



27 January 2021

Graeme Kelly
Branch Secretary
Australian Municipal, Administrative, Clerical and Services Union - New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch

Sent via email: gkelly@usu.org.au
CC: Bob.Evett@Bentleysnsw.com.au

Dear Graeme 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 2020 – (FR2020/209)**

I acknowledge receipt of the financial report for the year ended 30 June 2020 for the Australian Municipal, Administrative, Clerical and Services Union - New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 23 December 2020.

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 2021 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

New Australian Accounting Standard – transition method

With the introduction of the new Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers*, an entity has the option to transition to this new standard via either the full retrospective method or the modified retrospective method.

From the information disclosed within the general purpose financial report, it is not clear which method the reporting unit has used to transition to AASB 15.

Reporting Requirements

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

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

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Kylie Ngo', written over a horizontal line.

Kylie Ngo
Registered Organisations Commission

By your side



22 December 2020

General Manager
Registered Organisations Commission
GPO Box 2983
MELBOURNE VIC 3001

By Email: regorgs@roc.gov.au

Dear Officer,

Re: Annual return of information for 2020 and financial report for the year ended 30 June 2020, Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch

Audited Financial Account for 30 June 2020

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

Yours faithfully

A handwritten signature in black ink, appearing to read "G. Kelly".

Graeme Kelly OAM
BRANCH SECRETARY

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 2020

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**

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 30 June 2020

I, Graeme Kelly being the Branch Secretary of the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch certify:

- that the documents lodged herewith are copies of the full report for the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch for the period ended referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the reporting unit on 2 November 2020; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 18 December 2020 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.



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GRAEME KELLY
Branch Secretary
21 December 2020

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

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

REPORT REQUIRED UNDER SUBSECTION 255(2A)

For the year ended 30 June 2020

The Committee of Management presents the expenditures report as required under subsection 255(2A) on the Branch for the year ended 30 June 2020

Categories of expenditures	2020 \$	2019 \$
Remuneration and other employment-related costs and expenses - employees	-	-
Advertising	-	-
Operating costs	\$1,015,000	\$1,154,643
Donations to political parties	-	-
Legal costs	-	-



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GRAEME KELLY
Branch Secretary
21 October 2020

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) Act 2009, 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 2020.

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) Act 2009. In accordance with Section 174(1) of the Fair Work (Registered Organisations) Act 2009, a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.
4. Members holding positions on Superannuation Boards:
 - Member Yasemin Onat continues to hold position as Director on the Board of Energy Industry Superannuation Scheme.
 - Greg McLean continues to hold position as Director of Local Government Superannuation Scheme (LGSS);
 - Member Craig Peate holds the other position of Director of LGSS since October 2012;
 - Member Emma Maiden and Nikhil Mishra hold positions as Directors of Legal Super. Nikhil Mishra was appointed on 1 April 2020, replacing John Christopher Joyce whose term expired 31 March 2020.
5. At the end of the financial year the total number of registered members was 30,323 (2019: 29,726).
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 2020 were:

Name	Period of Appointment
Glen McAtear	01/07/2019 – 30/06/2020
Sharon Sewell	01/07/2019 – 30/06/2020
Ross Crawford	01/07/2019 – 30/06/2020
Graeme Kelly	01/07/2019 – 30/06/2020
Stephen Mulholland	01/07/2019 – 30/06/2020
James O'Malley	01/07/2019 – 30/06/2020
Larry Freeman	01/07/2019 – 30/06/2020
Annamaria Saglimbeni	01/07/2019 – 30/06/2020
Thao Tran	01/07/2019 – 30/06/2020
David Walsh	01/07/2019 – 30/06/2020
Jeff Wearing	01/07/2019 – 30/06/2020
Katie Gillen	01/07/2019 – 30/06/2020
Michael Maggioros	01/07/2019 – 30/06/2020
Raffaele Catanzariti	01/07/2019 – 30/06/2020
Carl Cleaver	01/07/2019 – 30/06/2020
Natalie Piggott-Herridge	01/07/2019 – 30/06/2020
James Koval	01/07/2019 – 30/06/2020
Alby Bordignon	01/07/2019 – 30/06/2020
Arthur Jenkins	01/07/2019 – 30/06/2020
Bernard Lynch	01/07/2019 – 30/06/2020

Signed in accordance with a resolution of the Branch Executive.


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GRAEME KELLY
Branch Secretary


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GLEN MCATEAR
Branch President

21 October 2020

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

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

**BRANCH EXECUTIVE'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020**

On 21 October 2020 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 2020.

The Branch Executive declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year ended 30 June 2020;
- (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 2020 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) Act 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 Commissioner of the Registered Organisations Commission under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vi) no order for inspection of the financial records has been made by Fair Work Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.

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



GRAEME KELLY
Branch Secretary
21 October 2020

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 2020**

	Note	2020	2019
		\$	\$
REVENUE FROM CONTRACTS WITH CUSTOMERS			
Membership Subscription		71,971	68,196
Contribution received for funding of the Branch		904,025	893,046
Financial Support received from other Reporting Units	4	-	-
		<hr/>	<hr/>
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS		975,996	961,242
OTHER INCOME			
Rent Received		64,920	63,997
Interest Income		7	97
Grants and/or donations		-	-
Revenue from recovery of wages activity		-	-
		<hr/>	<hr/>
TOTAL OTHER INCOME		64,927	64,094
		<hr/>	<hr/>
TOTAL INCOME		1,040,923	1,025,336
EXPENDITURE			
Depreciation			
Property, Plant & Equipment		5,733	5,733
Other Expenses			
Employees Expenses		-	-
United Services Union - Service Fee		71,971	68,196
ASU National Office – Capitation Fees		904,025	893,046
ASU National Office – Aftinet Affiliation		1,368	-
Bank Charges		55	54
ACTU Rules Campaign		-	153,847
NADC Levy		3,870	3,870
ACT Property Costs		20,628	24,897
Auditors' Remuneration	9	7,350	5,000
Administration Expenses	5	-	-
		<hr/>	<hr/>
		1,009,267	1,148,910
		<hr/>	<hr/>
TOTAL EXPENDITURE		1,015,000	1,154,643
		<hr/>	<hr/>
SURPLUS/(DEFICIT) FOR YEAR		25,923	(129,307)
		<hr/>	<hr/>
Other Comprehensive Income		-	-
		<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		25,923	(129,307)
		<hr/>	<hr/>

(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 2020**

	Note	2020	2019
		\$	\$
ASSETS			
Current Assets			
Cash & Cash Equivalents	6	68,714	37,081
Trade & Other Receivables	7	53,845	47,816
Total Current Assets		<u>122,559</u>	<u>84,897</u>
Non-Current Assets			
Property, Plant and Equipment	8	<u>110,369</u>	<u>116,102</u>
Total Non-Current Assets		<u>110,369</u>	<u>116,102</u>
TOTAL ASSETS		<u>232,928</u>	<u>200,999</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	10	<u>43,708</u>	<u>37,702</u>
Total Current Liabilities		<u>43,708</u>	<u>37,702</u>
TOTAL LIABILITIES		<u>43,708</u>	<u>37,702</u>
NET ASSETS		<u>189,220</u>	<u>163,297</u>
EQUITY			
Accumulated Surplus		<u>189,220</u>	<u>163,297</u>
TOTAL EQUITY		<u>189,220</u>	<u>163,297</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 2020**

	Accumulated Surplus	Total
Balance at 30 June 2018	292,604	292,604
Deficit for the year	(129,307)	(129,307)
Balance at 30 June 2019	<u>163,297</u>	<u>163,297</u>
Surplus for the year	25,923	25,923
Balance at 30 June 2020	<u>189,220</u>	<u>189,220</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 2020**

	Note	2020	2019
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members		71,897	65,390
Payment of ASU National Office Capitation Fees		(904,025)	(893,046)
Payment of ASU National Office Aftinet Affiliation		(1,368)	-
Payments to Suppliers		(103,823)	(281,985)
Interest Received		7	97
Rent Received		64,920	63,997
Other Receipts		<u>904,025</u>	<u>893,046</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	17(b)	<u>31,633</u>	<u>(152,501)</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/(DECREASE) IN CASH		31,633	(152,501)
CASH AT BEGINNING OF YEAR		<u>37,081</u>	<u>189,582</u>
CASH AT END OF FINANCIAL YEAR	17(a)	<u>68,714</u>	<u>37,081</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 2020

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) Act 2009. 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) Act 2009. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the Branch are not subject to the Corporations Act 2001.

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 \$25,923 for the year ended 30 June 2020 (2019: deficit of \$129,307) and had net assets of \$189,220 as at 30 June 2020 (2019: \$163,297).

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. During the year \$904,025 (2019: \$893,046) was received.

The reporting unit has not agreed to provide financial support to ensure another reporting unit has the ability to continue as a going concern.

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) Act 2009*. 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 2020 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

BASIS OF PREPARATION (CONT'D)

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

The Branch enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, contributions for funding and rental income.

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

Revenue from contracts with customers

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

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

Membership subscriptions

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

Interest income

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

Rental income

Leases in which the Branch as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term.

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

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 2020 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(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.

Cost - Buildings

Each class of property is carried at cost or fair value, where applicable, any accumulated depreciation and impairment losses.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Property is measured using the cost method

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.

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 2020 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(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.

(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.

(h) Financial Assets

Initial recognition and measurement

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

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

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 2020 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Financial Assets (Cont'd)

Financial assets at amortised cost

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

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

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

The Branch's financial assets at amortised cost includes trade receivables.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of Trade receivables

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

(i) Financial Liability

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Branch's financial liabilities include trade and other payables.

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 2020 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Financial Liability (Cont'd)

Financial liabilities at amortised cost

After initial recognition, trade payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts 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) Acquisition of assets and liabilities that do not constitute a business combination

The Branch did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

(m) Adoption of new and revised accounting standards

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

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(m) Adoption of new and revised accounting standards (Cont'd)

The Branch has adopted the following accounting standards from 1 July 2019:

AASB 15: Revenue from Contracts with Customers which replaces AASB 118 Revenue and AASB 1058 Income of Not-for-Profits Entities which replaces AASB 1004 Contributions. Financial Instruments from 1 July 2018.

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 also includes implementation guidance to assist not-for-profit entities to determine whether particular transactions, or components thereof, are contracts with customers. If a transaction is outside the scope of AASB 15, the recognition and measurement of income arising from the transaction may instead be specified by another Standard, for example AASB 1058 Income of Not-for-Profit Entities.

AASB 1058 replaces the income recognition requirements in AASB 1004 Contributions that had previously applied to the Branch. AASB 1058 provides a more comprehensive model for accounting for income of not-for-profit entities and specifies that:

- the timing of revenue or income recognition will depend on whether a performance obligation is identified or a liability is recognised;
- not-for-profit lessees can elect to recognise assets, including leases provided at significantly less than fair value, at their fair value; and
- all not-for-profit entities can elect to recognise volunteer services at fair value if the fair value of those services can be reliably measured.

AASB 16 Leases

AASB 16 Leases supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases—Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The adoption of these standards has not had an impact on the Branch's financial statements.

(n) 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

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FOR THE YEAR ENDED 30 JUNE 2020 (Cont'd)**

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. SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or the Commissioner:

- (1) A member of a reporting unit, or the Commissioner, 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).

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FOR THE YEAR ENDED 30 JUNE 2020 (Cont'd)

	2020	2019
	\$	\$
4. INCOME		
a) Capitation fees and other revenue from another reporting unit		
Total capitation fees	<u>-</u>	<u>-</u>
Rental income – ASU National Office	<u>\$64,920</u>	<u>\$63,997</u>
Total revenue from another reporting unit	<u>\$64,920</u>	<u>\$63,997</u>
b) Levies	<u>-</u>	<u>-</u>
Total levies	<u>-</u>	<u>-</u>
5. EXPENSES		
a) Affiliation fees	<u>-</u>	<u>-</u>
Total affiliation fees/subscriptions	<u>-</u>	<u>-</u>
b) Administration expenses		
Consideration to employers for payroll deductions of membership subscription	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	<u>-</u>	<u>-</u>
Total administration expense	<u>-</u>	<u>-</u>

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NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020 (Cont'd)

5. EXPENSES (Cont'd)

	2020	2019
	\$	\$
c) Employee expenses		
Holders of office:		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	<u>-</u>	<u>-</u>
Employees other than office holders:		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	<u>-</u>	<u>-</u>
Total employee expenses	<u>-</u>	<u>-</u>
d) Capitation and other expenses to another reporting unit		
ASU National office		
Total capitation fees	<u>\$904,025</u>	<u>\$893,046</u>
Total other expense to another reporting unit	<u>\$25,867</u>	<u>\$182,614</u>
e) Grants or donations		
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Total grants or donations	<u>-</u>	<u>-</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020 (Cont'd)**

5. EXPENSES (Cont'd)

	2020	2019
	\$	\$
f) Legal costs		
Litigation	-	-
Other legal matters	-	-
Total legal costs	<u>-</u>	<u>-</u>
g) Other expenses		
Penalties - via RO Act or the Fair Work Act 2009	-	-
Total other expenses	<u>-</u>	<u>-</u>

6. CASH AND CASH EQUIVALENTS

Cash at Bank	<u>68,714</u>	<u>37,081</u>
	<u>68,714</u>	<u>37,081</u>

7. TRADE & OTHER RECEIVABLES

Current		
ASU National Office	44,292	39,100
Contributions in Arrears	4,988	4,152
Sundry Debtors	4,565	4,564
Receivable from other reporting Unit	-	-
Less allowance for expected credit losses	-	-
	<u>53,845</u>	<u>47,816</u>

8. PROPERTY, PLANT AND EQUIPMENT

Buildings		
Unit 6, ACTU Building, Canberra		
At Cost	286,665	286,665
Less Accumulated Depreciation	<u>(176,296)</u>	<u>(170,563)</u>
TOTAL PROPERTY PLANT AND EQUIPMENT	<u>110,369</u>	<u>116,102</u>

VALUATION OF BUILDINGS

A valuation of the strata office unit was performed on 30 June 2016 by CBRE Valuations Pty Limited, an accredited independent valuer. As at the date of valuation the strata office's fair value was \$500,000. The value of the strata office was determined by using a Capitalisation approach.

In accordance with the accounting policy disclosed at Note 1 (c), the Branch has continued to show the strata office unit at cost in the financial statements.

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FOR THE YEAR ENDED 30 JUNE 2020 (Cont'd)**

8. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Buildings 2020 \$	Total 2020 \$
Balance at 1 July 2019	116,102	116,102
Depreciation	(5,733)	(5,733)
Balance at 30 June 2020	<u>110,369</u>	<u>110,369</u>

	2020 \$	2019 \$
9. AUDITORS' REMUNERATION		
Remuneration of the auditors for:		
Prior Year Audit Fee	1,050	-
Audit of the Financial Report	<u>6,300</u>	<u>5,000</u>
	<u>7,350</u>	<u>5,000</u>

No other services were provided by the Auditors of the financial statements.

10. TRADE & OTHER PAYABLES

ASU National Office - Capitation Fees	-	-
Contributions in Advance	1,979	1,217
United Services Union – Service Fee	35,429	31,485
Other	6,300	5,000
Consideration to Employers for Deductions of membership subscriptions	-	-
Legal Cost:	-	-
- Litigation	-	-
- Other Legal Matters	-	-
Payable to other reporting Unit	-	-
	<u>43,708</u>	<u>37,702</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020 (Cont'd)

11. EMPLOYEE PROVISIONS

	2020	2019
	\$	\$
Office Holders:		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	<u>-</u>	<u>-</u>
Employees other than office holders:		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—employees other than office holders	<u>-</u>	<u>-</u>
Total employee provisions	<u>-</u>	<u>-</u>
Current	-	-
Non Current	-	-
Total employee provisions	<u>-</u>	<u>-</u>

12. OTHER SPECIFIC DISCLOSURES - FUNDS

**Compulsory levy/voluntary contribution
fund – if invested in assets**

Nil	-	-
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Other fund(s) required by rules

Balance as at start of year	<u>-</u>	<u>-</u>
Balance as at end of year	<u>-</u>	<u>-</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020 (Cont'd)**

13. 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 9 as detailed in the accounting policies to these financial statements, are as follows:

	2020 \$	2019 \$
Financial Assets		
Cash and cash equivalents	68,714	37,081
Trade and other receivables	53,845	47,816
Total financial assets	<u>122,559</u>	<u>84,897</u>
Financial Liabilities		
Financial liabilities at amortised cost		
Trade and other payables	43,708	37,702
Total financial liabilities	<u>43,708</u>	<u>37,702</u>

(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.

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13. FINANCIAL INSTRUMENTS (Cont'd)

(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;
- monitoring undrawn credit facilities;
- 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.

14. 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:

	2020	2019
	\$	\$
Revenue		
Contribution	71,971	68,196
Total revenue	<u>71,971</u>	<u>68,196</u>
Expenses		
Service Fee	71,971	68,196
Total expenses	<u>71,971</u>	<u>68,196</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020 (Cont'd)**

15. 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 10 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.

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 10 of the accounts.

16. PAYMENTS TO A FORMER RELATED PARTY

The Branch did not make any payments to a former related party during the current year or during the prior year.

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FOR THE YEAR ENDED 30 JUNE 2020 (Cont'd)**

	2020	2019
	\$	\$
17. 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>68,714</u>	<u>37,081</u>
b) RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH (DEFICIT)/SURPLUS FOR YEAR:		
Surplus/(Deficit) for year	25,923	(129,307)
Non-cash flows in Surplus		
Depreciation	5,733	5,733
Changes in Assets and Liabilities		
Increase/(Decrease) in Trade & Other Payables	6,006	(28,001)
(Increase)/Decrease in Trade & Other Receivables	<u>(6,029)</u>	<u>(926)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>31,633</u>	<u>(152,501)</u>
c) Cash flow information		
Cash inflows from another reporting unit		
Australian Services Union National Office	\$44,292	\$39,100
Total cash inflows	<u>\$44,292</u>	<u>\$39,100</u>
Cash outflows to another reporting unit		
Australian Services Union National Office	\$904,025	\$893,046
Total cash outflows	<u>\$904,025</u>	<u>\$893,046</u>

18. 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 officer's time is incorporated in the Service Fee charged by "the State Union".

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020 (Cont'd)**

19. EVENTS OCCURRING AFTER THE REPORTING DATE

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Branch is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Branch.

Other than the above, 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.

20. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In the opinion of the branch executive, the Branch did not have any contingencies at 30 June 2020 (30 June 2019: None).

21. REGISTERED OFFICE

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

Independent Audit Report to the members of Australian Municipal, Administrative, Clerical and Service Union, NSW Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch

ABN: 77 278 017 470

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of the Australian Municipal, Administrative, Clerical and Service Union, NSW Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch (the Reporting Unit), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement and the subsection 255(2A) report.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Australian Municipal, Administrative, Clerical and Service Union, NSW Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch as at 30 June 2020, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis of Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110: Code of Ethics for Professional Accountants (the Code)* that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon

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

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

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

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

Bentleys NSW Audit Pty Ltd

BENTLEYS NSW AUDIT PTY LTD
Chartered Accountants

R J Evett

R J Evett
Director
Sydney

Dated: 28 October 2020

Registration number: AA2017/113