



Australian Government
Australian Industrial Registry

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Ms S McManus
Branch Secretary
Australian Municipal, Administrative, Clerical and Services Union
New South Wales and ACT (Services) Branch
PO Box 1865
STRAWBERRY HILLS NSW 2012

Dear Ms McManus

**Re: Schedule 1B of the Workplace Relations Act 1996 (Schedule 1B)
Financial reports for year ended 30 June 2005 - FR 2005/313**

Reference is made to the financial reports of the New South Wales and ACT (Services) Branch of the Australian Municipal, Administrative, Clerical and Services Union for the year ended 30 June 2005. The documents were lodged in the Industrial Registry on 16 December 2005.

The documents have been filed.

Although the documents have been filed, I would like to comment on some issues arising out of the reports. I make these comments to assist you when you next prepare financial reports. You do not need to take any further action in respect of the financial reports already lodged.

1. Operating report

(a) Results of principal activities

I refer to the “operating result”. I note that s254(2)(a) of Schedule 1B requires the operating report to include a review of the reporting entity’s principal activities, the results of those activities and any significant changes in the nature of those activities.

The “operating result” requirement contemplates reference in the operating report to results directly related to the principal activities as opposed to the reporting entity’s financial result, particularly as measured in dollar ‘surplus’ or ‘loss’ terms. Although this may not be stated explicitly in the text of the subsection, I think it is reasonable to infer this is what the legislators had in mind given that the subsection is referring primarily to the principal activities and secondly, the actual financial outcome is elaborated elsewhere in the financial documents, such as the Balance Sheet and/or the Profit and Loss statement.

(b) Right of members to resign:

Subsection 254(2)(c) of Schedule 1B requires the operating report to “give details” of the right of members to resign from the reporting unit under section 174 of Schedule 1B. The

requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule, which makes such provision. Alternatively, the complete text of the relevant resignation rule may be reproduced in the report. An examination of the rules of the organisation indicates that rule 32 of the organisation's rules rather than the cited rule 22 would be applicable.

2. Auditor's Report

- (a) The opinion expressed by the auditor in their report has been drafted in terms of the requirements of the previous legislation. Section 257(5) of Schedule 1B now sets out the matters on which an auditor is required to state an opinion. An acceptable wording would be as follows:

“In our opinion the general purpose financial report presents fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia and the requirements of the RAO Schedule.”

- (b) It is not clear from the Report whether or not the Auditor is an approved auditor. In this regard I draw your attention to the definition of approved auditor in regulation 4 of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003 (the regulations). In all likelihood the Auditor is such a person however, it is our preference that this is made explicit in the Report. I recommend you draw this comment to the attention of your Auditors.

3. Committee of Management Statement

Consistency with other reporting units

There appears to be no information in the statement addressing Item 17(e)(iv) of the Industrial Registrar's Reporting Guidelines. This item relates to the keeping of financial records in a consistent manner to each of the other reporting units of the organisation.

It should be noted that the Committee of Management Statement must include a declaration in respect of each requirement stipulated in the Industrial Registrar's Guidelines.

4. Timescale Requirements

Financial reports should be prepared, audited, supplied to members, presented to a meeting and lodged in the Industrial Registry within certain timescale requirements.

From the information available, the reports were provided to members on 15 November 2005 and presented to a committee of management meeting on 7 December 2005.

Given that the auditor's report is dated 16 November 2005 it would appear that the auditor's report supplied to members was unsigned and undated.

Would you please ensure in future when supplying members with financial documents as required by subsection 265(5) of Schedule 1B that such documents are signed and dated.

5. Notice to Members

There should be included in the full set of financial documents a notice drawing attention to provisions of Schedule 1B that prescribed information is available to members on request and which sets out a copy of subsections 272(1), (2) and (3) - refer subsection 272(5) of Schedule 1B and regulation 161(f) of the Regulations.

It should be noted that the Industrial Registrar attaches importance to reporting units both fully satisfying the obligations under Schedule 1B and to those obligations being discharged within the requisite timeframes. Your reporting unit should therefore ensure that future financial returns fully satisfy the above obligations.

Statement of Loans, Grants & Donations

I also refer to the statement in accordance with subsection 237(1) of Schedule 1B in relation to the financial documents of the Branch for the year ended 30 June 2005.

The contents of your statement have been noted.

The statement had been placed on a file which is not available to the public.

Electronic lodgment

I encourage you to take advantage of the electronic lodgment service provided by the Registry for future lodgments. You may register as a user and then lodge your documents via the Electronic Lodgment page of the AIRC website at www.airc.gov.au Alternatively, you may send an email with the documents attached to: riateam3@air.gov.au Please note that the Rules of the Commission allow for electronic signatures to be used, other than for statutory declarations (see subrule 74A(1)). Where documents are lodged electronically, there will be no need to forward hard copies of the documents.

Should you wish to discuss this letter, or if you require further information on the financial reporting requirements of Schedule 1B, I can be contacted on (03) 8661 7787 or by email at iain.stewart@air.gov.au

Yours sincerely,

Iain Stewart
Statutory Services Branch

30 January 2006

**AUSTRALIAN SERVICES UNION NSW AND ACT
(SERVICES) BRANCH**

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2005

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

FINANCIAL REPORT

30 JUNE, 2005

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AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE, 2005

In accordance with s.254 of the Workplace Relations Act 1996 ("the Act), your Branch Executive presents the following report.

Principal Activities

The principal activity of the Branch during the year was that of a registered trade union. Those activities included but were not limited to representing members in the Industrial Commission, providing legal advice relating to Workers Compensation, representing members with individual grievances, negotiation of Agreements and Awards, the provision of industrial advice, providing training, promoting the interests of the members and improvement of living standards and quality of life of members. No significant change occurred in the nature of those activities during the year.

Operating Result

The operating result of the Branch for the year ended 30 June 2005 was a surplus of \$251,117. No provision for tax was necessary as the Branch is considered exempt.

Significant changes

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

Rights of Members

Subject to the rules of the organisation (Clause 22) and s.174 of the Act, members have the right to resign from membership of the Branch by written notice addressed to and delivered to the Secretary of the Branch.

Rules Clause 22 Resignations:

- (a) a member may resign their membership of the Union by notice in writing if:
 - (i) The member ceases to be employed in or in connection with the industry of the Union; or
 - (ii) (A) The notice is given not less than three (3) months before the resignation is to take effect and payment is made of all subscriptions, fines and levies owing by the member to the Union under these Rules to the date on which the resignation is to take effect.
 - (B) Notice of resignation shall be addressed to the Secretary and delivered to that officer.
 - (C) Subject to the provisions of the *Industrial Relations Act 1996* (as amended) any member resigning under paragraph (i) hereof shall be liable for the payment of all subscriptions, fines and levies owing by the said member to the union under these Rules at the date of leaving, and such monies may be sued for and recovered in the name of the Union.

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE, 2005

- (b) Any subscription paid by a member in respect of a period beyond the end of the quarter in which their notice of resignation expires shall be remitted to them if so requested and a member who pays their annual subscription by instalments shall not be liable to pay any instalment for any period after the end of the quarter in which their notice of resignation expires and a member on leaving the industry as herein before mentioned shall be entitled to the same remission.
- (c) A member who ceases to be eligible for membership of the Union in accordance with these Rules shall cease to be a member of the Union.

Superannuation Office Holders

No officers and/or members of the Branch are directors of companies that are trustees of superannuation funds which require one or more of their directors to be a member of a registered organisation.

Other Prescribed Information

In accordance with Regulation 159 of the Workplace Relations (Registration and Accountability of organisations) Regulations –

- (a) the number of persons who, at the end of the financial year, were recorded in the register of members for s.230 of the RAQ Schedule and who are taken to be members of the Branch under s244 of the RAO Schedule was 12,349.
- (b) the number of persons who were, at the end of the financial year, employees of the Branch (including both full-time and part-time employees measured on a full-time equivalent basis) was 34.
- (c) the names of those who have been members of the Branch Executive at any time during the financial year and the periods for which he or she held office were:

Name	Period	Position
Barry Rule	1 July 2004 – 30 June 2005	President
Fran Teirney	1 July 2004 – 30 June 2005	Deputy President (1)
Robert McLean	1 July 2004 – 30 June 2005	Deputy President (2)
Narelle Clay	1 July 2004 – 30 June 2005	Vice President (SACS)
Geoffrey Fuller	1 July 2004 – 30 June 2005	Vice President (Water)
John Maher	1 July 2004 – 30 June 2005	Vice President (Transport)
Paul Rowe	1 July 2004 – 30 June 2005	Vice President (Airlines)
Joe von Bornemann	1 July 2004 – 30 June 2005	Vice President (Info Tech)
Ed Gilmore	1 July 2004 – 30 June 2005	Vice President (Energy)
Stephen Brodie	1 July 2004 – 30 June 2005	Vice President (Shipping & Travel)
Kim Sattler	1 July 2004 – 30 June 2005	Vice President (Women) (1)
Robyn Merrill	1 July 2004 – 30 June 2005	Vice President (Women) (2)
Vacant	1 July 2004 – 30 June 2005	Vice President (Ports)
Kristyn Thompson	1 July 2004 – 30 June 2005	Secretary
Sally McManus	1 July 2004 – 30 June 2005	Executive President

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

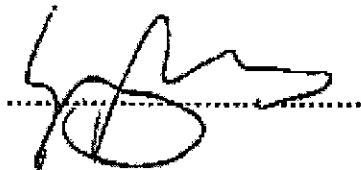
**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE, 2005**

Name	Period	Position
Rod Masters	1 July 2004 – 30 June 2005	Treasurer
Maree McDermott	1 July 2004 – 30 June 2005	Executive Councillor (SACS)
Craig Dunn	1 July 2004 – 30 June 2005	Executive Councillor (Water) (1)
Harvey Purse	1 July 2004 – 23 June 2005	Executive Councillor (Water) (2)
William Wotton	23 June 2004 – 30 June 2005	Executive Councillor (Water) (2)
Jane Walker	1 July 2004 – 30 June 2005	Executive Councillor (Transport) (1)
Bill Hosking	1 July 2004 – 30 June 2005	Executive Councillor (Transport) (2)
Marie O'Hare	1 July 2004 – 30 June 2005	Executive Councillor (Airlines)
Owen Caughley	1 July 2004 – 30 June 2005	Executive Councillor (Info Tech)
John Clement	1 July 2004 – 30 June 2005	Executive Councillor (Energy)
Rodney Williams	1 July 2004 – 23 June 2005	Executive Councillor (Hunter Water)
Max Johns	23 June 2005 – 30 June 2005	Executive Councillor (Hunter Water)
Vacant	1 July 2004 – 30 June 2005	Executive Councillor (Ports)

Other Relevant Information

Nil

Signed for and on behalf of the Committee of Management



**Sally McManus
Branch Secretary**

15 November 2005

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

FOR THE YEAR ENDED 30 JUNE, 2005

CERTIFICATE BY COMMITTEE OF MANAGEMENT

On 22 September 2005, the Committee of Management of the Australian Services Union NSW and ACT (Services) Branch (the reporting unit) passed the following resolution in relation to the General Purpose Financial Report (GPFR) of the reporting unit for the year ended 30 June 2005.

The Committee of Management declares that in relation to the GPFR, in it's opinion

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cashflows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the reporting unit;
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the reporting entity;
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and RAO regulations;
 - (iv) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar;
 - (v) no orders for the inspection of financial records have been made by the Commission under section 273 of the RAO Schedule.



Barry Rule
President

Date: 15 November 2005

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE, 2005**

	Note	2005 \$	2004 \$
Revenue from ordinary activities	2	4,162,569	4,015,272
Administration expenses		1,257,349	1,254,045
Depreciation expense		58,699	48,390
Employee benefits expenses		2,437,063	2,573,949
Occupancy expenses		111,805	135,175
Other expenses from ordinary activities		<u>46,533</u>	<u>174,821</u>
Total operating expenses		<u>3,911,449</u>	<u>4,186,380</u>
Profit/(Loss) from ordinary activities	3	<u>251,120</u>	<u>(171,108)</u>
Total changes in equity		<u><u>251,120</u></u>	<u><u>(171,108)</u></u>

The accompanying notes form part of these financial statements.

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE, 2005**

	Note	2005 \$	2004 \$
CURRENT ASSETS			
Cash	4	310,978	138,667
Receivables	5	100,101	175,759
Investments	6	452,924	503,102
Other assets	7	<u>51,738</u>	<u>48,347</u>
Total Current Assets		<u>915,741</u>	<u>865,875</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	<u>187,106</u>	<u>147,557</u>
Total Non-Current Assets		<u>187,106</u>	<u>147,557</u>
TOTAL ASSETS		<u>1,102,847</u>	<u>1,013,432</u>
CURRENT LIABILITIES			
Payables	9	268,424	357,747
Provisions	10	<u>321,178</u>	<u>270,094</u>
Total Current Liabilities		<u>589,602</u>	<u>627,841</u>
NON-CURRENT LIABILITIES			
Payables	9	399,189	523,004
Provisions	10	<u>276,356</u>	<u>276,007</u>
Total Non-Current Liabilities		<u>675,545</u>	<u>799,011</u>
TOTAL LIABILITIES		<u>1,265,147</u>	<u>1,426,852</u>
NET ASSETS		<u>(162,300)</u>	<u>(413,420)</u>
EQUITY			
Retained profits	11	<u>(162,300)</u>	<u>(413,420)</u>
TOTAL EQUITY		<u>(162,300)</u>	<u>(413,420)</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE, 2005**

	Note	2005 \$ Inflows (Outflows)	2004 \$ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		4,673,030	4,465,792
Payments to Suppliers and Employees		(4,393,222)	(4,264,246)
Interest Received		<u>64,388</u>	<u>26,058</u>
Net Cash provided/(used) by operating activities	15	<u>344,196</u>	<u>227,604</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for Property, Plant & Equipment		(98,248)	(82,200)
Proceeds from disposal of non-current assets		-	24,006
Purchase of investments		<u>50,178</u>	<u>(309,669)</u>
Net Cash used by investing activities		<u>(48,070)</u>	<u>(367,863)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings:			
- Australian Services Union of NSW		<u>(123,815)</u>	<u>243,747</u>
Net Cash provided by financing activities		<u>(123,815)</u>	<u>243,747</u>
Net increase/(decrease) in Cash Held		172,311	103,488
Cash at Beginning of Financial Year		<u>138,667</u>	<u>35,179</u>
Cash at End of Financial Year	4	<u><u>310,978</u></u>	<u><u>138,667</u></u>

The accompanying notes form part of these financial statements.

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2005

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Workplace Relations Act 1996.

The financial report has been prepared on an accruals basis and is based on historical costs and except where stated does not take into account changing money values or current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report.

The policies have been consistently applied and are consistent with those of the previous year.

b) Cash

For the purposes of the statement of cash flows, cash includes:

- Cash on hand and at call deposits with banks or financial institutions, net of overdrafts; and
- Investments in money market instruments with less than 14 days to maturity.

c) Property, Plant and Equipment

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

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

Plant & Equipment

Plant & equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2005**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (con't)

c) Property, Plant and Equipment (con't)

Depreciation

Items of property, plant and equipment, including buildings but excluding freehold land, are depreciated over their estimated useful lives. The straight line and reducing balance methods of depreciation are used. The depreciation rates used for each class of asset are as follows:-

Asset Class	%
Furniture & Fixtures	10
Computer Equipment	33.3
Motor Vehicles	20

e) Receivables

Trade debtors to be settled within 60 days are carried at amounts due. The collectability of debtors is regularly assessed and specific provision is made for any doubtful debts.

f) Accounts Payable

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Union.

g) Employee Entitlements

Provision is made for employee entitlements arising from services rendered by employees to balance date. Employee entitlements arising from wages and salaries, annual leave and sick leave, have been measured at their nominal amount.

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

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2005**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (con't)

h) Revenue

Revenue from membership fees are recognised upon receipt of monies from members.

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

Revenue from grant income is recognised upon receipt of monies.

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

i) Goods and Services Tax (GST)

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

j) Comparatives

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

k) Income Tax

The Australian Services Union NSW and ACT (Services) Branch is an exempt organisation for income tax purposes as per Section 50-15 of the Income Tax Assessment Act (1997).

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (con't)

l) Adoption of Australian Equivalents to International Financial Reporting Standards

The organisation is preparing and managing the transition to Australian equivalents to International Financial Reporting Standards (AIFRS) effective for the financial years commencing from 1 January 2005. The adoption of AIFRS will be reflected in the economic entity's and the parent entity's financial statements for the year ending 30 June 2006. On first time adoption of AIFRS, comparatives for the financial year ended 30 June 2005 are required to be restated. The majority of the AIFRS transitional adjustments will be made retrospectively against retained earnings at 1 July 2004.

The organisation's management, with the assistance of external consultants, has assessed the significance of the expected changes and is preparing for their implementation. The Audit Committee is overseeing and managing the organisation's transition to AIFRS. The impact of the alternative treatments and elections under AASB 1: First Time Adoption of Australian Equivalents to International Financial Reporting Standards has been considered where applicable.

Management are of the opinion that the key material differences in the organisation's accounting policies on conversion to AIFRS and the financial effect of these differences, where known, are as follows. Users of the financial statements should note, however, that the amounts disclosed could change if there are any amendments by standard-setters to the current AIFRS or interpretation of the AIFRS requirements changes from the continuing work of the organisation's AIFRS committee.

Impairment of Assets

Under AASB 136: Impairment of Assets, the recoverable amount of an asset is determined as the higher of fair value less costs to sell, and value in use. In determining value in use, projected future cash flows are discounted using a risk adjusted pre-tax discount rate and impairment is assessed for the individual asset or at the 'cash generating unit' level. A 'cash generating unit' is determined as the smallest group of assets that generates cash flows that are largely independent of the cash inflows from other assets or groups of assets. The current policy is to determine the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the asset's use and subsequent disposal. It is likely that this change in accounting policy will lead to impairments being recognised more often.

The impairment indicators outlined in AASB 136: Impairment of Assets have been considered by management of the organisation's. Management have determined that there were no indicators of impairment at the date of transition, and accordingly there is expected to be no financial impact on first time adoption of AIFRS.

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2005**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (con't)

I) Adoption of Australian Equivalents to International Financial Reporting Standards (con't)

Provision for Employee Entitlements

Under AASB 119: Employee Benefits, long term employee liabilities are required to be recognised at the present value amounts. Current accounting policy is to recognise these liabilities at nominal amounts. As at 1 July 2004, long term employee liabilities of \$276,007 were recorded. Due to the fact that long service leave liabilities are based on remuneration rates current at the reporting date for all employees of more than five years service, the nominal value recorded in the accounts would not be materially different to their present value. As a result, there would be no adjustments to retained earnings at 1 July 2004 or profit for 2005.

On transition to AIFRS the estimated cumulative financial effect of the reliably known differences on the parent and economic entity's reported net profit and equity as at 30 June 2005 is summarised below. As noted above, these amounts represent management's best estimates, and could differ from actuals.

	2005 \$
Reconciliation of Net Profit	
Net profit reported under Australian Accounting Standards	<u>251,120</u>
Key Transitional Adjustments:	<u>NIL</u>
Net profit under AIFRS	<u>251,120</u>
Reconciliation of Equity	
Total equity reported under Australian Accounting Standards	<u>(162,300)</u>
Retrospective Adjustments to equity at 1 July 2004:	<u>NIL</u>
	<u>(162,300)</u>
Decrease in current year profit resulting from transition to AIFRS	<u>Nil</u>
Total equity under AIFRS	<u>(162,300)</u>

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2005**

	2005 \$	2004 \$
2 REVENUE		
Membership income	3,971,201	3,633,275
Grant income	-	100,000
Interest income	64,388	26,058
Other income	126,980	255,939
	<u>4,162,569</u>	<u>4,015,272</u>
3 PROFIT/(LOSS) FROM ORDINARY ACTIVITIES		
Loss from ordinary activities before income tax has been determined after:		
a) Expenses		
Legal costs	28,749	56,742
Affiliation fees	371,772	369,936
Meeting expenses	15,439	21,720
Travel expenses	38,049	69,449
Donations	606	2,775
Emergency and welfare fund contribution	20,800	20,800
Depreciation of non-current assets:		
Furniture and fixtures	18,819	15,000
Computer equipment	28,286	23,694
Motor vehicles	11,594	9,696
	<u>58,699</u>	<u>48,390</u>
Employee Benefits to holders of office		
Wages and salaries	145,743	156,416
Annual leave expense	11,211	12,032
Long service leave expense	2,083	3,008
Superannuation	29,624	30,548
Other	15,449	13,310
	<u>204,110</u>	<u>215,314</u>
Employee benefits to other employees of the organisation		
Wages and salaries	1,630,569	1,694,219
Annual leave expense	164,941	160,886
Long service leave expense	46,781	62,277
Superannuation	218,655	192,594
Other	172,007	248,659
	<u>2,232,953</u>	<u>2,358,636</u>
	<u>2,437,063</u>	<u>2,573,949</u>

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2005**

	2005 \$	2004 \$
3 LOSS FROM ORDINARY ACTIVITIES (con't)		
b) Revenue and Net Gains		
Net gain on disposal of non-current assets:		
Computer Equipment	-	252
Motor Vehicles	-	3,628
	<u>-</u>	<u>3,880</u>
	<u>-</u>	<u>3,880</u>
4 CASH ASSETS		
Cash at bank, on deposit and on hand	<u>310,978</u>	<u>138,667</u>
5 RECEIVABLES		
CURRENT		
Trade Debtors	29,411	67,632
Sundry Debtors	70,690	108,127
	<u>100,101</u>	<u>175,759</u>
	<u>100,101</u>	<u>175,759</u>
6 INVESTMENTS		
CURRENT		
Term Deposits	<u>452,924</u>	<u>503,102</u>
	<u>452,924</u>	<u>503,102</u>
7 OTHER ASSETS		
CURRENT		
Prepayments	<u>51,738</u>	<u>48,347</u>
	<u>51,738</u>	<u>48,347</u>
8 PROPERTY, PLANT & EQUIPMENT		
Furniture and Fixtures	486,196	485,714
Less: Accumulated Depreciation	<u>(465,845)</u>	<u>(447,026)</u>
	20,351	38,688
Computer Equipment	213,405	163,800
Less: Accumulated Depreciation	<u>(122,376)</u>	<u>(94,019)</u>
	91,029	69,781
Motor Vehicles	117,550	69,317
Less: Accumulated Depreciation	<u>(41,824)</u>	<u>(30,229)</u>
	75,726	39,088
Total property, plant & equipment	<u>187,106</u>	<u>147,557</u>

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2005**

8 PROPERTY, PLANT AND EQUIPMENT (cont)

(a) Movements in Carrying Amounts

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

	Balance at the beginning of the year \$	Additions \$	Disposals \$	Depreciation expense \$	Carrying amount at the end of the year \$
Furniture and Fixtures	38,688	483	-	(18,820)	20,351
Computer Equipment	69,781	49,534	-	(28,286)	91,029
Motor Vehicles	39,088	48,231	-	(11,593)	75,726
Total	147,557	98,248	-	(58,699)	187,106

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2005**

	2005 \$	2004 \$
9 PAYABLES		
CURRENT		
Trade creditors and accruals	215,552	301,435
GST Clearing	<u>52,872</u>	<u>56,312</u>
	<u>268,424</u>	<u>357,747</u>
NON-CURRENT		
ASU of NSW Transferred Funds	<u>399,189</u>	<u>523,004</u>
10 PROVISIONS		
CURRENT		
Annual leave	248,599	200,353
Long service leave	<u>72,579</u>	<u>69,741</u>
	<u>321,178</u>	<u>270,094</u>
NON-CURRENT		
Long service leave	<u>276,356</u>	<u>276,007</u>
(a) Aggregate employee entitlements liability	<u>597,534</u>	<u>546,101</u>
(b) Number of employees at year end	<u>32</u>	<u>46</u>
11 RETAINED PROFITS		
Balance at the beginning of year	(413,420)	(242,312)
Net profit/(loss) for the year	<u>251,120</u>	<u>(171,108)</u>
Balance at end of year	<u>(162,300)</u>	<u>(413,420)</u>

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2005**

	2005 \$	2004 \$
12 AUDITORS' REMUNERATION		
Remuneration of auditor for:		
Audit of the financial report	17,100	18,500
Other services	<u>2,750</u>	<u>5,755</u>
	<u>19,850</u>	<u>24,255</u>

13 RELATED PARTY DISCLOSURE

A related union, the Australian Services Union of NSW, provides financial support to the Union. As at 30 June 2005, the Union had a liability to Australian Services Union of NSW of \$399,189 (2004: \$523,004). Note 14 details this financial support.

14 GOING CONCERN

As at 30 June 2005, the Union had net liabilities of \$162,300 (2004: \$413,420). While the Union produced a profit of \$251,120 (2004: deficit of \$171,108) from operating activities, the Union is reliant on the financial support of a related Union, the Australian Services Union of NSW. The Australian Services Union of NSW has resolved to provide financial support in order for the Australian Services Union NSW and ACT (Services) Branch to meet its debts as and when they fall due.

Specific investments of \$452,924 (2004: \$523,004) have been allocated by that union for the purposes of providing financial support.

15 CASH FLOW INFORMATION

(a) Reconciliation of cash flow from Operations with Profit from ordinary activities.

Profit/(Loss) from Ordinary Activities	251,120	(171,108)
Non-Cash flows in profit from ordinary activities:		
Depreciation	58,699	48,390
Loss on sale of non-current assets	-	(3,880)
	<u>309,819</u>	<u>(126,598)</u>
Change in Assets & Liabilities		
Decrease/(Increase) in Trade Debtors	38,221	58,830
Decrease/(Increase) in Other Debtors	37,437	530,962
Decrease/(Increase) in Prepayments	(3,391)	(8,141)
Increase/(Decrease) in Trade Creditors	(89,323)	(1,203)
Increase/(Decrease) provision for Employee Entitlements	<u>51,433</u>	<u>(226,246)</u>
Cash flow from operations	<u>344,196</u>	<u>227,604</u>

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2005**

16 FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The economic entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rates on classes of financial liabilities, is as follows:

	Weighted Average Effective Interest Rate	Floating Interest Rate \$	Fixed Interest Rate Maturing Within 1 Year \$	1 to 5 Years \$	Non Interest Bearing \$	Total \$
Cash assets	1.50%	310,978	-	-	-	310,978
Receivables	N/A	-	-	-	100,101	100,101
Investments	8.50%	-	452,924	-	-	452,924
Total Financial Assets		310,978	452,924	-	100,101	864,003
Payables	N/A	-	-	-	667,613	667,613
Total Financial Liabilities		-	-	-	667,613	667,613

Comparative information for the year ended 30 June 2004:

	Weighted Average Effective Interest Rate	Floating Interest Rate \$	Fixed Interest Rate Maturing Within 1 Year \$	1 to 5 Years \$	Non Interest Bearing \$	Total \$
Cash assets	1.50%	138,667	-	-	-	138,667
Receivables	N/A	-	-	-	175,759	175,759
Investments	4.09%	-	503,102	-	-	503,102
Total Financial Assets		138,667	503,102	-	175,759	817,528
Payables	N/A	-	-	-	880,751	880,751
Total Financial Liabilities		-	-	-	880,751	880,751

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2005**

16 FINANCIAL INSTRUMENTS (cont'd)

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

The economic entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the economic entity.

(c) Net Fair Values

Financial assets and liabilities included in the Statement of Financial position are carried at amounts that approximate net fair value

17 SUBSEQUENT EVENTS

The former secretary of the Australian Services Union NSW and ACT (Services) Branch, Ms Kristyn Thompson, ceased employment with the organisation in August 2005.

The associated Union, Australian Services Union of NSW, has purchased a new premises at Lot 2 & 3, 39-47 Renwick Street, Redfern NSW. All current furniture and fittings are anticipated to be scrapped, and new furniture purchased. The move to the new purchase is due to occur in December 2005.

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH**

SCOPE

We have audited the financial report of Australian Services Union NSW and ACT (Services) Branch for the financial year ended 30 June 2005 as set out on pages 4 to 19.

The Union's Committee of Management and the Accounting Officer are responsible for the preparation and presentation of the financial report and the information it contains. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the union.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the union's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

I report that I have inspected and audited the accounting records of the Australian Services Union of NSW in relation to the financial year of the organisation ended 30 June 2005 and report that in my opinion satisfactory accounting records were kept by the organisation in relation to the year, including:

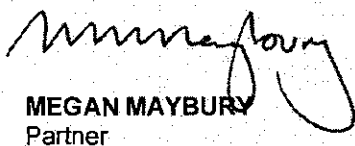
- (a) (i) records of the sources and nature of the income of the organisation (including income from members); and
- (ii) records of the nature and purposes of the expenditure of the organisation;

In my opinion the accounts and other statements prepared under section 273 of the Workplace Relations Act 1996 in relation to the year were properly drawn up so as to give a true and fair view of:

- (b) (i) the financial affairs of the organisation as at the end of the year; and
- (ii) the income and expenditure, and any surplus or deficit, of the organisation for the year; and
- (c) (i) all information, being information which was reasonably wanted for the purpose of this audit, which was required and sought by me or by any person authorised by me for the purpose of the audit, was provided.

I also understand that to the extent that there was any deficiency, failure or shortcoming in relation to the matters referred to above, I must report particulars and that those particulars, if any.

SNEDDON MCKEOWN



MEGAN MAYBURY
Partner

16 November, 2005

AUDITORS' DISCLAIMER

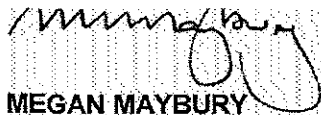
**TO THE MEMBERS OF THE AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES)
BRANCH**

The additional financial information, being the detailed income and expenditure accounts have been compiled by the Accounting Officer of the Australian Services Union NSW and ACT (Services) Branch.

No audit or review has been performed by us and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which person, other than the Australian Services Union NSW and ACT (Services) Branch may suffer arising from any negligence on our part. No person should rely on the additional financial information without having an audit or review conducted.

SNEDDON McKEOWN



MEGAN MAYBURY
Partner

16 November, 2005

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE, 2005**

	2005	2004
	\$	\$
Revenue		
Membership income	3,971,201	3,633,275
Grant income	-	100,000
Interest income	64,388	26,058
Other income	126,980	255,939
	<u>4,162,569</u>	<u>4,015,272</u>
 Expenditure		
Affiliation fees	371,772	369,936
Campaigns	137,495	8,230
Cost of sale of non-current asset	-	1,489
Delegates	16,597	10,651
Donations	606	2,775
Equipment expense	191,559	143,436
Legal Fees	28,749	56,742
Meetings	15,439	21,720
Motor vehicle expense	111,805	135,175
Office supplies	14,299	19,189
Other expenses	-	42,470
Postage	26,234	29,382
Printing	107,998	75,662
Professional fees	41,950	48,441
Property expenses	149,294	238,557
Staff Costs	2,437,063	2,573,949
Stationery	22,078	24,503
Telephone	133,129	161,473
Travel expense	38,049	69,449
Welfare contributions	20,800	20,800
Workcover assist project	46,533	132,351
	<u>3,911,449</u>	<u>4,186,380</u>
 Profit/(Loss) from ordinary activities	<u>251,120</u>	<u>(171,108)</u>