



FAIR WORK
AUSTRALIA

25 March 2010

Ben Kruse
Secretary
ASU United Services Branch
Level 7, 321 Pitt Street
Sydney NSW 2000
By email: bkruse@usu.org.au

cc: Monica Clavijo
Manager Administration and Personnel Services
ASU United Services Branch
Level 7, 321 Pitt Street
Sydney NSW 2000
By email: mclavijo@usu.org.au

cc: David McLean
AJ Williams & Co Chartered Accountants
2 Market Street
Sydney NSW 2000

Dear Mr Kruse

Re: Financial report of the New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch of the Australian Services Union for the year ended 30 June 2009 (FR2009/10153)

I acknowledge receipt of the financial report of the New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch of the Australian Services Union for the year ended 30 June 2009. The documents were emailed to Fair Work Australia on 9 December 2009 but not received until 12 February 2010.

The financial report has now been filed.

I have also attached an addendum for your consideration in which I make comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. If you wish to discuss any matters further, I can be contacted on 03 86617929 or via email eve.anderson@fwa.gov.au. A copy of this letter will also be forwarded to your auditor.

Yours sincerely

Eve Anderson
Tribunal Services and Organisations
Fair Work Australia
Tel: 03 86617929
Email: eve.anderson@fwa.gov.au

Addendum to the Financial Reports for the New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch of the Australian Services Union for the year ended 30 June 2009 (FR2009/10153)

The following comments are made to assist you when you next prepare a financial report.

1. General purpose financial report to be prepared on accrual basis

Note 1(a) to the financial statements states that 'Contributions are accounted for on a cash receipts basis. Otherwise the concept of accrual accounting has been adopted in the preparation of the accounts'.

[Section 252](#) of the *Fair Work (Registered Organisations) Act 2009* (the RO Act) places obligations upon the branch to *keep* financial records. Under section 252(4), 'If an organisation keeps the financial records referred to in subsection (1) on an accrual basis, it may *keep* the financial records for its membership subscriptions separately on a cash basis' (my emphasis).

This is distinct from the obligation under [section 253](#) to *prepare* a general purpose financial report (GPFR). Section 253 requires that '...a reporting unit must cause a general purpose financial report to be *prepared*, in accordance with the Australian Accounting Standards, from the financial records kept under subsection 252(1) in relation to the financial year...'. Please note that paragraph 25 of Australian Accounting Standard 101 states that 'an entity shall prepare its financial report, except for cash flow information, using the accrual basis of accounting'.

Thus sections 252 and 253 of the RO Act impose quite separate and distinct obligations upon reporting units. When read together they require that, while some financial records may be *kept* on a cash basis, a GPFR must be *prepared* on an accrual basis whether or not records were kept on a cash or accrual basis.

In future the branch should prepare a GPFR on an accrual basis as required by section 253 of the RO Act and the relevant Australian Accounting Standard (AASB 101(25)). It is further noted that this will result in a change of accounting policy that will need to be disclosed in accordance with AASB 108 (Accounting Policies, Changes in Accounting Estimates and Errors). You may need to discuss this with your auditor.

2. Economic dependency on USU

Note 12 to the financial statements discloses that the branch is dependent on the United Services Union (USU) for ongoing financial support. Consequently the branch's ability to continue as a going concern appears to be dependent on the USU's ongoing capacity and willingness to contribute sufficient funds to cover the costs of the branch. In future the notes to the financial statements should explain why the branch can reasonably expect that this will occur, for example, whether any agreement exists or whether there is a USU resolution to make the contribution.

3. Notes to the GPFR: related party transactions

Note 9 to the financial statements lists related parties and their transactions in accordance with AASB 124 paragraph 17. However I note that the USU has the same committee of management, the same members and substantively the same rules. It would therefore appear that the USU is a related party and accordingly should be included in note 9.

4. Notes to the GPFR: information to be provided to members (section 272)

Note 3 to the financial statements replicates the sections of the RAO Schedule of the Act in accordance with [Reporting Guideline](#) 8(c). However the note refers to Schedule 1B of the *Workplace Relations Act 1996*. Schedule 1B has been superseded and the notes should have referred to Schedule 1. From 1 July 2009 the relevant legislation is the *Fair Work (Registered Organisations) Act 2009*.

5. Operating report: review of principal activities

[Subsection 254\(2\)\(a\) of the RO Act](#) requires an operating report to contain a review of the principal activities of the reporting unit, the results of those activities and any significant changes in the nature of the those activities. The operating report lodged with Fair Work Australia (FWA) provides a review of the principal activities and explains that there were no significant changes, but does not explain the results of these activities. Please note that subsection 254(2)(a) does not require a *financial* result, but instead a description of the results of the industrial activities undertaken. In future years please ensure that operating reports describe the results of the principal activities of the Branch.

6. Depreciation

Paragraph 93 of AASB 101 requires the disclosure of depreciation expenses for the financial year either in the income statement or the notes to the financial statements. Although note 6 to the financial statements discloses the accumulated depreciation, I cannot locate a disclosure for depreciation for the financial year. In future years please that this is disclosed either in the income statement or the notes to the financial statements.

7. Cash flow statement: payments to employees

The cash flow statement discloses payments to suppliers and employees. However the operating report states that the branch did not employ any staff members. The words 'and employees' in the cash flow statement therefore appear to be misleading and I recommend that they be removed from future cash flow statements (unless the branch employs staff).

8. Loans, Grants or Donations

The income statement discloses donations totalling \$3485. Under [subsection 237\(1\)](#) of the RO Act there are certain steps that need to be taken if an individual loan, grant or donation exceeds \$1000.

As no subsection 237(1) statement has been lodged I assume that no single donation exceeded \$1000. Should this not be the case, please immediately advise FWA of the details and ensure that there is compliance with the reporting requirements of section 237, other than with respect to the required timeframe. A sample Loans, Grants and Donation statement is attached for your convenience.



Designated Officer's Certificate or other Authorised Officer

s268 Fair Work (Registered Organisations) Act 2009

I Ben Kruse being the Branch Secretary of New South Wales Local Government, Clerical Administrative, Energy, Airlines And Utilities Branch of the Australian Municipal, Administrative, Clerical Services Union certify:

- that the documents lodged herewith are copies of the full report, for the Financial ended 30 June 2009 referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the Full Accounts were provided to members on 14 September 2009; and
- that the full report was presented to a *meeting of the committee of management* of the reporting unit on 9 December 2009 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature: Ben Kruse

Date: 9 December 2009

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL, ADMINISTRATIVE,
ENERGY, AIRLINES & UTILITIES BRANCH**

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2009**

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL, ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH

OPERATING REPORT

The Branch Executive, being the Committee of Management for the purposes of the Workplace Relations Act 1996, presents its operating report of the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch for the financial year ended 30 June 2009.

1. Review of principal activities during the year: the principal operating activities of the Branch continued to be those of industrial activities that are normally carried out by the Trade Union; there are no significant changes in the principal operating activities.
2. Financial affairs: during the year there were no significant changes to the financial affairs of the Union.
3. All members have a right to resign from the branch in accordance with Rule 32 and Section 174(1) of the Workplace Relations Act 1996. In accordance with Section 174(1) of the Workplace Relations Act 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.
4. Members holding positions on Superannuation Boards:
 - Members Brian Harris and John Ernst resigned as Board directors effective 30 June 2009 and 28 February 2008, respectively. Member John Beacroft holds the position as director on the Board of Local Government Superannuation Scheme; member Benjamin Kruse replaced member Paul Marzato and holds the position as director on the Board of Energy Industry Superannuation Scheme from August 2008; former Executive President Michael Want holds the position as director on the Board of CARE Superannuation Fund.
 - Former Executive Michael Want is a trustee/director of CARE Superannuation Fund.
5. At the end of the financial year the total registered members were 34,014.
6. The Branch does not employ any staff.

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION


**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH**

OPERATING REPORT (Cont'd)

7. The names of the Branch Executive members during the year ending 30 June 2009 were:

Name	Period of Appointment
Stephen Birney	01/07/2008 – 30/06/2009
Michael Want	01/07/2008 – 31/12/2008
Rhonda Barton	01/07/2008 – 30/06/2009
Phil Bowering	01/07/2008 – 30/06/2009
Les Coyle	01/07/2008 – 30/06/2009
Libby Cumming	01/07/2008 – 30/06/2009
Tony Dean	01/07/2008 – 30/06/2009
Mark Gill	01/07/2008 – 30/06/2009
Harry Pittman	01/07/2008 – 27/05/2009
Maryanne Stuart	01/07/2008 – 31/12/2008
Jim Taylor	01/07/2008 – 30/06/2009
Marilyn Timmins	01/07/2008 – 30/06/2009
Benjamin Kruse	01/07/2008 – 30/06/2009
John Mackay	01/07/2008 – 30/06/2009
Christine Tutty	01/07/2008 – 28/05/2009
Belinda Comninios	01/07/2008 – 06/04/2009
Robyn Davis	01/07/2008 – 30/06/2009
Russell Woods	01/07/2008 – 30/06/2009
Kenneth Cross	01/07/2008 – 15/12/2008
Christina Savage	01/07/2008 – 30/06/2009
Beverley Spearpoint	01/07/2008 – 30/06/2009
Doug Woodhouse	01/07/2008 – 30/06/2009
Paul Strutt	01/07/2008 – 30/06/2009
Ross Crawford	01/07/2008 – 30/06/2009
Shane Clapham	15/09/2008 – 30/06/2009
Myra Bowman	11/05/2009 – 30/06/2009
Sharon Sewell	27/05/2009 – 30/06/2009
Maryanne Stuart	11/05/2009 – 30/06/2009
Chris Zorzo(elected yet to confirm eligibility)	04/06/2009 – 30/06/2009

Signed in accordance with a resolution of the Branch Executive.


.....
BENJAMIN KRUSE


.....
STEPHEN BIRNEY

14 September 2009

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH**

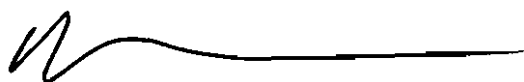
BRANCH EXECUTIVE'S STATEMENT

On 14 September 2009 the Branch Executive of the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch, passed the following resolution in relation to the general purpose financial report (GPFR) of the branch for the year ended 30 June 2009.

The Branch Executive declares in relation to the GPFR that in its opinion:

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the branch for the financial year ended 30 June 2009;
- (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 ended 30 June 2009 and since the end of the financial year:
 - (i) meetings of the Branch Executive were held in accordance with the rules of the organisation and the rules of the branch; and
 - (ii) the financial affairs of the branch have been managed in accordance with the rules of the organisation and the rules of the branch; and
 - (iii) the financial records of the branch have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) the financial records of the branch have been kept, as far as practicable, in a consistent manner to each of the other branches and national office of the organisation; and
 - (v) no information has been sought in any request of a member of the branch or a Registrar under section 272 of the RAO Schedule; and
 - (vi) no order for inspection of the financial records has been made by the Commission under section 273 of the RAO Schedule.
- f) during the financial year ended 30 June 2009 the branch did not participate in any recovery of wages activity.

For the Branch Executive:



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BENJAMIN KRUSE

14 September 2009

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH****INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
INCOME			
Contributions		54,995	58,348
Less Service Fee United Services Union		(54,995)	(58,348)
Interest Income		125	271
Rent Received		29,733	30,770
Sundry		718	-
Significant item – Contribution received for funding of the Branch		<u>712,271</u>	<u>779,422</u>
TOTAL INCOME		<u>742,847</u>	<u>810,463</u>
EXPENDITURE			
Depreciation		<u>5,733</u>	<u>5,733</u>
Other Expenses			
ASU National Office – Capitation Fees		716,054	709,716
Bank Charges		769	1,059
Campaign		-	80,038
Donations		3,485	3,405
Professional Services	7	<u>4,500</u>	<u>-</u>
		<u>724,808</u>	<u>794,218</u>
TOTAL EXPENDITURE		<u>730,541</u>	<u>799,951</u>
SURPLUS FOR YEAR		<u>12,306</u>	<u>10,512</u>

(The attached Notes form part of the financial statements)

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH**

BALANCE SHEET AS AT 30 JUNE 2009

	Note	2009 \$	2008 \$
ASSETS			
Current Assets			
Cash & Cash Equivalent	4	3,215	-
Receivables	5	54,963	54,009
Total Current Assets		<u>58,178</u>	<u>54,009</u>
Non Current Assets			
Property, Plant and Equipment	6	<u>173,434</u>	<u>179,167</u>
Total Non Current Assets		<u>173,434</u>	<u>179,167</u>
TOTAL ASSETS		<u>231,612</u>	<u>233,176</u>
LIABILITIES			
Current Liabilities			
Bank Overdraft	4	-	4,497
Payables	8	199,078	196,107
Provision for Recording Union History		<u>6,148</u>	<u>18,492</u>
Total Current Liabilities		<u>205,226</u>	<u>219,096</u>
TOTAL LIABILITIES		<u>205,226</u>	<u>219,096</u>
NET ASSETS		<u>26,386</u>	<u>14,080</u>
ACCUMULATED FUNDS		<u>26,386</u>	<u>14,080</u>

(The attached Notes form part of the financial statements)

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH**

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES
FOR THE YEAR ENDED 30 JUNE 2009**

	Accumulated Funds	Total
Balance at 30 June 2007	3,568	3,568
Net Surplus for the Year	<u>10,512</u>	<u>10,512</u>
Balance at 30 June 2008	<u>14,080</u>	<u>14,080</u>
Net Surplus for the Year	<u>12,306</u>	<u>12,306</u>
Balance at 30 June 2009	<u>26,386</u>	<u>26,386</u>

(The attached Notes form part of the financial statements)

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH**

**CASH FLOW STATEMENT FOR THE
YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Members		54,995	58,348
Payment of ASU National Office Capitation Fees		(712,583)	(720,199)
Payments to Suppliers and Employees		(77,547)	(148,474)
Interest Received		125	271
Rent Received		29,733	26,955
Other Receipts		<u>712,989</u>	<u>779,422</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	10(b)	<u>7,712</u>	<u>(3,677)</u>
NET INCREASE (DECREASE) IN CASH		7,712	(3,677)
CASH AT BEGINNING OF YEAR		<u>(4,497)</u>	<u>(820)</u>
CASH AT END OF YEAR	10(a)	<u>3,215</u>	<u>(4,497)</u>

(The attached Notes form part of the financial statements)

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL, ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Workplace Relations Act 1996.

Compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS) except for:

- Segment reporting because AASB 114 "Segment Reporting" does not apply to not-for-profit organisations.
- Impairment of assets under AASB 136 "Impairment of assets"

BASIS OF PREPARATION

The financial report is for the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch and in accordance with the Workplace Relations Act, 1996 the Branch is a reporting unit. The Australian Municipal, Administrative, Clerical and Services Union is an organisation registered under the Workplace Relations Act. 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 financial report has been prepared on the basis of historical costs modified by the revaluation of selected financial assets and liabilities for which the fair value basis of accounting has been applied. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

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

(a) Revenue

Contributions are accounted for on a cash receipts basis. Otherwise the concept of accrual accounting has been adopted in the preparation of the accounts.

(b) 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.

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) 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:

Buildings	2%
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The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet 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 income statement in the year that the item is derecognised.

(d) 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 income statement 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 Branch is a not-for-profit organisation.

(e) Receivables

Receivables are recognised at original invoice amounts. Collectability of receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off.

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL, ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) 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 balance sheet are shown inclusive of GST.

(g) Accounting Standards Issued But Not Yet Effective

There have been no accounting standards issued which will impact the financial report in future periods and which are not yet effective.

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. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

(b) Critical judgments 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 the assets and liabilities.

3. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of Sections 272 of Schedule 1B which read as follows:

1. A member of a reporting unit, or a Registrar, 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).

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (Cont'd)**

	2009	2008
	\$	\$
4. CASH AND CASH EQUIVALENTS		
Cash at Bank	3,215	-
Bank Overdraft	-	(4,497)
	<u>3,215</u>	<u>(4,497)</u>
5. RECEIVABLES		
Current		
ASU National Office	40,206	39,465
Sundry Debtors	14,757	14,544
	<u>54,963</u>	<u>54,009</u>
6. PROPERTY, PLANT AND EQUIPMENT		
Property		
Property – Unit 6, ACTU Building, Canberra		
At Cost	286,665	286,665
Less Accumulated Depreciation	113,231	107,498
TOTAL PROPERTY PLANT AND EQUIPMENT	<u>173,434</u>	<u>179,167</u>
7. PROFESSIONAL SERVICES		
Remuneration of Auditors for:		
- Audit of the Financial Report	3,500	4,000
- Audit of the Financial Report - Prior Years	1,000	(4,000)
	<u>4,500</u>	<u>-</u>
8. PAYABLES		
ASU National Office Capitation Fees	195,161	191,690
United Services Union	360	360
Other	3,557	4,057
	<u>199,078</u>	<u>196,107</u>

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (Cont'd)**

9. RELATED PARTY TRANSACTIONS

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

The ultimate controlling entity of the Branch is the Australian Municipal, Administrative, Clerical and Services Union

Transactions with Ultimate Controlling Entity

(a) ASU National Office Capitation Fees are disclosed as an expense in the Income Statement and as a payment in the Cash Flow Statement.

(b) ASU National Office Capitation Fees payable are disclosed at Note 8 of the accounts.

	2009	2008
	\$	\$

10. CASH FLOW INFORMATION

a) For the purposes of the Cash Flow Statement, cash at the end of the year is reconciled to the following items in the balance sheet:

Cash at Bank (Overdraft)	<u>3,215</u>	<u>(4,497)</u>
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**b) RECONCILIATION OF CASH FLOW FROM
OPERATIONS WITH SURPLUS FOR YEAR**

Surplus for year	12,306	10,512
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Non-cash flows in surplus

Depreciation	5,733	5,733
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Changes in Assets and Liabilities

(Decrease) in Provision for Union History	(12,344)	(11,350)
Increase (Decrease) in Creditors	2,971	(18,623)
(Increase) Decrease in Sundry Debtors	<u>(954)</u>	<u>10,051</u>

**NET CASH PROVIDED BY (USED IN) OPERATING
ACTIVITIES**

	<u>7,712</u>	<u>(3,677)</u>
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AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (Cont'd)**

11. FINANCIAL RISK MANAGEMENT

Financial Instruments

	2009	2008
	\$	\$
Financial Assets		
Cash and cash equivalents	3,215	-
Loans and Receivables	40,206	39,465
	<u>43,421</u>	<u>39,465</u>
Financial Liabilities		
Cash and cash equivalents	-	4,497
Sundry Liabilities	3,917	4,417
ASU National Office	195,161	191,690
	<u>199,078</u>	<u>200,604</u>

(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.

The Branch's financial instruments consist mainly of a bank account and sundry receivables and payables. The main risks the Branch is exposed to through its financial instruments are liquidity risk and credit risk.

The Branch Executive has overall responsibility for the determination of the Branch's risk management objectives and policies. The Branch Executive does not make any investment decisions as the Branch has no investments.

(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.

The Branch's major debtor is the ASU National Office. There is no history of defaulting by this debtor to the Branch.

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:

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (Cont'd)**

11. FINANCIAL RISK MANAGEMENT

(b) Credit Risk (Cont'd)

	2009	2008
	\$	\$
ASU National Office	40,206	39,465

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 manages liquidity risk by monitoring cash flows.

The total current liabilities of the Branch amounting to \$199,078 (2008 \$200,604) mature within six months.

The Branch is not significantly exposed to liquidity risk as the New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union has agreed to provide the financial support necessary to enable the Branch to pay its debts as and when they fall due.

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

(d) Market Risk

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk). The branch is not exposed to this risk.

(i) Interest Rate Risk

Interest rate risk is the risk that a financial instrument's value, fluctuates as a result of changes in market interest rates. The Branch is not exposed to this risk.

(ii) Other Price Risks

The Branch does not invest in shares or derivatives therefore it does not expose itself to the fluctuations in price that are inherent in such a market.

(iii) Foreign Exchange Risk

The Branch is not exposed to foreign exchange rate risk.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (Cont'd)**

12. FINANCIAL DEPENDENCE

The Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch is dependent upon the ongoing financial support of the New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union in order to pay its debts as and when they fall due.

13. REGISTERED OFFICE

The registered office and principal place of business of the Branch is;
Level 8
321 Pitt Street
Sydney NSW 2000

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL, ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH

INDEPENDENT AUDITOR'S REPORT

To the members of the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch.

We have audited the accompanying financial report of the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch, which comprises the balance sheet as at 30 June 2009 income statement, statement of changes in accumulated funds and reserves, cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the branch executive's statement.

Branch Executive's and Branch Secretary's Responsibility for the Financial Report

The branch executive and branch secretary of the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the branch executive and branch secretary, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Workplace Relations Act 1996.

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH**

INDEPENDENT AUDITOR'S REPORT

Auditor's Opinion

In our opinion the general purpose financial report of Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996.



A J Williams & Co



David McLean

Member of Institute of Chartered Accountants
And Holder of Current Public Practice Certificate
Registered Company Auditor
SYDNEY NSW 2000

14 September 2009