



FAIR WORK
AUSTRALIA

11 January 2011

Ms Sally McManus

Secretary

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

email: info@asu.org.au

Dear Ms McManus

Re: Financial Report for the Australian Municipal, Administrative, Clerical and Services Union, New South Wales and ACT (Services) Branch for year ended 30 June 2010 – FR2010/2734

I acknowledge receipt of the financial report for the Australian Municipal, Administrative, Clerical and Services Union, New South Wales and ACT (Services) Branch (the Branch) for the year ended 30 June 2010. The report was lodged with Fair Work Australia on 20 December 2010.

Designated Officer's Certificate

Reference to the 'RAO Schedule' of the Workplace Relations Act 1996, should properly refer to Fair Work (Registered Organisations) Act 2009 (the Act).

Membership subscriptions to be reported on an accrual basis

Note 1.1(a) of the notes to the financial statements of the Branch disclose that 'revenue from membership fees are recognised upon receipt of monies from members'. Section 253 of the Act requires that '. . . a reporting unit must cause a general purpose financial report to be prepared, in accordance with the Australian Accounting Standards . . .'. Paragraph 27 of the Australian Accounting Standard 101 states that 'an entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting'. In future years the GPFR should be prepared on an accrual basis as directed by section 253 of the Act and the relevant Australian Accounting Standard (AASB 101(27)).

Going Concern

I note the reference to going concern in note 13 of the notes to the financial statements and the comments of the Committee of Management that there are reasonable grounds to believe that the reporting unit will be able to pay its debts when they become due and payable.

Provisions for officers and other employees

Items 14 (c) and (d) of the [reporting guidelines](#) require either the balance sheet or the notes to disclose any liability for employee benefits in respect of office holders separately from any such liabilities for other employees. Note 9 discloses these liabilities but does not distinguish between provisions for office holders and other employees. Provisions for office holders and other employees should be separately disclosed in future years.

Related party transactions

Australian Accounting Standard AASB 124 at paragraph 17 requires that if there have been any transactions between related parties, the nature of the related party relationship and the amount of transactions are to be disclosed. Note 12 discloses the Australian Services Union of NSW (ASU NSW) as a related party, but does not disclose the nature of that relationship. In future reports please ensure that the nature of the relationship is disclosed. Also, although the cash flow statement discloses the amount of cash flow received from the ASU NSW, the amount of all transactions with the ASU NSW should be disclosed in the note regarding related parties.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan

Tribunal Services and Organisations

Fair Work Australia

Email: kevin.donnellan@fwa.gov.au



AUSTRALIAN SERVICES UNION

ASU

AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION

NSW AND ACT SERVICES BRANCH

CERTIFICATE OF SECRETARY

S268 Fair Work (Registered Organisations) Act 2009

I, Sally McManus, being the Branch Secretary of the NSW and ACT (Services) Branch of the Australian Municipal Administrative Clerical and Services Union, certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report, was provided to members on 8 November 2010; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 15 December 2010 in accordance with section 266 of the RAO Schedule.

Sally McManus
Branch Secretary

20 December 2010

ACTIVE STRONG UNITED

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

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2010

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2010

In accordance with *the Fair Work (Registered Organisations) Act 2009* ("*the Act*"), your Branch Executive presents the following report.

Principal Activities

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

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

Significant changes in the Nature of the Principal Activities

There were no significant changes in the nature of the Branch's principal activities during the reporting year.

Significant changes in the Branch's Financial Affairs

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

Rights of Members – Manner of Resignation

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

Superannuation Fund Office Holders

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

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2010 (Continued)

Other Prescribed Information

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

- (a) the number of persons who, at the end of the financial year, were recorded in the register of members and who are taken to be members of the Branch was 11,363.
- (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 32.
- (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:

<u>Position</u>	<u>Name</u>	<u>Period</u>
Branch President	Narelle Clay	1 July 2009 – 30 June 2010
Deputy Branch President 1	John Maher	1 July 2009 – 30 June 2010
Deputy Branch President 2	Robert Mclean	1 July 2009 – 30 June 2010
Vice President (SACS)	Vacant	1 July 2009 – 2 September 2010
	Maree McDermott	2 September 2009 – 30 June 2010
Vice President (Water)	Geoff Fuller	1 July 2009 – 2 September 2009
	Bill Wotton	2 September 2009 – 30 June 2010
Vice President (Transport)	Robert Hucker	1 July 2009 – 30 June 2010
Vice President (Airlines, Shipping & Travel)	Di Horafios	1 July 2009 – 30 June 2010
Vice President (Info Tech)	Vacant	1 July 2009 – 30 June 2010
Vice President (Ports)	Nola Dyball	1 July 2009 – 30 June 2010
Vice President (Women) (1)	Vivien Voss	1 July 2009 – 1 December 2009
	Vacant	1 December 09 – 30 June 2010
Vice President (Women) (2)	Jacqueline Flynn	1 July 2009 – 30 June 2010
	Lyn Bevington	2 September 2009 – 30 June 2010
Branch Secretary	Sally McManus	1 July 2009 – 30 June 2010
Deputy Secretary	Michael Flinn	1 July 2009 – 30 June 2010
Treasurer	Fran Teirney	1 July 2009 – 2 September 2009
	Geoff Fuller	2 September 2009 – 30 June 2010
Executive Councillor (SACS)	Maree McDermott	1 July 2009 – 2 September 2009
	Danna Nelse	2 September 2009 – 30 June 2010
Executive Councillor (SACS)	Jorge Segovia	1 July 2009 – 30 June 2010
Executive Councillor (Water)(1)	Bill Wotton	1 July 2009 – 2 September 2009
	Paul Muller	2 September 2009 – 30 June 2010
Executive Councillor (Water)(2)	Larissa Jay	1 July 2009 – 30 June 2010
Executive Councillor (Transport)(1)	Dragan Bircevic	1 July 2009 – 30 June 2010
Executive Councillor (Transport)(2)	Rodney Masters	1 July 2009 – 30 June 2010
Executive Councillor (Airlines, Shipping & Travel)	Craig Carr	1 July 2009 – 30 June 2010
Executive Councillor (Info Tech)	Vacant	1 July 2009 – 2 September 2009
	Anthony Steele	2 September 2009 – 30 June 2010
Executive Councillor (Ports)	Vacant	1 July 2009 – 30 June 2010
Executive Councillor (Hunter Water)	Peter Hull	1 July 2009 – 30 June 2010

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2010 (Continued)**

Other Relevant Information

Nil

Signed for and on behalf of the Committee of Management.



**Sally McManus
Branch Secretary**



**Michael Flinn
Deputy Branch Secretary**

15 September 2010

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

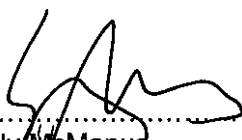
BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT

On 15 September 2010, the Branch 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 2010.

The Branch Committee of Management declares that in relation to the GPFR of the reporting unit for the year ended 30 June 2010:

- 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 General Manager of Fair Work Australia;
- 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 2010;
- 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; and
- e) during the financial year ended 30 June 2010 and since the end of the financial year:
 - (i) meetings of the Branch Committee of Management 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 the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) the financial records of the branch have been kept, as far as practicable, in a consistent manner to each of the other branches and national office of the organisation; and
 - (v) no information has been sought in any request of a member of the Branch or the General Manager of Fair Work Australia under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vi) no order for inspection of the financial records has been made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.
- f) during the financial year ended 30 June 2010 the branch did not participate in any recovery of wages activity.

For the Branch Committee of Management


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Sally McManus
Branch Secretary

15 September 2010

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2010 \$	2009 \$
INCOME			
Membership Fees		4,154,301	3,941,493
Interest Income		2,149	6,118
Other Income		44,201	70,911
Distributions from Available-for-Sale Financial Assets		-	3,487
Gain on Disposal of Non-Current Asset		1,185	2,595
		<u>4,201,836</u>	<u>4,024,604</u>
EXPENDITURE			
Depreciation			
Furniture and Fittings		1,083	158
Computer Equipment		26,259	27,208
Motor Vehicles		13,421	14,253
Motor Vehicles - Leased		27,639	25,994
		<u>68,402</u>	<u>67,613</u>
Employee Benefits Expense			
Salaries and Allowances			
- Officials		211,881	252,683
- Employees		1,989,453	1,790,945
Accrued Annual Leave		181,841	166,364
Long Service Leave		36,847	57,308
Fringe Benefits Tax		15,550	10,932
Superannuation		233,683	227,458
		<u>2,669,255</u>	<u>2,505,690</u>
Other Expenses			
Accounting		46,944	52,087
Affiliation Fees		88,754	74,479
ASU National Office Capitation Fees		331,814	317,932
Campaigns		47,014	29,767
Contributions to Welfare and Emergency Fund		20,800	20,800
Delegates		18,929	26,928
Donations		5,720	5,760
Equipment Expense		69,302	128,078
Loss on sale of Available-for-Sale Financial Assets		-	1,141
Meetings		25,312	22,687
Motor Vehicle Expense		104,712	91,096
Office Supplies		24,561	23,953
Payroll Tax		111,988	104,451
Postage		17,511	35,701
Printing		215,230	187,998
Professional Fees	10	108,566	36,816
Property Expenses		63,314	64,528
Stationery		28,898	29,756
Telephone		103,825	92,572
Balance carried forward		<u>1,433,194</u>	<u>1,346,530</u>

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010 (cont'd)**

	Note	2010 \$	2009 \$
Balance brought forward		1,433,194	1,346,530
Travel Expense		<u>120,266</u>	<u>76,957</u>
		<u>1,553,460</u>	<u>1,423,487</u>
TOTAL EXPENDITURE		<u>4,291,117</u>	<u>3,996,790</u>
NET (DEFICIT) SURPLUS FOR THE YEAR		<u>(89,281)</u>	<u>27,814</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 2010**

	Note	2010 \$	2009 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	148,734	197,511
Receivables	5	251,993	301,514
Investments	6	<u>21,391</u>	<u>19,985</u>
Total Current Assets		<u>422,118</u>	<u>519,010</u>
Non-Current Assets			
Property, plant and equipment	7	<u>167,941</u>	<u>179,157</u>
Total Non-Current Assets		<u>167,941</u>	<u>179,157</u>
TOTAL ASSETS		<u>590,059</u>	<u>698,167</u>
LIABILITIES			
Current Liabilities			
Payables	8	268,175	348,150
Provision for Employee Entitlements	9	<u>280,434</u>	<u>251,292</u>
Total Current Liabilities		<u>548,609</u>	<u>599,442</u>
Non-Current Liabilities			
Payables	8	74,566	69,059
Provision for Employee Entitlements	9	<u>93,906</u>	<u>67,407</u>
Total Non-Current Liabilities		<u>168,472</u>	<u>136,466</u>
TOTAL LIABILITIES		<u>717,081</u>	<u>735,908</u>
NET LIABILITIES		<u>(127,022)</u>	<u>(37,741)</u>
ACCUMULATED (DEFICIT) AND RESERVES			
Available-for-sale Investment Reserve	16	-	-
Accumulated (Deficit)		<u>(127,022)</u>	<u>(37,741)</u>
ACCUMULATED (DEFICIT) AND RESERVES		<u>(127,022)</u>	<u>(37,741)</u>

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

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**STATEMENT OF CHANGES IN ACCUMULATED (DEFICIT) AND RESERVES
FOR THE YEAR ENDED 30 JUNE 2010**

	Accumulated (Deficit)	Available- for-Sale Investment Reserve	Total
	\$	\$	\$
Balance at 30 June 2008	(65,555)	135	(65,420)
Transfer to loss on sale of available-for-sale financial assets	-	(135)	(135)
Net Surplus for the Year	<u>27,814</u>	<u>-</u>	<u>27,814</u>
Balance at 30 June 2009	(37,741)	-	(37,741)
Net Deficit for the Year	<u>(89,281)</u>	<u>-</u>	<u>(89,281)</u>
Balance at 30 June 2010	<u>(127,022)</u>	<u>-</u>	<u>(127,022)</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 2010**

	Note	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members		4,154,301	3,938,037
Payments to Suppliers and Employees		(4,296,305)	(3,875,520)
Interest Received		2,149	6,118
Other Receipts		<u>44,201</u>	<u>70,911</u>
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	14(b)	<u>(95,654)</u>	<u>139,546</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Purchase of Property, Plant & Equipment		(80,177)	(96,958)
Proceeds from Sale of Property, Plant & Equipment		24,176	14,091
Payments for Purchase of Investments		(1,406)	(1,526)
Proceeds from Sale of Investments		<u>-</u>	<u>111,131</u>
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES		<u>(57,407)</u>	<u>26,738</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net Proceeds (Net Repayment) from (of) finance leases		14,281	(20,456)
Net Receipts/(Net Payments) from (to) Australian Services Union of NSW		<u>90,003</u>	<u>(239,893)</u>
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		<u>104,284</u>	<u>(260,349)</u>
NET (DECREASE) IN CASH HELD		(48,777)	(94,065)
CASH AT BEGINNING OF FINANCIAL YEAR		<u>197,511</u>	<u>291,576</u>
CASH AT END OF FINANCIAL YEAR	14(a)	<u>148,734</u>	<u>197,511</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 2010

1. SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Fair Work (Registered Organisations) Act 2009.

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

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

Basis of Preparation

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

The financial report has been prepared on the basis of historical costs modified by the revaluation of selected financial assets and liabilities for which the fair value basis of accounting has been applied. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

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

(a) Revenue

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).

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010
(Cont'd)**

1. STATEMENT OF 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

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

Depreciation

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

The depreciation rates used for each class of asset are:

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

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the statement of comprehensive income in the year that the item is derecognised.

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the branch are classified as finance leases.

Finance Leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010 (Cont'd)

1. STATEMENT OF 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) Employee Entitlements

Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on costs.

Other employee benefits payable later than one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. In the case of Long Service Leave this results in an amount not materially different to that achieved by discounting future cash flows.

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

(f) Investments

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date, which is the date on which the entity commits to purchase, or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

Available-for-sale financial assets

Investments, which are classified as available for sale, are measured at fair value. Unrealised gains or losses on these investments are recognised directly to equity in the Available-for-Sale Investment Reserve until the investment is sold or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported for that asset is included in the statement of comprehensive income.

(g) Goods and Services Tax

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

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010 (Cont'd)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Accounting Standards Issued But Not Yet Effective

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

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

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

(b) Critical judgments in applying the Branch's accounting principles

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

3. INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER OF FAIR WORK AUSTRALIA

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

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

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010
(Cont'd)**

	2010 \$	2009 \$
4. CASH AND CASH EQUIVALENTS		
Cash on Hand - Petty Cash	1,100	1,100
Cash at bank	<u>147,634</u>	<u>196,411</u>
	<u>148,734</u>	<u>197,511</u>
5. RECEIVABLES		
Current		
Advances to Officers and Employees	3,597	10,721
ASU of NSW	158,542	248,545
Sundry Debtors	17,002	18,812
Prepayments	<u>72,852</u>	<u>23,436</u>
	<u>251,993</u>	<u>301,514</u>
6. INVESTMENTS		
(Non Public Investments)		
Cash and Cash Equivalents		
At Call Deposits – Credit Unions	<u>21,391</u>	<u>19,985</u>
7. PROPERTY, PLANT AND EQUIPMENT		
Furniture and Fixtures – at cost	7,485	2,450
Less: Accumulated Depreciation	<u>(1,241)</u>	<u>(158)</u>
	<u>6,244</u>	<u>2,292</u>
Computer Equipment – at cost	349,363	329,722
Less: Accumulated Depreciation	<u>(305,410)</u>	<u>(279,152)</u>
	<u>43,953</u>	<u>50,570</u>
Motor Vehicles – at cost	63,357	76,302
Less: Accumulated Depreciation	<u>(25,682)</u>	<u>(24,061)</u>
	<u>37,675</u>	<u>52,241</u>
Leased Motor Vehicles – at cost	152,916	129,975
Less: Accumulated Amortisation	<u>(72,847)</u>	<u>(55,921)</u>
	<u>80,069</u>	<u>74,054</u>
Total Property, Plant and Equipment	<u>167,941</u>	<u>179,157</u>

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010
(Cont'd)**

7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

MOVEMENTS IN CARRY AMOUNTS

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

	Furniture and Fittings \$	Computer Equipment \$	Motor Vehicles \$	Leased Motor Vehicles \$	Total \$
Balance at 1 July 2009	2,292	50,570	52,241	74,054	179,157
Additions	5,035	19,642	18,000	37,500	80,177
Disposals	-	-	(19,145)	(3,846)	(22,991)
Depreciation	<u>(1,083)</u>	<u>(26,259)</u>	<u>(13,421)</u>	<u>(27,639)</u>	<u>(68,402)</u>
Balance at 30 June 2010	<u>6,244</u>	<u>43,953</u>	<u>37,675</u>	<u>80,069</u>	<u>167,941</u>

	Note	2010 \$	2009 \$
8. PAYABLES			
Current			
Trade creditors and accruals		146,045	235,944
GST Clearing		89,425	88,275
Lease Liability	17	<u>32,705</u>	<u>23,931</u>
		<u>268,175</u>	<u>348,150</u>
Non-Current			
Lease Liability	17	<u>74,566</u>	<u>69,059</u>
9. PROVISION FOR EMPLOYEE ENTITLEMENTS			
Current			
Annual Leave		208,654	192,360
Long Service Leave		<u>71,780</u>	<u>58,932</u>
		<u>280,434</u>	<u>251,292</u>
Non- Current			
Long Service Leave		<u>93,906</u>	<u>67,407</u>

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010 (Cont'd)

	2010	2009
	\$	\$
10. PROFESSIONAL SERVICES		
Remuneration of Auditor for:		
Audit of the financial Report	30,000	30,000
Audit of the financial report – prior year	<u>2,400</u>	<u>1,400</u>
	32,400	31,400
Legal Fees	<u>76,166</u>	<u>5,416</u>
	<u>108,566</u>	<u>36,816</u>

11. SUPERANNUATION

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

12. RELATED PARTIES

- (a) The aggregate amount of remuneration paid to officers during the financial year is disclosed in the income statement under Salaries and Allowances - Officials.
- (b) The aggregate amount paid during the financial period to a superannuation plan in respect of the retirement of officers was \$28,171 (2009: \$17,975).
- (c) There have been no other transactions between officers and the union other than those relating to their membership of the union and the reimbursement by the union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.
- (d) A related union, the Australian Services Union of NSW, provides financial support to the Union.

13. GOING CONCERN

As at 30 June 2010, the Branch had net liabilities of \$127,022 (2009: \$37,741) and its current liabilities of \$548,609 exceeded its current assets of \$422,118. The Branch 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.

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010
(Cont'd)

	2010 \$	2009 \$
14. CASH FLOW INFORMATION		
(a) For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks and other financial institutions.		
Cash on Hand - Petty Cash	1,100	1,100
Cash at bank	<u>147,634</u>	<u>196,411</u>
	<u>148,734</u>	<u>197,511</u>
(b) Reconciliation of cash flow from operations with operating result		
(Deficit)/Surplus	(89,281)	27,814
Non-Cash flows in surplus		
Depreciation	68,402	67,613
(Gain) on disposal of non-current assets	(1,185)	(2,595)
Reinvestment of income from managed funds	-	(3,487)
Loss on sale of available-for-sale financial assets	-	1,141
Change in Assets & Liabilities		
Decrease in Sundry Debtors and Advances to Officers and Employees	8,934	3,040
(Increase) /Decrease in Prepayments	(49,416)	59,114
(Decrease)/Increase in Payables	(88,749)	(23,556)
Increase in Provision for Employee Entitlements	<u>55,641</u>	<u>10,462</u>
Cash flow from operations	<u>(95,654)</u>	<u>139,546</u>

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010 (Cont'd)

15. FINANCIAL RISK MANAGEMENT

(a) *General objectives, policies and processes*

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

There have been no substantive changes in the branch's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The branch's financial instruments consist mainly of deposits with banks, investments, trade receivables and payables. The main risks the branch is exposed to through its financial instruments are credit risk, liquidity risk and market risk (interest rate risk, other price risk and foreign currency risk).

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

(b) *Credit Risk*

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

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

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

	Note	2010 \$	2009 \$
Cash and cash equivalents			
- Cash at Bank	4	147,634	196,411
- At Call Deposits	6	21,391	19,985
		<u>169,025</u>	<u>216,396</u>
The cash and cash equivalents are held in high quality Australian financial institutions.			
Sundry Debtors - current	5	17,002	18,812
Advances to Officers & Employees	5	3,597	10,721
ASU of NSW	5	158,542	248,545
Total loans and receivables		<u>179,141</u>	<u>278,078</u>

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010
(Cont'd)**

15. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit Risk (cont'd)

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

(c) Liquidity Risk

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

The branch is exposed to this risk as at 30 June 2010, it had \$170,125 (2009 - \$217,496) of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 30 June, 2010 totalled \$253,316 (2009 - \$328,934). The branch relies on the ongoing financial support of the Australian Service Union of NSW as disclosed at Note 13 to the accounts.

(d) Market Risk

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

(e) Interest Rate Risk

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

30 June 2010	Weighted Average Effective Interest Rate	Floating Interest Rate \$	Fixed Interest Rate		Non Interest Bearing \$	Total \$
			Within 1 Year \$	1 to 5 Years \$		
Financial Assets						
Cash assets	1.60%	147,634	-	-	1,100	148,734
Receivables	N/A	-	-	-	179,141	179,141
Investments	1.10%	21,391	-	-	-	21,391
Total Financial Assets		169,025	-	-	180,241	349,266
Financial Liabilities						
Payables	16.72%	-	32,705	74,566	146,045	253,316
Net Financial Assets (Liabilities)		169,025	(32,705)	(74,566)	34,196	95,950

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010
(Cont'd)

15. FINANCIAL RISK MANAGEMENT (Cont'd)

30 June 2009	Weighted Average Effective Interest Rate	Floating Interest Rate \$	Fixed Interest Rate Maturing		Non Interest Bearing \$	Total \$
			Within 1 Year \$	1 to 5 Years \$		
Financial Assets						
Cash assets	0.25%	196,411	-	-	1,100	197,511
Receivables	N/A	-	-	-	278,078	278,078
Investments	1.14%	<u>19,985</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,985</u>
Total Financial Assets		<u>216,396</u>	<u>-</u>	<u>-</u>	<u>279,178</u>	<u>495,574</u>
Financial Liabilities						
Payables	16.25%	<u>-</u>	<u>23,931</u>	<u>69,059</u>	<u>235,944</u>	<u>328,934</u>
Net Financial Assets (Liabilities)		<u>216,396</u>	<u>(23,931)</u>	<u>(69,059)</u>	<u>43,234</u>	<u>166,640</u>

(e) Interest Rate Risk

Sensitivity Analysis

2010	Carrying Amount \$	+0.25% (25 basis points) Profit \$	-0.25% (25 basis points) Loss \$
Cash and Cash Equivalents	169,025	423	423
2009			
Cash and Cash Equivalents	216,396	541	(541)

(f) Other Price Risks

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

(g) Foreign Exchange Risk

The branch is not directly exposed to foreign exchange rate risk.

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010
(Cont'd)**

	2010 \$	2009 \$
16. RESERVES		
Available-for-Sale Investment Reserve		
Balance at 1 July 2009	-	135
Transfer to loss on sale of available-for-sale financial assets	-	(135)
Change in fair value during the year	-	-
	<u>-</u>	<u>-</u>
Balance at 30 June 2010	<u>-</u>	<u>-</u>

This reserve records unrealised gains and losses on available-for-sale investments which are measured at fair value.

	Notes	2010 \$	2009 \$
17. COMMITMENTS			
Finance Lease Commitments			
Payable			
- Not later than 12 months		47,872	36,822
- Between 12 Months and 5 Years		<u>87,879</u>	<u>85,474</u>
		135,751	122,296
Less future finance charges		<u>(28,480)</u>	<u>(29,306)</u>
Present Value of Minimum lease payments		<u>107,271</u>	<u>92,990</u>
Current Liability	8	32,705	23,931
Non Current Liability	8	<u>74,566</u>	<u>69,059</u>
		<u>107,271</u>	<u>92,990</u>

At 30 June 2010 the Branch had 8 motor vehicle finance lease commitments which all expire at different points of time with the latest being 28 February 2013. The implicit interest rates on the leases vary between 14.34% and 17.70%.

18. REGISTERED OFFICE

The registered office and principal place of business of the branch is:

Level 1
39 to 47 Renwick Street
Redfern NSW 2016

INDEPENDENT AUDIT REPORT

To the members of the Australian Services Union NSW and ACT (Services) Branch

We have audited the general purpose financial report of Australian Services Union NSW and ACT (Services) Branch, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in accumulated deficit and reserves and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes and branch committee of management's statement for the year then ended.

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

The branch committee of management and the branch secretary of the Branch are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Fair Work (Registered Organisations) Act 2009.



INDEPENDENT AUDIT REPORT (cont'd)

Auditor's Opinion

In our opinion the general purpose financial report of Australian Services Union NSW and ACT (Services) Branch is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

BDO Audit (NSW-VIC) Pty Ltd

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

15 September 2010