for the amount of \$255,407 (2022: \$324,850). This has been fully provided as at 30 June 2023 and for 30 June 2022.

b) Critical judgements in applying the Branch'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.

3. INFORMATION TO BE PROVIDED TO MEMBERS OR THE COMMISSIONER OF REGISTERED ORGANISATION COMMISSION

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272 of the Fair Work (Registered Organisations) Act 2009 which read as follows:

- (1) A member of a reporting unit, or the Commissioner of Registered Organisation Commission, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A Reporting unit must comply with an application made under subsection (1).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

4. REVENUE AND INCOME

Disaggregation of revenue from contracts with customers

A disaggregation of the Union's revenue by type of arrangements is provided on the face of the statement of profit or loss and other comprehensive income. The table below also sets out a disaggregation of revenue by type of customer:

	2023	2022
	\$	\$
Type of customer		
Members – recognition over time	8,363,293	8,100,078
Other reporting units	-	-
Government	-	-
Other parties	-	-
Total revenue from contracts with customers	<u>8,363,293</u>	<u>8,100,078</u>
4a. CAPITATION FEES AND OTHER REVENUE FROM ANOTHER REPORTING UNIT		
Capitation fees	-	-
Total capitation fees	<u>-</u>	<u>-</u>
4b. LEVIES		
Levies	-	-
Total levies	<u>-</u>	<u>-</u>
4c. GRANTS AND/OR DONATIONS		
Grants	-	-
Donations	16,000	-
Total grants and donations	<u>-</u>	<u>-</u>
4d. INVESTMENT INCOME		
Interest	65,523	243
Total investment income	<u>65,523</u>	<u>243</u>
4e. OTHER INCOME		
Gain on sale of assets	-	82,549
Cash flow boost	-	-
Other income	69,817	74,783
Total other income	<u>69,817</u>	<u>157,332</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

5. EXPENSES

	2023	2022
	\$	\$
5a. EMPLOYEE EXPENSES		
 Holders of office:		
Wages and salaries	344,590	336,528
Superannuation	46,755	45,072
Leave and other entitlements	79,461	71,010
Separation and redundancies	-	-
Other employee expenses	-	-
 Subtotal employee expenses holders of office	470,806	452,610
 Employees other than office holders:		
Wages and salaries	3,915,359	3,657,370
Superannuation	441,575	405,212
Leave and other entitlements	67,737	169,196
Separation and redundancies	-	70,549
Other employee expenses	10,489	4,970
 Total other employee expenses employees	4,435,160	4,307,297
 Total employee expenses	4,905,966	4,759,907
5b. CAPITATION FEES AND OTHER EXPENSES TO ANOTHER REPORTING ENTITY		
 Capitation fees		
Capitation fees to ASU National Office	458,594	454,107
Campaign expense to ASU National Office		
Campaign expenses to other reporting entities	-	-
Subscription expense to ASU National Office	-	-
Insurance expense to ASU National Office	16,966	15,963
Legal expenses to ASU National Office	8,108	2,376
Other expenses to ASU National Office	70,342	19,048
 Total capitation and other expenses to another reporting entity	554,010	491,494
5c. AFFILIATION FEES		
Union NSW	77,993	50,846
Union ACT	4,836	3,928
Labour councils	8,907	5,279
Australian Labour Party	74,587	70,455
Others	2,694	2,216
 Total affiliation fees	169,017	132,724

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

5d. ADMINISTRATION EXPENSES

	2023	2022
	\$	\$
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conferences, functions and meetings	177,560	10,483
Delegates	26,029	4,459
Property expenses	55,657	102,233
Office expenses	97,978	95,967
IT and communication	197,288	212,352
Total administration expenses	554,512	425,494

5e. GRANTS AND DONATIONS

Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	2,512	-
Total expensed that exceeded \$1,000	13,800	40,500
Total grants or donations	16,312	40,500

5f. LEGAL COSTS

Litigation	7,342	3,053
Other legal matters	721	2,860
Total legal fees	8,063	5,913

5g. OTHER EXPENSES

Printing and publications	643	140
Professional fees	155,020	156,243
Travel expenses	86,744	36,084
Other employee expenses	299,072	226,004
Campaign expenses	171,302	101,363
Contributions to ASU of NSW Welfare and Emergency Fund	20,800	20,800
Other expenses	296,203	277,210
Total other expenses	1,029,784	817,844

6. CASH AND CASH EQUIVALENTS

Cash on hand	302	409
Cash at bank	3,027,026	4,068,259
Total cash and cash equivalents	3,027,328	4,068,668

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

7. TRADE AND OTHER RECEIVABLES

	2023	2022
	\$	\$
CURRENT		
Membership in arrears	255,407	324,850
Less allowance for expected credit losses	(255,407)	(324,850)
Membership receivable	152,104	138,499
Trade debtors	5,415	-
Sundry debtors	31,977	-
Total trade and other receivables	<u>189,496</u>	<u>138,499</u>

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

Opening balance at 1 July 2022	324,850	209,580
Write off	(324,850)	(209,580)
Allowance for expected credit losses	255,407	324,850
Closing balance at 30 June 2023	<u>255,407</u>	<u>324,850</u>

8. CONTRACT ASSETS AND LIABILITIES

CURRENT		
Contract liabilities – membership fees in advance	234,253	232,237
Total contract liabilities	<u>234,253</u>	<u>232,237</u>

9. OTHER ASSETS

CURRENT		
Prepayments	95,430	66,600
Receivable from reporting units: ASU of NSW	823,610	931,179
Less: allowance from credit loss	-	-
Total other assets	<u>919,040</u>	<u>997,779</u>

10. Financial Assets

Term Deposits	2,000,000	-
Total other assets	<u>2,000,000</u>	<u>-</u>

The branch received \$65,523 in interest income on the term deposit (2022: Nil). Interest was earned at a rate between 4.2% - 4.85%.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

11. PLANT AND EQUIPMENT

	2023	2022
	\$	\$
Furniture and fixtures		
At cost	147,139	140,509
Less: Accumulated depreciation	(62,438)	(32,363)
Total furniture and fixtures	<u>84,701</u>	<u>108,146</u>
Computer equipment		
At cost	398,029	371,974
Less: Accumulated depreciation	(351,384)	(297,468)
Total computer equipment	<u>46,645</u>	<u>74,506</u>
Motor vehicles		
At cost	368,408	342,095
Less: Accumulated depreciation	(102,048)	(36,024)
Total motor vehicles	<u>266,360</u>	<u>306,071</u>
Leasehold improvements		
Work in progress	-	-
At cost	143,187	143,187
Less: Accumulated depreciation	(22,737)	(8,418)
Total Leasehold improvements	<u>120,450</u>	<u>134,769</u>
Total plant and equipment	<u>518,156</u>	<u>623,492</u>

11a. MOVEMENTS IN CARRYING AMOUNTS

Reconciliations of the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are set out below:

	Furniture and Fittings	Computer Equipment	Motor Vehicles	Leasehold Improvements	TOTAL
	\$	\$	\$	\$	\$
Balance at 1 July 2021	4,212	79,688	12,528	59,413	155,841
Additions	111,152	50,477	312,745	143,187	617,561
Disposals	-	(125)	(4,854)	-	(4,979)
Transfer	-	-	-	(59,413)	(59,413)
Depreciation	(7,218)	(55,534)	(14,348)	(8,418)	(85,518)
Balance at 30 June 2022	<u>108,146</u>	<u>74,506</u>	<u>306,071</u>	<u>134,769</u>	<u>623,492</u>
Additions	7,248	26,056	26,313	-	59,617
Disposals	(392)	-	-	-	(392)
Depreciation	(30,301)	(53,917)	(66,024)	(14,319)	(164,561)
Balance at 30 June 2023	<u>84,701</u>	<u>46,645</u>	<u>266,360</u>	<u>120,450</u>	<u>518,156</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

12. TRADE AND OTHER PAYABLES

	2023	2022
	\$	\$
12a. TRADE PAYABLES		
Trade creditors, accruals and other payables	267,586	280,240
GST payable	158,180	120,981
	<u>425,766</u>	<u>401,221</u>
12b. PAYABLES TO REPORTING ENTITIES		
Payable to other reporting entities:		
ASU National office	-	-
	<u>-</u>	<u>-</u>
Total trade and other payables	<u>425,766</u>	<u>401,221</u>

13. RIGHT OF USE ASSET

Opening balance	-	-
New right of use asset additions	1,001,766	-
Less: accumulated depreciation	(166,961)	-
Total right of use asset	<u>834,805</u>	<u>-</u>

14. LEASE LIABILITIES

Lease liability - current	142,820	-
Lease liability – non-current	729,111	-
Total lease liability	<u>871,931</u>	<u>-</u>

Undiscounted cash flows		
Within 12 months	230,013	-
Between 1 and 5 years	920,052	-
Total undiscounted cashflows	<u>1,150,065</u>	<u>-</u>

On 1 July 2022 the Australian Services Union, New South Wales and ACT (Services) Branch and the Australian Services Union of NSW formally entered into a tenancy agreement, whereby the Branch makes annual rental payments to the State Union as disclosed above.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

15. PROVISION FOR EMPLOYEE ENTITLEMENTS

	2023	2022
	\$	\$
CURRENT		
Office holders:		
Annual leave	150,004	125,276
Long service leave	105,649	173,941
Separations and redundancies	-	-
Others	-	-
Employees other than office holders		
Annual leave	452,886	482,162
Long service leave	473,207	526,219
Separation and redundancies	-	-
Others	-	-
Total current provisions for employee entitlements	1,181,746	1,307,598

16. REMUNERATION OF AUDITOR

Audit of the financial report	27,635	24,500
Other services	5,279	5,000
Total remuneration of auditor	32,914	29,500

17. SUPERANNUATION

All employees of the Branch are entitled to benefits from a superannuation plan on retirement, disability or death. The Branch participates in a defined contribution plan. The benefits provided under this plan are based on accumulated contributions and earnings for each employee. The Branch's liability is limited to paying the contributions to the plan.

18. 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) Transactions with officers of the Branch

Remuneration is disclosed in Notes 5a, 15 and 20.

There have been no other transactions between officers and the Branch other than those relating to their membership of the Branch and the reimbursement by the Branch 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.

(b) Transactions with a Related Entity

Loans and Receivables

The Branch has provided a loan to Australian Services Union of NSW. The loan is an interest free loan and there are no terms and conditions that have been formalised between the Branch and the Australian Services Union NSW.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

- (i) Amounts receivable from the Australian Services Union of NSW are disclosed at Note 9 of the accounts.
- (ii) Administration fees received from the Australian Services Union of NSW are disclosed as income in the statement of comprehensive income and in the cash flow statement.

Transactions with other reporting unit

- (i) Capitation Fees paid to the ASU National office are disclosed as other expenses in the statement of comprehensive income
- (ii) Amounts payable to the ASU National office are disclosed at Note 12b of the accounts.

Acquisition Amalgamations and Restructures

There were no acquisitions, amalgamations or restructures that took place in the current financial year or the previous financial year.

Payments to a former related party

No payments have been made during the reporting period to a former related party of the branch, where the liability was incurred during the period in which a related party relationship existed.

Financial support provided

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

19. ADMINISTRATION PROVIDED BY ANOTHER ENTITY

The branch does not receive any administration support (work or services) from other entities.

20. KEY MANAGEMENT PERSONNEL COMPENSATION

	2023	2022
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	344,590	336,528
Annual leave accrued	38,263	28,712
Performance bonus	-	-
Non-cash benefits	-	-
Total short-term employee benefits	<u>382,853</u>	<u>365,240</u>
Post-employment benefits:		
Superannuation	46,755	45,072
Total post-employment benefits	<u>46,755</u>	<u>45,072</u>
Other long-term benefits:		
Long-service leave	41,198	42,298
Total other long-term benefits	<u>41,198</u>	<u>42,298</u>
Termination benefits	-	-
Total	<u>470,806</u>	<u>452,610</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

21. EVENTS AFTER THE REPORTING PERIOD

There has not been any matters or circumstance occurring subsequent to the end of the financial year that has 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 subsequent financial periods.

22. CASH FLOW INFORMATION

	2023	2022
	\$	\$
(a) For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks and other financial institutions.		
Cash on hand	302	409
Cash at bank	3,027,026	4,068,259
	3,027,328	4,068,668
(b) Reconciliation of cash flow from operations with operating result		
Net surplus for the year	887,748	1,319,248
Non-cash items in surplus		
Depreciation	331,522	85,577
Interest on lease liabilities	100,176	-
Change in assets & liabilities		
(Increase)/decrease in trade and other receivables	(50,997)	198,305
(Increase)/decrease in other assets	78,739	-
Increase/(decrease) in payables	26,560	38,975
Increase/(decrease) in provision for employee entitlements	(125,852)	240,206
Cash flow from operations	1,247,896	1,882,311
(c) Cash outflow information to reporting entities		
- Payments to ASU National Office	611,810	542,026
- Payments to other reporting entity	-	-
	611,810	542,026

23. FINANCIAL RISK MANAGEMENT

(a) *General objectives, policies and processes*

The branch is exposed to risks that arise from its use of financial instruments. This note describes the branch's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the branch'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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

23. FINANCIAL RISK MANAGEMENT

The branch's financial instruments consist mainly of deposits with banks, sundry debtors and payables. The main risks the branch is exposed to through its financial instruments are credit risk and liquidity risk.

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

(b) *Credit Risk*

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the branch incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the branch.

There is no concentration of credit risk with respect to current and non-current receivables.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed below:

	Note	2023 \$	2022 \$
Cash and cash equivalents			
Cash at bank	6	3,027,026	4,068,259
		3,027,026	4,068,259
The cash and cash equivalents are held in high quality Australian financial institutions			
Trade receivables and other assets	7	37,392	-
Membership receivables	7	152,104	138,499
ASU of NSW	9	823,610	931,179
Term Deposit	10	2,000,000	-
Total loans and receivables		2,975,714	1,069,678

There has been no history of default and all receivables are likely to be repaid within the expected terms.

(c) *Liquidity Risk*

Liquidity risk is the risk that the branch may encounter difficulties raising funds to meet commitments associated with financial instruments.

The branch is exposed to this risk as at 30 June 2023 it had \$3,027,026 (2022: \$4,068,259) of cash at bank to meet these obligations as they fall due. Total liabilities at 30 June 2023 were \$2,713,696 (2022: \$1,941,057).

(d) *Interest Rate Risk*

The branch's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities are summarised on the next page:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

23. FINANCIAL RISK MANAGEMENT

	Weighted average effective interest	Floating interest rate (\$)	Fixed interest rate maturing within 1 year (\$)	Fixed interest rate maturing within 1 - 5 years (\$)	Non-interest bearing (\$)	Total (\$)
30-Jun-23						
Financial Assets						
Cash assets	2.00%	3,027,026	-	-	302	3,027,328
Receivables	N/A	-	-	-	975,714	975,714
Term Deposit	2.74%	-	2,000,000	-	-	2,000,000
Total Financial Assets		3,027,026	2,000,000	-	976,016	6,003,042
Financial Liabilities						
Payables	10.99%	-	-	-	425,766	425,766
Net Financial Assets (Liabilities)		3,027,026	2,000,000	-	550,250	5,577,276
30-Jun-22						
Financial Assets						
Cash assets	2.00%	4,068,259	-	-	409	4,068,668
Receivables	N/A	-	-	-	1,069,678	1,069,678
Total Financial Assets		4,068,259	-	-	1,070,087	5,138,346
Financial Liabilities						
Payables	10.99%	-	-	-	401,221	401,221
Net Financial Assets (Liabilities)		4,068,259	-	-	668,866	4,737,125

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

23. FINANCIAL RISK MANAGEMENT

Sensitivity Analysis

	Carrying Amount \$	+ 1.5% 150 basis points Profit \$	- 1.5% 150 basis points (Loss) \$
2023			
Cash and cash equivalents	3,027,026	45,405	(45,405)
At call deposits	-	-	-
2022			
Cash and cash equivalents	4,068,259	61,024	(61,024)
At call deposits	-	-	-

24. ADDITIONAL DISCLOSURES

	2023	2022
	\$	\$
Penalties imposed under the RO Act or Fair Work Act 2009	-	-
Amounts payable to an employer as consideration for that employer making payroll deductions of membership subscriptions	-	-
Payables in respect of legal costs relating to litigation	-	-
Payables in respect of legal costs relating to other legal matters	-	-

25. REGISTERED OFFICE

The registered office and principal place of business of the Branch is:
 Level 1
 39 - 47 Renwick Street
 REDFERN NSW 2016



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION, NEW SOUTH WALES AND ACT (SERVICES) BRANCH

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

We have audited the accompanying financial report of Australian Municipal, Administrative, Clerical and Services Union, New South Wales and ACT (Services) Branch ("the Branch"), which comprises the statement of financial position as at 30 June 2023, the statement of profit and loss or other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement by the Branch Committee of Management and the subsection 255(2A) report.

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Branch as at 30 June 2023, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Branch in accordance with the auditor independence requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Information Other than the Financial Report and Audit Report Thereon

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION, NEW SOUTH WALES AND ACT (SERVICES) BRANCH

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.

Branch Committee of Management and Branch Secretary's Responsibility for the Financial Report

The Branch Committee of Management and Branch Secretary of the Branch are responsible for the preparation and fair presentation in accordance with the Australian Accounting Standards (including Australian Accounting Interpretation) and the RO Act, and for such internal control as the Branch Committee of Management and Branch Secretary determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Report

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

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

- > Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 control.
- > Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Branch's internal control.
- > Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Branch Committee of Management.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION, NEW SOUTH WALES AND ACT (SERVICES) BRANCH

- > Conclude on the appropriateness of the Branch Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch'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 Branch to cease to continue as a going concern.
- > Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- > Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Branch to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Branch audit. We remain solely responsible for our audit opinion.

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

I declare that I am an auditor registered under the RO Act.

Dated at Sydney on the 17th of November 2023

ESV

ESV Business Advice and Accounting

T. Burns

Travas Burns
Partner

Registration number: AA2020/9