

14 January 2015



Mr Graham Kelly
Branch Secretary
Australian Municipal, Administrative, Clerical and Services Union - New South Wales Local
Government Clerical, Administrative, Energy, Airlines & Utilities Branch
united@usu.org.au

Dear Mr Kelly,

**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 2014 - [FR2014/307]**

I acknowledge receipt of the financial report of the Australian Municipal, Administrative, Clerical and Services Union - New South Wales Local Government Clerical, Administrative, Energy, Airlines & Utilities Branch (the Branch). The documents were lodged with the Fair Work Commission (FWC) on 9 January 2015.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.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 2015 may be subject to an advanced compliance review.

I make the following 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. The FWC will confirm these concerns have been addressed prior to filing next year's report.

Documents must be lodged with the Fair Work Commission within 14 days of General Meeting
Section 268 of the RO Act states that the full report and the designated officers' certificate are required to be lodged with the Fair Work Commission within 14 days of the meeting of the committee of management. The Designated Officer's Certificate indicates that this meeting occurred on 12 December 2014. If this is correct the full report should have been lodged with the Fair Work Commission by 29 December 2014.

The full report was lodged on 9 January 2015. If these dates are correct, the Branch should have applied for an extension of time to lodge the required reports and the Designated Officer's Certificate in accordance with section 268 of the RO Act.

Please note that in future financial years if the Branch cannot lodge on time, a written request for an extension of time, signed by a relevant officer, including any reason for the delay must be made prior to the required date of lodgement.

I note that the reporting unit failed to seek an extension for the second year in a row. Future failure to meet seek extensions for late lodgement may result in an inquiry into the organisation and the General Manager of the FWC may apply under s.310(1) of the RO Act to the Federal Court of Australia for a pecuniary penalty order to be imposed on your organisation and, potentially, an officer whose conduct led to the non-compliance.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the RO Act, I may be contacted on (03) 8661 7812 or via email at orgs@fwc.gov.au.

Yours sincerely



Nick Salzberg
Regulatory Compliance Branch
Fair Work Commission



9 January 2015

General Manager
FairWork Australia
GPO Box 1994S
MELBOURNE VIC 3001

By Email: orgs@fwc.gov.au

Dear Sir

Re: Annual return of information for 2014 and financial report for year ended 30 June 2014, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch of the Australian Services Union

Please find attached the following documents:

1. Maintenance of Register of Members
2. List of Offices
3. List of Office Holders
4. List of Branches
5. Addresses of Organisation and Branches
6. Financial Report for Year End 30 June 2014

The attached copy of records lodged is a correct statement of information contained in those records.

"Statement Concerning Number of Members" will be submitted Tuesday 13 January 2015.

During the year 2014 the Branch did not have any

- Branches commence operation
- Branches cease operation
- During this year there are no scheduled elections.

Yours faithfully

Graeme Kelly
BRANCH SECRETARY

CC: *Mr Robert Pfeiffer*

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

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

ABN 77 278 017 470

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014**

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

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

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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 Management Committee for the purposes of the Fair Work (Registered Organisations) Amendment Act 2012, 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 2014.

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.

The branch as part of the Union continued to promote workers' rights and campaigned for community support, the introduction of Fair Work, and the recruitment of members to support the Union movement. Despite tough economic times, the branch was able to sustain membership.

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 Fair Work (Registered Organisations) Amendment Act 2012. In accordance with Section 174(1) of the Fair Work (Registered Organisations) Amendment Act 2012, 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:
 - Member Ian Tarrant continues to hold position as Director on the Board of Energy Industry Superannuation Scheme.
 - Member John Beacroft is now replaced by Jim Montague as Director of Local Government Superannuation Scheme (LGSS) from October 2013;
 - Member Craig Peate holds the other position of Director of LGSS since October 2012;
 - Member Emma Maiden and John Christopher Joyce hold positions as Directors of Legal Super.
 - Employee Monica Clavijo continues to hold position as Director of CARE Super.
5. At the end of the financial year the total number of registered members was 31,769 (2013: 32,565).
6. The Branch does not employ any staff members.

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

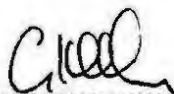
**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH**

OPERATING REPORT (Cont'd)

7. The names of the Branch Executive members during the year ended 30 June 2014 were:

Name	Period of Appointment
Stephen Birney	01/07/2013 – 30/06/2014
Phil Bowering	01/07/2013 – 30/06/2014
Sharon Sewell	01/07/2013 – 30/06/2014
Tony Dean	01/07/2013 – 30/06/2014
Mark Gill	01/07/2013 – 30/06/2014
Graeme Kelly	01/07/2013 – 30/06/2014
John Mackay	01/07/2013 – 30/06/2014
Russell Woods	01/07/2013 – 30/06/2014
Brian Cameron	01/07/2013 – 30/06/2014
Beverley Spearpoint	01/07/2013 – 30/06/2014
Ross Crawford	01/07/2013 – 30/06/2014
Shane Clapham	01/07/2013 – 30/06/2014
Shayne Baird	01/07/2013 – 30/06/2014
Chris Zorzo	01/07/2013 – 30/06/2014
Steven Gillespie	01/07/2013 – 30/06/2014
Stephen Mulholland	01/07/2013 – 30/06/2014
Glen McAtear	01/07/2013 – 30/06/2014
Frank Holobowski	01/07/2013 – 30/06/2014
Shane Lummis	01/07/2013 – 30/06/2014
Katerina Tahija	01/07/2013 – 30/06/2014
Alan Sandow	01/07/2013 – 31/07/2013
Ray Mifsud	01/07/2013 – 30/06/2014

Signed in accordance with a resolution of the Branch Executive.



.....
GRAEME KELLY
Branch Secretary



.....
STEPHEN BIRNEY
Branch President

15 September 2014

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

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

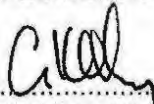
BRANCH EXECUTIVE'S STATEMENT

On 15 September 2014 the Branch Executive of the Australian Services Union passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the year ended 30 June 2014.

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 General Manager of Fair Work Australia;
- (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 2014;
- (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 2014 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 Fair Work (Registered Organisations) Amendment Act 2012 and the Fair Work (Registered Organisations) Regulations 2009; 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 the General Manager of Fair Work Australia under section 272 of the Fair Work (Registered Organisations) Amendment Act 2012; and
 - (vi) no order for inspection of the financial records has been made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Amendment Act 2012 .
- f) during the financial year ended 30 June 2014 the Branch did not participate in any recovery of wages activity.

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



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GRAEME KELLY
Branch Secretary
15 September 2014

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014	2013
		\$	Restated \$
INCOME			
Contributions		56,688	57,141
Interest Income		23	5
Rent Received		63,331	60,975
Contributions received for funding of the Branch		<u>856,508</u>	<u>855,192</u>
TOTAL INCOME		<u>976,550</u>	<u>973,313</u>
EXPENDITURE			
Depreciation			
Property, Plant & Equipment		<u>5,733</u>	<u>5,733</u>
Other Expenses			
United Services Union - Service Fee		56,688	57,141
ASU National Office – Capitation Fees		872,260	856,619
Bank Charges		67	26
ACT Property Costs		21,696	20,892
TUCAR Donations		-	1,506
Auditors' Remuneration	7	<u>5,000</u>	<u>4,000</u>
		<u>955,711</u>	<u>940,184</u>
TOTAL EXPENDITURE		<u>961,444</u>	<u>945,917</u>
SURPLUS/(DEFICIT) FOR YEAR		15,106	27,396
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		<u>15,106</u>	<u>27,396</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 FINANCIAL POSITION AS AT 30 JUNE 2014

	Note	2014 \$	2013 Restated \$
ASSETS			
Current Assets			
Cash & Cash Equivalents	4	40,796	12,683
Trade & Other Receivables	5	<u>72,820</u>	<u>70,770</u>
Total Current Assets		<u>113,616</u>	<u>83,453</u>
Non-Current Assets			
Property, Plant and Equipment	6	<u>144,768</u>	<u>150,501</u>
Total Non-Current Assets		<u>144,768</u>	<u>150,501</u>
TOTAL ASSETS		<u>258,384</u>	<u>233,954</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8	<u>231,523</u>	<u>222,199</u>
Total Current Liabilities		<u>231,523</u>	<u>222,199</u>
TOTAL LIABILITIES		<u>231,523</u>	<u>222,199</u>
NET ASSETS		<u>26,861</u>	<u>11,755</u>
EQUITY			
Accumulated Surplus		<u>26,861</u>	<u>11,755</u>
TOTAL EQUITY		<u>26,861</u>	<u>11,755</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 EQUITY
FOR THE YEAR ENDED 30 JUNE 2014**

	Accumulated Surplus	Total
Balance at 30 June 2012	(15,641)	(15,641)
Surplus for the year	27,396	27,396
Balance at 30 June 2013	<u>11,755</u>	<u>11,755</u>
Surplus for the year	15,106	15,106
Balance at 30 June 2014	<u>26,861</u>	<u>26,861</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 CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 Restated \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members		62,084	67,264
Payment of ASU National Office Capitation Fees		(955,778)	(940,826)
Payments to Suppliers		(83,705)	(132,876)
Interest Received		23	5
Rent Received		63,331	72,608
Other Receipts		<u>942,158</u>	<u>940,711</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	12(b)	<u>28,113</u>	<u>6,886</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
NET CASH USED BY INVESTING ACTIVITIES		<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
NET CASH USED BY FINANCING ACTIVITIES		<u>-</u>	<u>-</u>
NET INCREASE IN CASH		28,113	6,886
CASH AT BEGINNING OF YEAR		<u>12,683</u>	<u>5,797</u>
CASH AT END OF FINANCIAL YEAR	12(a)	<u>40,796</u>	<u>12,683</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**

**RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	-	-
Cash asset's in respect of recovered money at end of year	-	-

(As required by the Reporting Guidelines. Item to remain even if 'nil'.)

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 2014

1. SIGNIFICANT ACCOUNTING POLICIES

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 is in accordance with the Fair Work (Registered Organisations) Amendment Act 2012. The Branch is a reporting unit of The Australian Municipal, Administrative, Clerical and Services Union and is an organisation registered under the Fair Work (Registered Organisations) Amendment Act 2012. 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.

GOING CONCERN AND FINANCIAL DEPENDENCE ON "THE STATE UNION"

The Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch generated a surplus of \$15,106 for the year ended 30 June 2014 (2013: \$27,396) and had net assets of \$26,861 as at 30 June 2014 (2013: \$11,755).

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 ("The State Union") in order to pay its debts as and when they fall due.

In this regard the Branch entered into a deed with the State Union on the 13 January 2003 which states that "The State Union will pay to the Branch of the Union such sums of money which will enable the Branch of the Union to meet its obligations to pay capitation or other amounts to the Union pursuant to the Rules of the Union. Such capitation or other amounts do not include or create any obligation for the State Union to pay any subscription fee for or on behalf of any member of the Branch of the Union".

The financial statements have been prepared on a going concern basis as the Branch Executives have formed a view that the State Union has the financial capacity to provide such support.

BASIS OF PREPARATION

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Amendment Act 2012*. For the purpose of preparing the general purpose financial statements, the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch is a not-for-profit entity.

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 2014 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

BASIS OF PREPARATION (CONT')

The financial statements have been prepared on an accruals basis and in accordance with the historical cost, except for the cash flow information and certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values 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.

(a) Revenue

Revenue from contributions are accounted for on an accruals basis and is recorded as revenue in the year to which it relates.

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

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

(b) Income tax

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

(c) Property, Plant and Equipment

Asset Recognition Threshold

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

Revaluations - Land and Buildings

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

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 2014 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Property, Plant and Equipment (Cont'd)

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

Depreciation

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

Depreciation rates applying to each class of depreciable assets are as follows:

Buildings	2 %
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Derecognition

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

(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 statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. For the purpose of assessing value in use of assets not held primarily to generate cash, this represents depreciated current replacement cost, as the Branch is a not-for-profit organisation.

(e) Trade 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 2014 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Goods and Services Tax

Revenues and expenses 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.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(h) Financial Assets

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

Loans and receivables

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

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 2014 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Financial Assets (Cont'd)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

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

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Financial Liability

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

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

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated at fair value through profit or loss.

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

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Financial Liability (Cont'd)

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(j) Comparative Figures

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

(k) Contingent Liabilities and Contingent Assets

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

(l) Adoption of new and revised accounting standards

During the current year, the following standards became mandatory:

- *AASB 10 Consolidated Financial Statements*
- *AASB 11 Joint Arrangements*
- *AASB 12 Disclosure of Interests in Other Entities*
- *AASB 13 Fair Value Measurement*
- *AASB 119 Employee Benefits*
- *AASB 127 Separate Financial Statements*
- *AASB 128 Investment in Associates and Joint Ventures*
- *AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]*

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

- AASB 2012-9 *Amendments to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039*
- AASB 2012-2 *Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities*

The adoption of these Standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these Standards and Interpretations has had on the financial statements of Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch.

Standard Name	Impact
AASB 10 <i>Consolidated Financial Statements</i>	There has been no impact due to the entity not being a consolidated entity.
AASB 11 <i>Joint Arrangements</i>	There has been no impact as the entity does not have any joint arrangements.
AASB 12 <i>Disclosure of Interests in Other Entities</i>	Disclosure requirements in association to this standard have been made according to the Fair Work (Registered Organisations) Amendment Act 2012.
AASB 13 <i>Fair Value Measurement</i>	The adoption of this standard has not changed the reported financial position and performance of the entity.
AASB 119 <i>Employee Benefits</i>	There has been no impact as the entity does not have any employees.
AASB 127 <i>Separate Financial Statements</i>	There has been no impact due to the entity not being a consolidated entity.
AASB 128 <i>Investment in Associates and Joint Ventures</i>	There has been no impact as the entity does not have any joint ventures.
AASB 2011-7 <i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]</i>	There has been no impact as the entity is neither consolidated nor does it have any joint ventures.
AASB 2012-9 <i>Amendments to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039</i>	There has been no impact to the entity.
AASB 2012-2 <i>Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities</i>	There has been no impact to the entity as the entity does not have any financial assets or liabilities.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(m) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Branch has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the Branch:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	30 June 2016	Changes to the classification and measurement requirements for financial assets and financial liabilities. New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been released.
AASB 1053 - Application of Tiers of Australian Accounting Standards and amending standards AASB 2010-2, AASB 2011-11, AASB 2012-1, AASB 2012-7 and AASB 2012-11	30 June 2014	This standard allows certain entities to reduce disclosures.	The entity is not adopting the RDR and therefore these standards are not relevant.
AASB 2011-2 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence – Reduced Disclosure Requirements	30 June 2014	Highlights the disclosures not required in AASB 1054 for entities applying the RDR.	The entity is not adopting the RDR and therefore this standard is not relevant.
AASB 10 Consolidated Financial Statements / AASB 11 Joint Arrangements / AASB 12 Disclosures of Interests in Other Entities, AASB 127 Separate Financial Statements, AASB 128 Investments in Associates and AASB 2012-10 Amendments to Australian Accounting Standards - Transition Guidance and Other Amendments	30 June 2014	AASB 10 includes a new definition of control, which is used to determine which entities are consolidated, and describes consolidation procedures. The Standard provides additional guidance to assist in the determination of control where this is difficult to assess. AASB 11 focuses on the rights and obligations of a joint venture arrangement, rather than its legal form (as is currently the case). IFRS 11 requires equity accounting for joint ventures, eliminating proportionate consolidation as an accounting choice. AASB 12 includes disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.	The Group will review its controlled entities to determine whether they should be consolidated under AASB 10, no changes are anticipated. All joint ventures of the group are equity accounted and therefore minimal impact is expected due to the adoption of AASB 11. Additional disclosures will be required under AASB 12 but there will be no changes to reported position and performance.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(m) New Accounting Standards and Interpretations (Cont'd)

<p>AASB 13 Fair Value Measurement.</p> <p>AASB 2011-8 - Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]</p>	<p>30 June 2014</p>	<p>AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted.</p> <p>There are a number of additional disclosure requirements.</p>	<p>Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required.</p> <p>The entity has not yet determined the magnitude of any changes which may be needed.</p> <p>Some additional disclosures will be needed.</p>
<p>AASB 2011-4 - Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]</p>	<p>30 June 2014</p>	<p>Remove individual key management personnel disclosure requirements (i.e. components of remuneration) for disclosing entities.</p>	<p>Since the entity is a disclosing entity, the KMP remuneration note in the financial statements will not include individual components of remuneration.</p>
<p>AASB 2011-6 - Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements [AASB 127, AASB 128 & AASB 131]</p>	<p>30 June 2014</p>	<p>This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards - Reduced Disclosure Requirements.</p>	<p>Since the entity does not comply with the Reduced Disclosure Regime there is no impact on the adoption of this standard.</p>
<p>AASB 2011-7 - Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]</p>	<p>30 June 2014</p>	<p>This standard provides many consequential changes due to the release of the new consolidation and joint venture standards.</p>	<p>The impact of this standard is expected to be minimal.</p>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(m) New Accounting Standards and Interpretations (Cont'd)

<p>AASB 119 Employee Benefits (September 2011)</p> <p>AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</p>	<p>30 June 2014</p>	<p>The main changes in this standard relate to the accounting for defined benefit plans and are as follows:</p> <ul style="list-style-type: none"> - elimination of the option to defer the recognition of gains and losses (the 'corridor method'); - requiring remeasurements to be presented in other comprehensive income; and - enhancing the disclosure requirements. 	<p>Since the entity does not have a defined benefit plan, the adoption of these standards will not have any impact.</p>
<p>AASB 2010-10 - Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7]</p>	<p>30 June 2014</p>	<p>Makes amendments to AASB 1</p>	<p>No impact since the entity is not a first-time adopter of IFRS.</p>
<p>AASB 2012-2 - Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities [AASB 132 & AASB 7]</p>	<p>30 June 2014</p>	<p>Requires the inclusion of information about the effect or potential effect of netting arrangements.</p>	<p>There is no impact on disclosures as there are no offsetting arrangements currently in place.</p>
<p>AASB 2012-4 - Amendments to Australian Accounting Standards - Government Loans [AASB 1]</p>	<p>30 June 2014</p>	<p>Adds exception to retrospective application of Australian Accounting Standards for first time adopters.</p>	<p>No impact as these are not the first time adoption accounts for the entity.</p>
<p>AASB 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20</p>	<p>30 June 2014</p>	<p>Allows transitional provisions for stripings costs in accordance with Interpretation 20.</p>	<p>There will be no impact as entity is not in the mining industry.</p>
<p>AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039</p>	<p>30 June 2014</p>	<p>Removes reference to withdrawn Interpretation 1039.</p>	<p>No impact on the financial statements.</p>
<p>AASB 1055 - Budgetary Reporting AASB 2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements</p>	<p>30 June 2015</p>	<p>This standard specifies the nature of budgetary disclosures and circumstances for inclusion in the financial statements.</p>	<p>There will be no impact to the entity.</p>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(m) New Accounting Standards and Interpretations (Cont'd)

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	30 June 2015	This standard adds application guidance to AASB 132 to assist with applying some of the offset criteria of the standard.	There will be no impact to the entity as there are no offsetting arrangements currently in place.
AASB 2012-5 - Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2]	30 June 2014	<p>AASB 1 - this standard clarifies that an entity can apply AASB 1 more than once.</p> <p>AASB 101 - clarifies that a third statement of financial position is required when the opening statement of financial position is materially affected by any adjustments.</p> <p>AASB 116 - clarifies the classification of servicing equipment.</p> <p>AASB 132 and Interpretation 2 - Clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with AASB 112 Income Taxes</p> <p>AASB 134 - provides clarification about segment reporting.</p>	No expected impact on the entity's financial position or performance.

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.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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**3. INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER
OF FAIR WORK AUSTRALIA**

In accordance with the requirements of the Fair Work (Registered Organisations) Amendment Act 2012 the attention of members is drawn to the provisions of Section 272 of Fair Work (Registered Organisations) Amendment Act 2012 which reads as follows:

1. A member of a reporting unit or the General Manager of Fair Work Australia may apply to the reporting unit for specified prescribed information relating to the reporting unit to be made available to the person making the application.
2. The application must be in writing and 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).

	2014	2013
	\$	Restated \$
4. CASH AND CASH EQUIVALENTS		
Cash at Bank	40,796	12,683
	<u>40,796</u>	<u>12,683</u>
5. TRADE & OTHER RECEIVABLES		
Current		
ASU National Office	49,135	47,583
Contributions in Arrears	3,456	3,841
Sundry Debtors	20,229	19,346
	<u>72,820</u>	<u>70,770</u>
6. PROPERTY, PLANT AND EQUIPMENT		
Land & Buildings		
Unit 6, ACTU Building, Canberra		
At Cost	286,665	286,665
Less Accumulated Depreciation	<u>(141,897)</u>	<u>(136,164)</u>
TOTAL PROPERTY PLANT AND EQUIPMENT	<u>144,768</u>	<u>150,501</u>
MOVEMENTS IN CARRYING AMOUNTS	Land and Buildings	Total
	\$	\$
Balance at 1 July 2013	150,501	156,235
Depreciation	<u>(5,733)</u>	<u>(5,734)</u>
Balance at 30 June 2014	<u>144,768</u>	<u>150,501</u>

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	2014	2013
	\$	Restated \$
7. AUDITORS' REMUNERATION		
Remuneration of the auditors for:		
Audit of the Financial Report	5,000	4,000
	<u>5,000</u>	<u>4,000</u>
8. TRADE & OTHER PAYABLES		
ASU National Office - Capitation Fees	222,220	212,512
Contributions in Advance	741	1,399
United Services Union - Service Fee	4,562	4,288
Other	4,000	4,000
	<u>231,523</u>	<u>222,199</u>

9. FINANCIAL INSTRUMENTS

The main risks the Branch is exposed to, through its financial instruments, are credit risk and liquidity risk.

The Branch's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets		
Cash and cash equivalents	40,796	12,683
Trade and other receivables	72,820	70,770
Total financial assets	<u>113,616</u>	<u>83,453</u>
Financial Liabilities		
Financial liabilities at amortised cost		
Trade and other payables	231,523	222,199
Total financial liabilities	<u>231,523</u>	<u>222,199</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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9. FINANCIAL INSTRUMENTS (Cont'd)

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch and arises principally from Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch's receivables.

It is Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch's policy that all customers who wish to trade on credit terms undergo a credit assessment process which takes into account the customer's financial position, past experience and other factors. Credit limits are then set based on ratings in accordance with the limits set by the branch executive, and these limits are reviewed on a regular basis.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch may have a secured claim.

(b) Liquidity risk

Liquidity risk arises from the possibility that Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Branch manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- using derivatives that are only traded in highly liquid markets;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

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10. ADMINISTRATION OF FINANCIAL AFFAIRS BY A THIRD PARTY

Name of entity providing service:	United Services Union
Terms and conditions:	Under a Deed of Agreement on 13 January 2003
Nature of expenses/consultancy service:	Administration Service

Detailed breakdown of revenues collected and/or expenses incurred:

	2014	2013
	\$	Restated \$
Revenue		
Contribution	56,688	57,141
Total revenue	<u>56,688</u>	<u>57,141</u>
Expenses		
Service Fee	56,688	57,141
Total expenses	<u>56,688</u>	<u>57,141</u>

11. 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. A related entity the New South Wales Local Government, Clerical, Administrative, Energy, Airlines and Utilities Union ("United Services Union") or ("The State Union") has the same Management Committee, same members and substantively the same rules as the Branch.

Transactions with the Ultimate Controlling Entity

- (a) ASU National Office Capitation Fees are disclosed as an expense in the statement of comprehensive income and as a payment in the statement of cash flows.
- (b) ASU National Office Capitation Fees payable are disclosed at Note 8 of the accounts.
- (c) ASU National Office have an informal arrangement with the branch that 50% of all Rental Return that it receives on the property it owns (Note 6) should be shared with the Branch. The 50% share of the Branch's income is disclosed as an income item listed as Rent Received and expense item listed as ACT property costs in the statement of comprehensive income.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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11. RELATED PARTY TRANSACTIONS (Cont'd)

Transactions with a Related Entity:

- a) Contributions received for funding the Branch from the United Services Union are disclosed as income in the statement of comprehensive income.
- b) Services Fees paid to the United Services Union are disclosed as an expense in the statement of comprehensive income.
- c) Amounts payable to the United Services Union are disclosed at Note 8 of the accounts.

2014	2013
\$	Restated \$

12. CASH FLOW INFORMATION

- a) For the purposes of the statement of cash flows, cash at the end of the year is reconciled to the following items in the statement of financial position:

Cash at Bank	<u>40,796</u>	<u>12,683</u>
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- b) **RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH SURPLUS/(DEFICIT) FOR YEAR:**

Surplus for year	15,106	27,396
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Non-cash flows in Surplus

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

Increase/(Decrease) in Trade & Other Payables	9,324	(2,768)
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(Increase)/Decrease in Trade & Other Receivables	<u>(2,050)</u>	<u>(23,475)</u>
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NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>28,113</u>	<u>6,886</u>
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FOR THE YEAR ENDED 30 JUNE 2014 (Cont'd)**

13. KEY MANAGEMENT PERSONNEL

The key management personnel of the Branch are Officers of the State Union. They receive no direct remuneration from the Branch. The Officers are paid by "the State Union" from income received from members. The amount of the officers time is incorporated in the Service Fee charged by "the State Union".

14. EVENTS OCCURRING AFTER THE REPORTING DATE

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

15. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In the opinion of the branch executive, the Branch did not have any contingencies at 30 June 2014 (30 June 2013: None).

16. RESTATEMENT OF PRIOR YEAR'S AMOUNTS

			2013
			Restated
			\$
Trade and other receivables	-as previously reported	\$51,450	
	-Current reporting	<u>\$70,770</u>	\$19,320
Trade and other payables	-as previously reported	\$202,879	
	-Current reporting	<u>\$222,199</u>	<u>\$19,320</u>
Net effect on Profit and Loss			<u>\$ -</u>

17. REGISTERED OFFICE

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

**The Australian Municipal, Administrative, Clerical and Services Union
New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch**

ABN 77 278 017 470

Independent Audit Report to the Members

Report on the Financial Report

We have audited the accompanying financial report of New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union ('the Branch'), which comprises the statement of financial position as at 30 June 2014, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the state executive's certificate and accounting officer's certificate.

Branch Executive's Responsibility for the Financial Report

The Branch Executive is responsible for the preparation and fair presentation of the financial report and to meet the requirements of the *Industrial Relations Act 1996*. This responsibility also includes establishing and maintaining internal controls 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 management, 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 *Industrial Relations Act 1996*.

Opinion

In our opinion, the financial report of New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union is in accordance with Australian Accounting Standards and the *Industrial Relations Act 1996*, including:

- (a) giving a true and fair view of the branch's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Industrial Relations Act 1996*.

We have assessed the management's use of the going concern basis of accounting in the preparation of the branch as disclosed in Note 1 of the report to be appropriate.

Emphasis of Matter – Going Concern

Without modifying our opinion, we draw attention to Note 1 to the financial report, which indicated that the branch is dependent upon the ongoing financial support of the New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union ("The State Union") in order to pay its debts as and when they fall due.

Bentleys NSW Audit Pty Ltd



Robert Evett
Director
Sydney
Date: 16 September 2014