

svc-adlib5

From: ROC - Registered Org Commission
Sent: Wednesday, 10 January 2018 1:54 PM
To: 'Lesley Gruit'; 'info@asu.org.au'; 'natalie@asu.org.au'
Cc: Judith Wright; Azri Aziz; 'timv@esvgroup.com.au'
Subject: FR2017/107 ASU NSW&ACT Services Branch Financial statements YE 30 June 2017 [SEC=UNCLASSIFIED]
Attachments: ASU_NSW & ACT (Services) Branch_FR2017_107_Filing letter_10012018.pdf

UNCLASSIFIED

Dear Ms Lang

Please see attached my letter in relation to the above financial report. I have also copied this email to Mr Valtwies of ESV Accounting and Business Advisors.

Yours faithfully

DAVID VALE

Principal Adviser
Financial Reporting

Registered Organisations Commission

Tel: (02) 8293 4654
david.vale@roc.gov.au

GPO Box 2983, MELBOURNE VIC 3001 | Street address: Level 13, 175 Liverpool Street Sydney NSW 2000

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Australian Government
Registered Organisations Commission

Please consider the environment before printing this message

From: Lesley Gruit [<mailto:lesley@asu.org.au>]
Sent: Monday, 18 December 2017 12:26 PM
To: ROC - Registered Org Commission <regorgs@roc.gov.au>
Cc: Judith Wright <judith@asu.org.au>; Azri Aziz <Azri@asu.org.au>
Subject: FR2017/107 ASU NSW&ACT Services Branch Financial statements YE 30 June 2017

Dear Registered Organisations Commission Delegate,

Attached please find:

- ASU NSW&ACT Services Branch Financial Report for YE 30 June 2017
- Certificate by Prescribed Designated Officer NSW&ACT Services Branch 14 Dec 2017

Please contact me if you need any further information.

Kind regards,
Lesley Gruit



Lesley Gruit / Compliance and Governance Officer

Australian Services Union

NSW & ACT (Services) Branch

P: (02) 9310 4000 F: (02) 9698 8936

PO Box 1865 Strawberry Hills NSW 2012

asumembers.org.au



The Australian Services Union acknowledges Aboriginal and Torres Strait Islanders are the first people, traditional owners and custodians of the land on which we work. Our office is in Redfern and we pay respect to the Gadigal people and elders past and present of the Eora Nation.

This e-mail and any files transmitted with it are privileged and confidential information intended for the use of the addressee. The confidentiality and/or privilege in this e-mail is not waived, lost or destroyed if it has been transmitted to you in error. If you have received this e-mail in error you must (a) not disseminate, copy or take any action in reliance on it; (b) please notify the ASU immediately by return e-mail to the sender; and (c) please delete the original e-mail.



10 January 2018

Ms Natalie Lang
Branch Secretary
New South Wales and ACT (Services) Branch
Australian Municipal, Administrative, Clerical and Services Union
By email: info@asu.org.au
CC: timv@esvgroup.com.au

Dear Ms Lang,

**Australian Municipal, Administrative, Clerical and Services Union-New South Wales and ACT (Services) Branch
Financial Report for the year ended 30 June 2017 - [FR2017/107]**

I acknowledge receipt of the financial report of the Australian Municipal, Administrative, Clerical and Services Union-New South Wales and ACT (Services) Branch. The documents were lodged with the Registered Organisations Commission (the ROC) on 18 December 2017.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

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 2018 may be subject to an advanced compliance review.

Reporting Requirements

New Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

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

If you have any queries regarding this letter, please contact me on (02) 8293 4654 or via email at david.vale@roc.gov.au.

Yours faithfully

David Vale
Registered Organisations Commission



Australian Services Union of NSW & ACT (Services) Branch

s.268 Fair Work (Registered Organisations) Act 2009

Certificate By Prescribed Designated Officer¹

Certificate for the year ended 30 June 2017

I, *Natalie Lang* being the *Branch Secretary* of the *Australian Services Union of NSW & ACT (Services) Branch* certify:

- that the documents lodged herewith are copies of the full report for the *Australian Services Union of NSW & ACT (Services) 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 27 *November 2017*; and
- that the full report was presented to a meeting of the *Committee of Management (the Branch Executive)* of the reporting unit on 14 *December 2017* in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

Name of prescribed designated officer:

Natalie Lang

Title of prescribed designated officer:

Branch Secretary

Dated:

14/12/2017

¹ Regulation 162 of the *Fair Work (Registered Organisations) Regulations 2009* defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:
(a) the secretary; or
(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

From: Lesley Gruit <lesley@asu.org.au>
Sent: Monday, 18 December 2017 12:26 PM
To: ROC - Registered Org Commission
Cc: Judith Wright; Azri Aziz
Subject: ASU NSW&ACT Services Branch Financial statements YE 30 June 2017
Attachments: Australian Services Union Services Branch Financial Report YE 30 June 20....pdf;
Certificate by Prescribed Designated Officer ASU NSW&ACT Services Branch 14 Dec 2017.pdf

Dear Registered Organisations Commission Delegate,

Attached please find:

- ASU NSW&ACT Services Branch Financial Report for YE 30 June 2017
- Certificate by Prescribed Designated Officer NSW&ACT Services Branch 14 Dec 2017

Please contact me if you need any further information.

Kind regards,
Lesley Gruit



Lesley Gruit / Compliance and Governance Officer
Australian Services Union
NSW & ACT (Services) Branch
P: (02) 9310 4000 F: (02) 9698 8936
PO Box 1865 Strawberry Hills NSW 2012
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AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH

ABN 60 715 604 720

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2017

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 Commission, 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.

Results

The Branch's principal activities resulted in a net profit for the financial year of \$463,178 (2016: \$62,519).

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
ABN 60 715 604 720**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2017 (cont'd)**

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 12,292.
- (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 41.
- (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 Jul 2016 – 30 Jun 2017
Deputy Branch President 1	Robert McLean	1 Jul 2016 – 30 Jun 2017
Deputy Branch President 2	Zlatko Djurdjevic	1 Jul 2016 – 5 Oct 2016
Deputy Branch President 2	Benjamin Kensington	5 Oct 2016 – 30 Jun 2017
Vice President (SACS)	Lyn Bevington	1 Jul 2016 – 30 Jun 2017
Vice President (Water & Ports)	Paul Muller	1 Jul 2016 – 30 Jun 2017
Vice President (Transport)	Robert Hucker	1 Jul 2016 – 30 Jun 2017
Vice President (Hunter Water)	Peter Hull	1 Jul 2016 – 30 Jun 2017
Vice President (Private Sector Industries Group)	Antony Steel	1 Jul 2016 – 30 Jun 2017
Branch Secretary	Natalie Lang	1 Jul 2016 – 30 Jun 2017
Treasurer	Michael Talone	1 Jul 2016 – 30 Jun 2017
Deputy Secretary	Judith Wright	1 Jul 2016 – 30 Jun 2017
Executive Member (SACS)	Danna Nelse	1 Jul 2016 – 30 Jun 2017
Executive Member (SACS)	Jorge Segovia	1 Jul 2016 – 30 Jun 2017
Executive Member (SACS)	Nadia Saleh	1 Jul 2016 – 30 Jun 2017
Executive Member (SACS)	Ned Lambley	1 Jul 2016 – 30 Jun 2017
Executive Member (SACS)	Lisa Smajlov	1 Jul 2016 – 30 Jun 2017
Executive Member (SACS)	Maralyn Schofield	1 Jul 2016 – 30 Jun 2017
Executive Member (SACS)	Kerry Fairlie	1 Jul 2016 – 30 Jun 2017
Executive Member (SACS)	Suzanne Van Opdorp	1 Jul 2016 – 30 Jun 2017
Executive Member (Water & Port)	Anne Barlow	1 Jul 2016 – 8 Dec 2017
Executive Member (Water & Port)	Jennifer Hill	8 Dec 2017 – 30 Jun 2017
Executive Member (Water & Port)	Jeremy Evans	1 July 2016 – 30 Jun 2017
Executive Member (Private Sector Industries Group)	Chris Turnbull	1 Jul 2016 – 30 Jun 2017
Executive Member (Private Sector Industries Group)	Paul Rowe	1 Jul 2016 – 30 Jun 2017
Executive Member (Water)	Neil Gordon	1 Jul 2016 – 30 Jun 2017
Executive Member (Transport)	Mark Coleman	1 Jul 2016 – 30 Jun 2017
Executive Member (Transport)	Natalie Noyeaux	1 Jul 2016 – 30 Jun 2017

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH
ABN 60 715 604 720

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2017 (Continued)

Officers and Employees Who are Directors of a Company or a Member of a Board

Pursuant to section 37 of Reporting Guidelines apply for the purpose of section 253 of the RO Act 2009, the following officers and employees are directors of a company or a member of a board:

There are no officers or employees that are directors of a company or members of a board.

Other Relevant Information

Nil

Signed for and on behalf of the Committee of Management.



Natalie Lang
Branch Secretary

Date 23/11/2017

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH
ABN 60 715 604 720

BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

On 22nd November 2017, **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 2017.

Branch Committee of Management of the Australian Services Union of NSW & ACT (Services) Branch 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* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows 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; and
- (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 organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.
- (f) In relation to recovery of wages activity - no revenue has been derived from undertaking recovery of wages activity during the reporting period

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

Signature of designated officer: 

Name and title of designated officer: Natalie Lang – Branch Secretary

Dated: 23/11/2017

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH
 ABN 60 715 604 720

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
INCOME			
Membership Fees		5,976,220	5,549,021
Interest Income	4(c)	178	199
Other Income		45,593	165,788
Net gain on disposal of asset	4(e)	-	30,382
Administration Fee – ASU of NSW		50,000	40,000
Administration Fee – WEF		20,000	20,000
		<u>6,091,991</u>	<u>5,805,390</u>
EXPENDITURE			
Depreciation			
Furniture and Fittings		1,466	1,285
Computer Equipment		20,990	50,033
Motor Vehicles		35,771	29,795
		<u>58,227</u>	<u>81,113</u>
Employee Benefits Expense			
Salaries and Allowances	13		
- Officials		254,151	177,138
- Employees		2,811,790	2,818,227
Annual Leave		354,516	286,813
Long Service Leave		22,658	102,928
Fringe Benefits Tax		24,293	22,482
Superannuation		334,195	333,354
Relief Staff		21,578	3,568
Other employee expenses		500	2,094
Workers Compensation		13,478	31,898
		<u>3,837,159</u>	<u>3,778,502</u>
Other Expenses			
Bank Charges		52,015	45,946
Affiliation Fees to political parties	21	99,501	128,176
Capitation Fees to ASU National Office	5(a)	356,520	356,845
Campaigns		65,586	110,991
Contributions to ASU of NSW Welfare and Emergency Fund		20,800	20,800
Delegates		3,380	3,009
Donations - campaigns	5(b)	7,059	22,906
Donations - others	5(b)	3,409	5,783
Equipment Expense		59,549	52,440
Insurance - PI and Journey		135,088	140,023
Meetings	5(g)	49,424	35,353
Membership fees written off		200,414	260,283
Motor Vehicle Expense		108,609	92,745
Office Supplies		35,071	33,162
		<u>1,196,425</u>	<u>1,308,462</u>
Balance carried forward			

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH
ABN 60 715 604 720

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017 (cont'd)

	Note	2017	2016
		\$	\$
Balance brought forward		1,196,425	1,308,462
Payroll Tax		159,103	156,264
Postage		20,165	21,435
Printing		62,863	46,623
Professional Fees	12	40,672	47,840
Property Expenses		21,648	37,593
Provision for Membership fees in arrears		(26,145)	(59,869)
Stationery		9,856	13,029
Telephone		112,628	199,938
Travel Expense		<u>136,212</u>	<u>111,941</u>
		<u>1,733,427</u>	<u>1,883,256</u>
TOTAL EXPENDITURE		<u>5,628,813</u>	<u>5,742,871</u>
NET SURPLUS FOR THE YEAR		<u>463,178</u>	<u>62,519</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>463,178</u>	<u>62,519</u>

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

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH
ABN 60 715 604 720

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	229,101	185,957
Trade and Other Receivables	7	892,121	763,525
Investments	8	<u>8,097</u>	<u>8,009</u>
Total Current Assets		<u>1,129,319</u>	<u>957,491</u>
Non-Current Assets			
Plant and equipment	9	<u>107,184</u>	<u>92,068</u>
Total Non-Current Assets		<u>107,184</u>	<u>92,068</u>
TOTAL ASSETS		<u>1,236,503</u>	<u>1,049,559</u>
LIABILITIES			
Current Liabilities			
Payables	10	224,697	560,661
Provision for Employee Entitlements	11	<u>647,374</u>	<u>585,049</u>
Total Current Liabilities		<u>872,071</u>	<u>1,145,710</u>
Non-Current Liabilities			
Payables	10	<u>37,309</u>	<u>39,904</u>
Total Non-Current Liabilities		<u>37,696</u>	<u>39,904</u>
TOTAL LIABILITIES		<u>909,380</u>	<u>1,185,614</u>
NET ASSET / (LIABILITY)		<u>327,123</u>	<u>(136,055)</u>
ACCUMULATED PROFIT/(DEFICIT)		<u>327,123</u>	<u>(136,055)</u>

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

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH
ABN 60 715 604 720

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	Accumulated (Deficit)/ Profit	Total
	\$	\$
Balance at 30 June 2015	(198,574)	(198,574)
Comprehensive income		
Net surplus for the year	62,519	62,519
Other comprehensive income	-	-
Total Comprehensive Income	<u>62,519</u>	<u>62,519</u>
Balance at 30 June 2016	<u>(136,055)</u>	<u>(136,055)</u>
Comprehensive income		
Net surplus for the year	463,178	463,178
Other comprehensive income	-	-
Total Comprehensive Income	<u>463,178</u>	<u>463,178</u>
Balance at 30 June 2017	<u>327,123</u>	<u>327,123</u>

OTHER FUNDS OR ACCOUNTS

Prescribed disclosure – There are no other funds or accounts operated in respect of compulsory levies raised by the Branch, or voluntary contributions collected from members of the reporting unit.

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

AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH
ABN 60 715 604 720

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members		6,571,402	6,099,295
Payments to Suppliers and Employees		(6,557,099)	(6,282,616)
Receipts from other reporting units	18(c)	11,670	-
Other Receipts		55,056	216,724
Interest Paid		(6,828)	(5,313)
Interest Received		<u>90</u>	<u>69</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	18(b)	<u>74,291</u>	<u>28,159</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Purchase of Property, Plant & Equipment	9	(50,305)	(4,402)
Proceeds from Sale of Property, Plant & Equipment		<u>-</u>	<u>22,882</u>
NET CASH PROVIDED BY /(USED IN) INVESTING ACTIVITIES		<u>(50,305)</u>	<u>18,480</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease finance repayments		(23,173)	(19,783)
Net Receipts from Australian Services Union of NSW		<u>42,331</u>	<u>55,925</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES		<u>19,158</u>	<u>36,142</u>
NET INCREASE IN CASH HELD		43,144	82,781
CASH AT BEGINNING OF FINANCIAL YEAR		<u>185,957</u>	<u>103,176</u>
CASH AT END OF FINANCIAL YEAR	18(a)	<u>229,101</u>	<u>185,957</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, and the Fair Work (Registered Organisations) Act 2009.

The financial report of the Australian Services Union NSW & ACT (Services) Branch for the year ended 30 June 2017 was authorized for issue in accordance with a resolution of the Branch Committee of Management on the 22 November 2017.

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 branch is not a profit entity.

The financial report has been prepared on the accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value 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.

RECOVERY OF WAGES ACTIVITY

The Branch has not undertaken recovery of wages activity and has not derived revenues for the financial year in respect of such activity. There is no financial information associated with this type of activity that must be disclosed as an additional financial report as required by section 253(2) (c) of the RO Act.

(a) Revenue

Contributions are accounted for on an accrual basis and are recorded as revenue in the year to which it relates.

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (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

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	25% - 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 are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Where an asset is acquired by means of a finance lease, the asset is capitalized at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognized at the same time and for the same amount. The discount rate used is the interest rate implicit in the lease. Leased assets are amortized over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets. Rental revenue from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (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 Benefits

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (Cont'd)

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

(h) Accounting Standards Issued But Not Yet Effective

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

(i) Comparatives

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

(j) New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been adopted.

Future Australian Accounting Standards Requirement

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on the reporting unit.

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.

Included in the trade and other receivables is the membership in arrears for the amount of \$174,270 (2016: \$200,414). This has been fully provided as at 30 June 2017.

b) Critical judgements 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (Cont'd)

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

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 Commission, 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).

	2017	2016
	\$	\$
4. INCOME		
(a) Capitation fees	-	-
(b) Levies	-	-
(c) Interest		
Deposit	178	199
Loans	-	-
(d) Grants or donations		
Grants	-	-
Donations	-	-
(e) Net gains from sale of assets		
Plant and equipment	-	30,382
5. EXPENSES		
(a) Capitation fees		
ASU National Office	356,520	356,845
(b) Grants or donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less (Non Political)	5,241	3,691
Total paid that exceeded \$1,000 (Political)	5,227	24,998
	<u>10,468</u>	<u>28,689</u>
(c) Compulsory levy	-	-
(d) Fees		
Employer payroll deduction	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (Cont'd)

	2017 \$	2016 \$
5. EXPENSES (CONT'D)		
(e) Allowances		
Allowance for conference/meeting	-	-
(f) Penalties		
Penalties under RO Act	-	-
(g) Meetings		
Conferences	10,174	10,916
Functions	39,250	24,437
	<u>49,424</u>	<u>35,353</u>
6. Cash on Hand		
Petty Cash	1,100	1,100
Cash at bank	<u>228,001</u>	<u>184,857</u>
	<u>229,101</u>	<u>185,957</u>
7. TRADE AND RECEIVABLES		
Current		
Receivables from reporting units:		
- ASU of NSW	732,810	581,460
- ASU of SA & NT Branch	-	11,670
Membership in Arrears	174,270	200,414
Provision for Membership in Arrears	(174,270)	(200,414)
Trade Debtors	141,768	150,592
Sundry Debtors	2,000	2,639
Prepayments	<u>15,543</u>	<u>17,164</u>
	<u>892,121</u>	<u>763,525</u>
8. INVESTMENTS		
(Non Public Investments)		
Cash and Cash Equivalents		
At Call Deposits – Credit Unions	<u>8,097</u>	<u>8,009</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (Cont'd)

	2017	2016
	\$	\$
9. PLANT AND EQUIPMENT		
Furniture and Fixtures – at cost	24,260	17,783
Less: Accumulated Depreciation	<u>(15,519)</u>	<u>(14,053)</u>
	<u>8,741</u>	<u>3,730</u>
Computer Equipment – at cost	730,149	710,093
Less: Accumulated Depreciation	<u>(706,055)</u>	<u>(685,065)</u>
	<u>24,094</u>	<u>25,028</u>
Motor Vehicles – at cost	150,344	102,649
Less: Accumulated Depreciation	<u>(126,442)</u>	<u>(93,316)</u>
	<u>23,902</u>	<u>9,333</u>
Leased Motor Vehicles – at cost	91,558	92,443
Less: Accumulated Amortisation	<u>(41,111)</u>	<u>(38,466)</u>
	<u>50,447</u>	<u>53,977</u>
Total Plant and Equipment	<u>107,184</u>	<u>92,068</u>

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:

	Furniture and Fittings	Computer Equipment	Motor Vehicles	Leased Motor Vehicles	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2015	4,494	71,179	-	62,787	138,460
Additions	521	3,882	-	-	4,403
Disposals	-	-	-	30,318	30,318
Transfers	-	-	18,717	(18,717)	-
Depreciation	<u>(1,285)</u>	<u>(50,033)</u>	<u>(9,384)</u>	<u>(20,411)</u>	<u>(81,113)</u>
Balance at 30 June 2016	3,730	25,028	9,333	53,977	92,068
Additions	69,477	20,058	23,772	24,007	74,312
Disposals	-	-	-	(969)	(969)
Transfers	-	-	8,967	(8,967)	-
Depreciation	<u>(1,466)</u>	<u>(20,990)</u>	<u>(18,170)</u>	<u>(17,601)</u>	<u>(58,227)</u>
Balance at 30 June 2017	<u>8,741</u>	<u>24,094</u>	<u>23,902</u>	<u>50,447</u>	<u>107,184</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (Cont'd)

		2017	2016
		\$	\$
10. PAYABLES			
Current			
Trade creditors and accruals		62,325	326,630
ASU National Office		-	87,244
Australian Labor Party NSW		-	4,862
GST Payable		104,546	88,347
Membership Fees in Advance		31,489	33,929
Lease Liability	20	26,337	19,649
Legal fees - litigation		-	-
Legal fees - other matters		-	-
Consideration to employer for payroll deductions		-	-
		<u>224,697</u>	<u>560,661</u>
Non-Current			
Lease Liability	20	<u>37,309</u>	<u>39,904</u>
11. PROVISION FOR EMPLOYEE ENTITLEMENTS			
Office holders			
Annual Leave		65,941	43,072
Long Service Leave		63,574	50,115
Separations and redundancies		-	-
Other		-	-
		<u>129,515</u>	<u>93,187</u>
Employees other than office holders			
Annual Leave		258,041	241,244
Long Service Leave		259,818	250,618
Separations and redundancies		-	-
Other		-	-
		<u>517,859</u>	<u>491,862</u>
		<u>647,374</u>	<u>585,049</u>
12. PROFESSIONAL SERVICES			
Remuneration of Auditor for:			
Audit of the financial report		23,300	23,300
Preparation of the financial report		4,500	4,500
		<u>27,800</u>	<u>27,800</u>
Legal Fees			
Litigation		-	-
Other legal matters		4,992	5,840
Total		<u>32,792</u>	<u>33,640</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (Cont'd)

	2017	2016
	\$	\$
13. REMUNERATION DISCLOSURES		
Employee expenses related to holders of office		
- wages and salaries;	254,151	177,138
- superannuation;	23,828	23,119
- leave and other entitlements expense	23,088	69,343
- separation and redundancies; and	-	-
- other employee expenses	-	22,482
Total	301,067	292,082
Employee expenses related to employees (other than holders of offices)		
- wages and salaries;	2,811,790	2,807,572
- superannuation;	310,367	310,235
- leave and other entitlements expense;	354,086	320,398
- separation and redundancies; and	-	10,655
- Other employee expense	-	-
Total	3,476,243	3,448,860

14. 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.

15. RELATED PARTIES

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

(a) Transactions with officers of the Union

Remuneration is disclosed in Notes 13 and 17.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (Cont'd)

15. RELATED PARTIES (continued)

(b) Transactions with a Related Entity

Financial support received

As stated in Note 1, The Branch has received and is reliant on the ongoing financial support from an associated union, the Australian Services Union NSW, in order for the Branch to meet its debts as and when they fall due. There are no terms and conditions that have been formalised between the branch and the Australian Services Union NSW. The details of the support provided is set out in the financial statements and notes as detailed below.

- (i) Amounts receivable from the Australian Services Union of NSW are disclosed at Note 7 of the accounts.
- (ii) Administration fees received from the Australian Services Union of NSW are disclosed as income in the statement of comprehensive income and in the cash flow statement.
- (iii) Capitation Fees paid to the ASU National office are disclosed as other expenses in the statement of comprehensive income
- (iv) Amounts payable to the ASU National office are disclosed at Note 10 of the accounts.

Acquisition Amalgamations and restructures

There are no acquisitions, amalgamations or restructures that took place in the current financial year or the previous financial year.

Payments to a former related party

No payments have been made during the reporting period to a former related party of the branch, where the liability was incurred during the period in which a related party relationship existed.

16. ADMINISTRATION PROVIDED BY ANOTHER ENTITY

The branch does not receive any administration support (work or services) from other entities.

17. KEY MANAGEMENT PERSONNEL COMPENSATION

	2017	2016
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	254,151	246,481
Annual leave accrued	23,088	23,088
Performance bonus	0	0
	<u>277,239</u>	<u>269,569</u>
Post-employment benefits:		
Superannuation	23,828	23,119
Other long-term benefits:		
Long-service leave	13,459	50,115
Non-cash benefits	7,469	7,469
	<u>20,928</u>	<u>57,584</u>
Termination benefits:	<u>-</u>	<u>-</u>
Total	<u>321,995</u>	<u>350,272</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (Cont'd)

18. CASH FLOW INFORMATION	2017	2016
	\$	\$
(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>228,001</u>	<u>184,857</u>
	<u>229,101</u>	<u>185,857</u>
(b) Reconciliation of cash flow from operations with operating result		
Net surplus for the year	463,178	62,519
Non-Cash flows in surplus		
Depreciation	58,227	81,113
Gain on disposal of plant and equipment	-	(30,382)
Expenses paid by Finance lease	3,259	5,775
Interest Income	(88)	(130)
Others	969	-
Change in Assets & Liabilities		
(Increase) in Trade and Other Receivable	(170,927)	(113,991)
(Decrease) in Payables	(342,652)	(93,987)
Increase in Provision for Employee Entitlements	<u>62,325</u>	<u>117,242</u>
Cash flow from operations	<u>74,291</u>	<u>28,159</u>
(c) Cash inflow information		
- ASU of SA & NT Branch	<u>11,670</u>	<u>-</u>
	<u>11,670</u>	<u>-</u>

19. 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, sundry debtors and payables. The main risks the branch is exposed to through its financial instruments are credit risk and liquidity 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (Cont'd)

19. FINANCIAL RISK MANAGEMENT (cont'd)

(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	2017 \$	2016 \$
Cash and cash equivalents			
- Cash at Bank	6	228,001	184,857
- At Call Deposits	8	8,097	8,009
		236,098	192,866

The cash and cash equivalents are held in high quality Australian financial institutions.

Sundry Debtors - Current	7	2,000	14,309
Membership Receivable	7	141,768	150,592
ASU of NSW	7	732,810	581,460
Total loans and receivables		876,578	746,361

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 2017, it had \$237,198 (2016: \$193,966) of cash and cash equivalents to meet these obligations as they fall due. Total liabilities at 30 June 2017 totalled \$909,380 (2016: \$1,185,614). The branch relies on the ongoing financial support of the Australian Service Union of NSW as disclosed at Note 15 to the accounts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (Cont'd)

19. FINANCIAL RISK MANAGEMENT (cont'd)

(d) *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:

	Weighted Average Effective Interest Rate	Floating Interest Rate \$	Fixed Interest Rate Maturing		Non Interest Bearing \$	Total \$
			Within 1 Year \$	1 to 5 Years \$		
30 June 2017						
Financial Assets						
Cash assets	1.00%	228,001	-	-	1,100	229,101
Receivables	N/A	-	-	-	892,121	892,121
At call deposit	1.25%	8,097	-	-	-	8,097
Total Financial Assets		236,098	-	-	893,221	1,129,319
Financial Liabilities						
Payables	9.99%	-	26,337	37,309	198,360	262,006
Net Financial Assets (Liabilities)		236,098	(26,337)	(37,309)	694,861	867,313
30 June 2016						
Financial Assets						
Cash assets	1.00%	184,857	-	-	1,100	185,957
Receivables	N/A	-	-	-	763,525	763,525
At call deposit	1.94%	8,009	-	-	-	8,009
Total Financial Assets		192,866	-	-	764,625	957,491
Financial Liabilities						
Payables	10.63%	-	19,649	39,904	541,012	600,565
Net Financial Assets (Liabilities)		192,866	(19,649)	(39,904)	223,613	356,927

Sensitivity Analysis

	Carrying Amount \$	+1.50% (150 basis points) Profit \$	-1.50% (150 basis points) Loss \$
2017			
Cash and Cash Equivalents	228,001	3,420	(3,420)
At Call deposits	8,097	121	(121)
2016			
Cash and Cash Equivalents	184,857	2,773	(2,773)
At Call deposits	8,009	120	(120)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (Cont'd)

	Notes	2017 \$	2016 \$
20. COMMITMENTS			
Lease Commitments			
Payable			
- Not later than 12 months		31,044	25,163
- Between 12 Months and 5 Years		<u>42,361</u>	<u>45,996</u>
		<u>73,405</u>	<u>71,159</u>
Less future finance charges		<u>(9,759)</u>	<u>(11,606)</u>
Present Value of Minimum lease payments		<u>63,646</u>	<u>59,553</u>
Current Liability	10	26,337	19,649
Non Current Liability	10	<u>37,309</u>	<u>39,904</u>
		<u>63,646</u>	<u>59,553</u>

At 30 June 2017, the Branch had 4 motor vehicle finance lease commitments (2016: 4) which all expire at different points of time with the latest being September 2021. The implicit interest rates on the leases vary between 6.81% and 14.96%.

21. AFFILIATION FEES

	2017 \$	2016 \$
Unions NSW	40,069	65,299
Labour Councils	7,634	7,058
Australian Labor Party	49,805	49,065
Other	<u>1,993</u>	<u>6,754</u>
	<u>99,501</u>	<u>128,176</u>

22. 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 AUSTRALIAN SERVICES UNION OF NSW & ACT (SERVICES) BRANCH

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the accompanying financial report of Australian Services Union of NSW & ACT (Services) Branch ("the Branch"), which comprises the statement of financial position as at 30 June 2017, the statement of profit and loss or other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement by the Branch Committee of Management.

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Branch as at 30 June 2017, 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) part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the "RO Act") and any other requirements imposed by the Reporting Guidelines.

As part of the audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the financial report is appropriate.

Basis for opinion

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

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

Information Other than the Financial Report and Audit Report Thereon

The Branch Committee of Management and Branch Secretary of the Branch 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.

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

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



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

The Branch Committee of Management and Branch Secretary of the Branch are responsible for the preparation and fair presentation in accordance with the Australian Accounting Standards (including Australian Accounting Interpretation) and the RO Act, and for such internal control as the Branch Committee of Management and Branch Secretary determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Report

Our objectives are 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

REPORT ON THE RECOVERY OF WAGES ACTIVITY FINANCIAL REPORT

Opinion on the recovery of wages activity financial report

The scope of our work extended to the recovery of wages activity and I have audited the recovery of wages activity financial report for the year ended 30 June 2017.

In our opinion, the financial statements and notes and recovery of wages activity financial report (note 1) properly and fairly report all information required by the reporting guidelines of the General Manager, including:

- a) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- b) any donations or other contributions deducted from recovered money.

Basis of Opinion

Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards. Based on our enquiry, no revenue has been derived from undertaking recovery of wages activity during the financial period.



Responsibilities

The Branch Committee of Management and Branch Secretary are responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. Our responsibility is to express an opinion on the recovery of wages activity report, based on our audit conducted in accordance with Australian Auditing Standards.

Dated at Sydney on the 23rd day of November 2017

ESV

ESV Accounting and Business Advisors

Tim Valtwies
Partner

Registration number: AA2017/92



8 August 2017

Ms Natalie Lang
Branch Secretary
Australian Municipal, Administrative, Clerical and Services Union-New South Wales and ACT
(Services) Branch
By Email: info@asu.org.au

Dear Ms Lang,

**Re: Lodgement of Financial Report - [FR2017/107]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Australian Municipal, Administrative, Clerical and Services Union-New South Wales and ACT (Services) Branch (the reporting unit) ended on 30 June 2017. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO act requires this statement to be lodged with Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2017.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Financial report

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on your rules) no later than 31 December 2017 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported. The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement (see attached *Loans Grants and Donations* fact sheet FS 009).

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the

ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Auditor's report

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into effect from 15 December 2016. Please find below a guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (which can also be located on our website).

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

Contact

Should you require any clarification in relation to the above, please email regorgs@roc.gov.au.

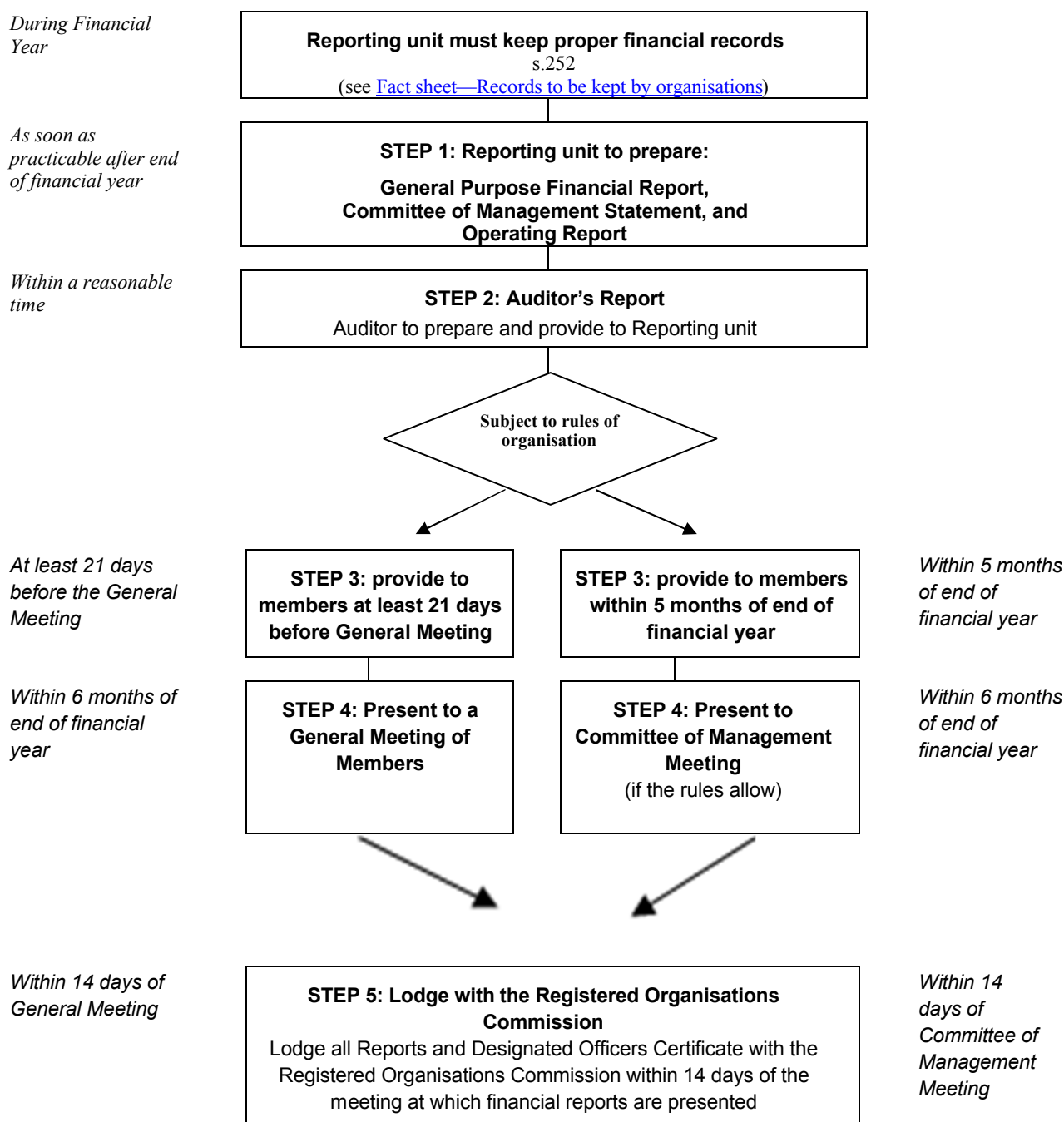
Yours faithfully,
Michael Moutevelis
Registered Organisations Commission



Fact sheet

Summary of financial reporting timelines – s.253 financial reports

See Fact sheet—Financial reporting for an explanation of each of these steps.





Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the Commissioner's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:





- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,* and
- the arrangements for repaying the loan.*



*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.

	Statements can be lodged with the financial report.		The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.
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Grants & Donations within the Financial Report

Item 16(e) of the Commissioner's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines. In the [ROC's Model Statements](#) the note appears as follows:

Note 4E: Grants ~~OR~~ donations*

Grants:	[Current year]	[Previous year]
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on regorgs@roc.gov.au



Guidance Note

Illustrative Auditor's Report under section 257 of the *Fair Work (Registered Organisations) Act 2009*

Prepared and issued by the Registered Organisations Commission

Version	Date published
1	4 August 2017

1. Introduction

The purpose of this guidance note is to provide Registered Organisations with guidance on the revised Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report* (ASA 700), as issued by the Auditing and Assurance Standards Board ('AUASB').

An 'Illustrative Auditor's Report' is included to assist Registered Organisations to understand the new auditing requirements.

2. Background to the revised Auditing Standard

From 15 December 2016, the structure of the Auditor's Report changed as a result of revisions made to the Australian Auditing Standards (ASAs). The changes impact all auditors' reports prepared in accordance with the ASAs.

The purpose of the change is to:

- enhance the communicative value of the Auditor's Report;
- give prominence to the most important matters by re-ordering the content;
- enhance reporting on going concern matters (if applicable), and provide enhanced descriptions of the respective responsibilities of management and the auditor, in relation to going concern;
- provide an affirmative statement on auditor's independence and fulfilment of relevant ethical responsibilities;
- provide more information to users on the auditor's responsibilities, and the key features of an audit and;
- provide details of other information the auditor has received at the date of the Auditor's Report, and is expected to receive after the date of the Auditor's Report¹.

3. Key changes included in the illustrative Auditor's Report

Description	Auditing standard ref.	Comments
Structure of the auditor's report	ASA 700.21-52	The form and structure of the audit report have been reorganised due to changes in the Australian Auditing Standards.
Basis for opinion	ASA 700.28c	Requires references in the audit report to the applicable ethical standards e.g. APES 110 <i>Code of Ethics for Professional Accountants</i> .
Other information	ASA 700.32 ASA 720	ASA 720 now requires that the auditor 'read and consider' if the Other Information (including but not limited to the Operating Report) is materially inconsistent with the financial statements, or the auditor's knowledge obtained in the audit.
Committee of Management's responsibilities for the preparation of the financial report	ASA 700.33-36	ASA 700.34b has been added to reflect changes made in ASA 570. The changes emphasise that it is management's responsibility for assessing whether the use of the going concern assumption is appropriate. The auditors' roles and responsibilities related to going concern have not changed.
Auditor's responsibilities for the audit of the financial report	ASA 700.37-40	These paragraphs have been expanded to clarify the detailed nature and scope of the auditor's existing responsibilities and procedures, and to make an explicit relationship of material misstatements to fraud or error.
Report on other legal and	ASA 700.43-45	This section is only applicable if there are other matters to report as required by other legislation.

¹ Adapted from 'Auditor Reporting FAQs' – Auditing and Assurance Standards Board - <http://www.auasb.gov.au/Publications/Auditor-Reporting-FAQs.aspx>

Description	Auditing standard ref.	Comments
regulatory requirements		<p>Under sections 257(6) and (7) of the <i>Fair Work (Registered Organisations) Act 2009</i> ('RO Act'), the auditor is required to report on any instances of non-compliance or deficiency or shortcoming with respect to financial record-keeping, and section 257(2) of the RO Act requires auditors to report on access restrictions to the financial records of the organisation.</p> <p>This section is not required if there are no matters to report.</p>

4. Key changes not reflected in the illustrative Auditor's Report

Description	Auditing standard ref.	Comments
Key Audit Matters	ASA 700.30-31, A41 ASA 701	<p>ASA 701 provides additional disclosures for entities listed on a securities exchange to communicate key audit matters ('KAMs') in the auditor's report. KAMs are those matters that, in the auditor's judgement, are of most significance to the audit of the financial statements of the current financial period.</p> <p>At this point in time, the ROC does not require the inclusion of KAMs.</p>

The numbered references in the Illustrative Auditor's Report refer to the explanatory paragraphs in section 5 of this Guidance Note 'Illustrative Auditor's Notes'. The Illustrative Auditor's Report is also included in the 'Model Financial Statements' published on the Registered Organisations Commission's website.

<To be printed on Auditor letterhead>

Independent Audit Report to the Members of <name of Reporting Unit>

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of <name of Reporting Unit> (the Reporting Unit), which comprises the statement of financial position² as at <balance date>, the statement of comprehensive income³, statement of changes in equity⁴ and statement of cash flows⁵ for the year ended <date>, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management⁶ Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of <name of Reporting Unit> as at <balance date>, 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 for 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 Thereon⁷

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.

² Refer to paragraph 9 in Section 5 Illustrative Auditor's Report Notes in this Guidance Note

³ Ibid paragraph 9

⁴ Ibid paragraph 9

⁵ Ibid paragraph 9

⁶ Ibid paragraph 10; note if this is changed to another descriptor all other references in the Report should be changed to the other descriptor

⁷ Ibid paragraph 7

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 approved auditor, a member of [name of appropriate professional accounting body] and hold a current Public Practice Certificate.

[Report on Other Legal and Regulatory Requirements]⁸

[In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

My opinion on the financial report is not modified in respect of the following matter(s) because, in my opinion, it has been appropriately addressed by [Reporting Unit] and is not considered material in the context of the audit of the financial report as a whole:

[Example:

a) [Reporting Unit] failed to keep [name of other record] as required by section 252 of the RO Act for the period 1 July 20XX to 4 July 20XX inclusive.]]

[Report on the Recovery of Wages Activity financial report]⁹

Opinion on the recovery of wages activity financial report

The scope of my work extended to the recovery of wages activity and I have audited the recovery of wages activity financial report for the year ended <date>.

In my opinion, the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the General Manager, including:

- (a) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- (b) any donations or other contributions deducted from recovered money.

Responsibilities

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. My responsibility is to express an opinion on the recovery of wages activity financial report, based on my audit conducted in accordance with Australian Auditing Standards.

<Audit Firm Name>

<Name>

Partner

⁸ Ibid paragraph 11

⁹ Ibid paragraph 11

<City>
<Date>

Registration number (as registered by the RO Commissioner under the RO Act)¹⁰: <insert number>

¹⁰ Ibid paragraph 12

5. Illustrative Auditor's Report Notes

For the purpose of this illustrative Auditor's Report, the following circumstances are assumed:

1. The financial report is prepared by management of the Reporting Unit in accordance with Australian Accounting Standards and the RO Act.
2. The terms of the audit engagement reflect the description of management's responsibility for the financial report in *ASA 210 Agreeing the Terms of Audit Engagements*.
3. The auditor has concluded an unmodified opinion is appropriate based on the audit evidence obtained.
4. The relevant ethical requirements that apply to the audit are the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants*.
5. Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern in accordance with *ASA 570 Going Concern*.
6. The auditor is not required, and has otherwise not decided, to communicate key audit matters in accordance with *ASA 701 Communicating Key Audit Matters in the Independent Auditor's Report*.
7. The section on 'Information Other than the Financial Report and Auditor's Report Thereon' is customised depending on the nature of the Other Information received and when this information was received. The template provided assumes that the nature of the Other Information is the Operating Report and that it was received on or before the date of the audit report. If there is Other Information that accompanies the financial report in addition to the Operating Report, or if the Operating Report or any additional Other Information was not received on or before the date of the audit report, please refer to the requirements stated in *ASA 720 The Auditor's Responsibilities Relating to Other Information* for example wording.
8. The subheading 'Report on Other Legal and Regulatory Requirements' is only applicable where the auditor includes 'Other reporting responsibilities' in accordance with *ASA 700 Forming an Opinion and Reporting on a Financial Report*. Please delete the 'Report on Other Legal and Regulatory Requirements' section if there is no deficiency, failure or shortcoming to report.
9. Please ensure that the financial statement descriptions used in the Auditor's Report agree with those used in the financial report, for example, 'balance sheet' or 'statement of financial position'.
10. Use of 'Committee of Management' in the model auditor's report represents those charged with governance for the registered organisation, and can be replaced with other descriptors as appropriate for the organisation, for example, 'Council of Management', 'Executive Committee', etc.
11. If the Registered Organisation has not undertaken any recovery of wages activity during the reporting period the auditor's report should state that fact with reference

to the Committee of Management Statement, and no opinion can be provided in relation to recovery of wages activity.

12. Auditors must be registered by the Registered Organisations Commissioner. Your registration number under the RO Act will commence with the letters 'AA'.

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This guidance note is not intended to be comprehensive. It is designed to assist with making an application to the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.