



11 February 2020

Ms Natalie Lang  
Secretary, New South Wales and ACT (Services) Branch  
Australian Municipal, Administrative, Clerical and Services Union

Dear Secretary

**Re: – Australian Municipal, Administrative, Clerical and Services Union - New South Wales and ACT (Services) Branch - financial report for year ending 30 June 2019 (FR2019/138)**

I refer to the financial report of the New South Wales and ACT (Services) Branch. The documents were lodged with the Registered Organisations Commission (**ROC**) on 17 December 2019.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming 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 2020 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. However I make the following comments to assist when preparing the next report.

Registered auditor's details

Reporting guideline RG 29(b) requires the auditor's statement to specify the registered auditor's name and registration number. The registration number provided was incorrect.<sup>1</sup>

**Reporting Requirements**

The ROC website provides several factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends reporting units use these model financial statements to assist in complying with the RO Act, the reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any questions about the above or the reporting requirements, please do not hesitate to contact me by email at [stephen.kellett@roc.gov.au](mailto:stephen.kellett@roc.gov.au).

Yours faithfully

Stephen Kellett  
Financial Reporting  
Registered Organisations Commission

<sup>1</sup> ROC records show the correct registration number is AA2017/92, not AA2018/92 as stated in the 2019 and 2018 reports.



**Australian Services Union of NSW & ACT (Services) Branch**

s.268 Fair Work (Registered Organisations) Act 2009

**Certificate By Prescribed Designated Officer<sup>1</sup>**

Certificate for the year ended 30 June 2019

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 *25 November 2019*; and
- that the full report was presented to a meeting of the *Committee of Management (the Branch Executive)* of the reporting unit on *12 December 2019* 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:

16/12/2019.

<sup>1</sup> 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.

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

**ABN 60 715 604 720**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2019**



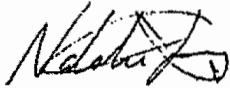
**AUSTRALIAN SERVICES UNION NSW AND ACT (SERVICES) BRANCH**  
ABN 60 715 604 720

**REPORT REQUIRED UNDER SUBSECTION 255(2A)**  
**FOR THE YEAR ENDED 30 JUNE 2019**

The Branch Committee of Management presents the expenditure report as required under subsection 255(2A) on Australian Services Union NSW and ACT for the year ended 30 June 2019.

Categories of expenditures	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses - employees	3,984,095	3,980,206
Advertising	-	-
Operating costs	1,771,058	1,904,637
Donations to political parties	35,909	5,565
Legal costs	15,441	-

Signed for and on behalf of the Committee of Management.



Natalie Lang  
Branch Secretary

Date 21/11/2019

**OPERATING REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2019**

In accordance with the Fair Work (Registered Organisations) Act 2009 ("the Act"), the 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 \$456,311 (2018: \$275,685).

**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 2019 (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 12,879.
- (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 38.
- (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 2018 – 30 June 2019
Deputy Branch President 1	Robert McLean	1 July 2018 – 30 June 2019
Deputy Branch President 2	Benjamin Kensington	1 July 2018 – 30 June 2019
Vice President (SACS)	Lyn Bevington	1 July 2018 – 23 April 2019
Vice President (SACS)	Danna Nelse	23 April 2019 – 30 June 2019
Vice President (Water & Ports)	Paul Muller	1 July 2018 – 23 April 2019
Vice President (Water & Ports)	Jennifer Hill	23 April 2019 – 30 June 2019
Vice President (Transport)	Robert Hucker	1 July 2018 – 23 April 2019
Vice President (Transport)	Natalie Noyeaux	23 April 2019 – 30 June 2019
Vice President (Hunter Water)	Peter Hull	1 July 2018 – 23 April 2019
Vice President (Hunter Water)	Matt Dries	23 April 2019 – 30 June 2019
Vice President (Private Sector Industries Group)	Christian Turnbull	1 July 2018 – 23 April 2019
Vice President (Private Sector Industries Group)	Paul Rowe	23 April 2019 – 30 June 2019
Branch Secretary	Natalie Lang	1 July 2018 – 30 June 2019
Treasurer	Michael Talone	1 July 2018 – 23 April 2019
Treasurer	Samantha Parker	23 April 2019 – 30 June 2019
Deputy Secretary	Judith Wright	1 July 2018 – 30 June 2019
Executive Member (SACS)	Danna Nelse	1 July 2018 – 23 April 2019
Executive Member (SACS)	Lina Cabaero	23 April 2019 – 30 June 2019
Executive Member (SACS)	Jorge Segovia	1 July 2018 – 23 April 2019
Executive Member (SACS)	Julie Perkins	23 April 2019 – 30 June 2019
Executive Member (SACS)	Nadia Saleh	1 July 2018 – 30 June 2019
Executive Member (SACS)	Ned Lambley	1 July 2018 – 30 June 2019
Executive Member (SACS)	Lisa Smajlov	1 July 2018 – 30 June 2019
Executive Member (SACS)	Maralyn Schofield	1 July 2018 – 30 June 2019
Executive Member (SACS)	Kerry Fairlie	1 July 2018 – 30 June 2019
Executive Member (SACS)	Suzanne Van Oudorp	1 July 2018 – 23 April 2019
Executive Member (SACS)	Maree Geraghty	23 April 2019 – 30 June 2019
Executive Member (SACS)	Angelique Sasagi	23 April 2019 – 30 June 2019
Executive Member (Water & Port)	Jennifer Hill	1 July 2018 – 23 April 2019
Executive Member (Water & Port)	Riccardo Facci	23 April 2019 – 30 June 2019
Executive Member (Water & Port)	Wayne Grant	1 July 2018 – 30 June 2019
Executive Member (Private Sector Industries Group)	Antony Steel	30 June 2018 – 23 April 2019
Executive Member (Private Sector Industries Group)	Christian Turnbull	23 April 2019 – 30 June 2019
Executive Member (Private Sector Industries Group)	Paul Rowe	1 July 2018 – 23 April 2019
Executive Member (Private Sector Industries Group)	Maria Clegg	23 April 2019 – 30 June 2019
Executive Member (Hunter Water)	Neil Gordon	1 July 2018 – 23 April 2019
Executive Member (Hunter Water)	Peter Hull	23 April 2019 – 30 June 2019
Executive Member (Transport)	Mark Coleman	1 July 2018 – 23 April 2019
Executive Member (Transport)	Martin Davis	23 April 2019 – 30 June 2019

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

**OPERATING REPORT**

**FOR THE YEAR ENDED 30 JUNE 2019 (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 Larig  
Branch Secretary

Date 29/11/2019

**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 2019**

On 21 November 2019, Branch Committee of Management of the Australian Services Union NSW and ACT (Services) Branch (the "Branch") passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the year ended 30 June 2019.

**Branch Committee of Management (the "Committee") of the Australian Services Union of NSW & ACT (Services) Branch (the "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 Branch for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the Committee were held in accordance with the rules of the organisation including the rules of the branch concerned; and
  - (ii) the financial affairs of the Branch 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 Branch 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 Branch 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 Branch or Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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: 21/11/2019 .....



**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 2019**

	Note	2019 \$	2018 \$
<b>REVENUE</b>			
Membership Fees		6,531,800	6,151,231
Interest Income	4(c)	379	392
Other Income		69,584	25,737
Net gain on disposal of asset	4(e)	-	4,500
Administration Fee – ASU of NSW		50,000	30,000
Administration Fee – WEF		20,000	20,000
		<hr/> 6,671,763	<hr/> 6,231,860
<b>EXPENDITURE</b>			
<b>Depreciation</b>			
Furniture and Fittings		2,483	2,455
Computer Equipment		37,750	21,131
Motor Vehicles		22,882	28,758
		<hr/> 63,115	<hr/> 52,344
<b>Employee Benefits Expense</b>			
Salaries and Allowances	13		
- Officials		281,892	271,857
- Employees		3,299,652	2,936,488
Annual Leave		120,873	264,117
Long Service Leave		23,578	101,976
Fringe Benefits Tax		14,638	26,388
Superannuation		355,527	363,904
Relief Staff		284	38,362
Other employee expenses		13,340	808
Workers Compensation		32,757	20,509
		<hr/> 4,142,541	<hr/> 4,024,409
<b>Other Expenses</b>			
Bank Charges		44,673	52,910
Affiliation Fees to political parties	21	125,394	108,915
Capitation Fees to ASU National Office	5(a)	367,635	347,511
Campaigns expense to ASU National Office		37,754	37,754
Campaigns – others		65,790	44,819
Contributions to ASU of NSW Welfare and Emergency Fund		20,800	20,800
Delegates		15,873	8,335
Donations	5(b)	35,776	7,001
		<hr/> 713,695	<hr/> 628,045
Balance carried forward		<hr/> 713,695	<hr/> 628,045

**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 2019 (cont'd)**

	Note	2019 \$	2018 \$
Balance brought forward		713,695	628,045
Equipment Expense		98,607	100,109
Insurance - PI and Journey		129,692	161,232
Meetings	5(g)	70,478	77,043
Membership fees written off		204,189	174,270
Motor Vehicle Expense		88,610	93,632
Office Supplies		37,619	36,242
Payroll Tax		175,174	175,521
Postage		11,369	7,272
Printing		57,062	47,763
Professional Fees	12	61,089	38,509
Property Expenses		21,612	21,248
Allowance for expected credit losses		45,154	29,920
Stationery		9,375	9,199
Telephone		117,253	125,672
Travel Expense		168,818	153,745
		<hr/>	<hr/>
		2,009,796	1,879,422
		<hr/>	<hr/>
<b>TOTAL EXPENDITURE</b>		6,215,452	5,965,175
		<hr/>	<hr/>
<b>NET SURPLUS FOR THE YEAR</b>		456,311	275,685
		<hr/>	<hr/>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		-	-
		<hr/>	<hr/>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		456,311	275,685
		<hr/>	<hr/>

(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 2019**

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	6	531,083	259,123
Trade and Other Receivables	7	1,509,007	1,212,388
Investments	8	8,300	8,198
<b>Total Current Assets</b>		<u>2,048,390</u>	<u>1,479,709</u>
<b>Non Current Assets</b>			
Plant and equipment	9	143,202	120,837
<b>Total Non-Current Assets</b>		<u>143,202</u>	<u>120,837</u>
<b>TOTAL ASSETS</b>		<u>2,191,592</u>	<u>1,600,546</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	311,426	228,897
Provision for Employee Entitlements	11	806,098	742,837
<b>Total Current Liabilities</b>		<u>1,117,524</u>	<u>971,734</u>
<b>Non-Current Liabilities</b>			
Payables	10	14,949	26,004
<b>Total Non-Current Liabilities</b>		<u>14,949</u>	<u>26,004</u>
<b>TOTAL LIABILITIES</b>		<u>1,132,473</u>	<u>997,738</u>
<b>NET ASSETS</b>		<u>1,059,119</u>	<u>602,808</u>
<b>ACCUMULATED PROFITS</b>		<u>1,059,119</u>	<u>602,808</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 2019**

	Accumulated Profits	Total
	\$	\$
<b>Balance at 30 June 2017</b>	327,123	327,123
<b>Comprehensive income</b>		
Net surplus for the year	275,685	275,685
Other comprehensive income	-	-
<b>Total Comprehensive Income</b>	275,685	275,685
<b>Balance at 30 June 2018</b>	602,808	602,808
<b>Comprehensive income</b>		
Net surplus for the year	456,311	461,626
Other comprehensive income	-	-
<b>Total Comprehensive Income</b>	456,311	461,626
<b>Balance at 30 June 2019</b>	1,059,119	1,064,434

**OTHER FUNDS OR ACCOUNTS**

Prescribed disclosures

- 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.
- There are no transfers to or withdrawals from a fund (other than the general fund), account, asset or controlled entity.

(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 2019**

	Note	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Members		6,924,551	6,788,301
Payments to Suppliers and Employees		(6,152,102)	(6,309,235)
Receipts/(payments) from/to other reporting units	18(c)	(445,928)	(423,792)
Other Receipts		39,762	26,222
Interest Paid		(2,461)	(4,514)
Interest Received		277	291
<b>NET CASH FROM OPERATING ACTIVITIES</b>	18(b)	<u>364,099</u>	<u>77,274</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for Purchase of Property, Plant & Equipment	9	(85,480)	(65,997)
Proceeds from Sale of Property, Plant & Equipment		-	4,500
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>		<u>(85,480)</u>	<u>(61,497)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease finance repayments		(10,744)	(24,805)
Net Receipts from Australian Services Union of NSW		4,085	39,050
<b>NET CASH (USED IN) FINANCING ACTIVITIES</b>		<u>(6,659)</u>	<u>(14,245)</u>
<b>NET INCREASE IN CASH HELD</b>		271,990	30,022
<b>CASH AT BEGINNING OF FINANCIAL YEAR</b>		259,123	229,101
<b>CASH AT END OF FINANCIAL YEAR</b>	18(a)	<u>531,083</u>	<u>259,123</u>

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**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 (the "Branch" for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the Branch Committee of Management on 21 November 2019.

**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 for-profit entity.

The financial report has been prepared on an 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 subsection 253(2)(c) of the RO Act.

**(a) 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.

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- AASB 9 Financial Instruments and relevant amending standards, which replaces AASB 139 Financial Instruments: Recognition and Measurement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

- AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investments Property, Annual Improvements 2014-2016 Cycle and other amendments, which clarify certain requirements in:
  - AASB 12 Disclosure of Interests in Other Entities – clarification of scope
  - AASB 128 Investments in Associates and Joint Ventures – measuring an associate or joint venture at fair value
  - AASB 140 Investment Property – change in use
- AASB Interpretation 22 *Foreign Currency Transactions and Advance Considerations*, which clarifies that the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration.

**Impact on adoption of AASB 9**

**Initial application**

AASB 9 *Financial Instruments* (AASB 9) replaces AASB139 *Financial Instruments: Recognition and Measurement* (AASB 139) for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Branch has adopted AASB 9 using the modified retrospective approach, with an initial application date of 1 July 2018. The Branch has not restated the comparative information, which continues to be reported under AASB 139. There was no adjustment on the opening accumulated profits balance as a result of adoption of AASB 9.

**(i) Classification and measurement**

The adoption of this standard has no impact on the classification and measurement on the financial statements of the Branch.

**(ii) Impairment loss**

The adoption of AASB 9 has fundamentally changed the Branch's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) using the simplified approach. AASB 9 requires the Branch to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets, i.e. those held at amortised cost and at FVTOCI.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

*Future Australian Accounting Standards Requirements*

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on Branch include:

**AASB 16 Leases (AASB 16)**

AASB 16 was issued in January 2016 and it replaces AASB 117 *Leases*, AASB Interpretation *Determining whether an Arrangement contains a Lease*, AASB Interpretation-115 *Operating Leases-Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

For NFP entities, AASB 16 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 16. The Branch plans to adopt AASB 16 on the reporting period commencing 1 July 2019 using modified retrospective method.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under AASB 16 is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

During the financial year ended 30 June 2019, the Branch performed a preliminary assessment of AASB 16. The adoption of this standard will not have a material impact on the financial statement of the Branch.

**AASB 1058 *Income of Not-for-Profit Entities (AASB 1058)* and AASB 15 *Revenue from Contracts with Customers (AASB 15)***

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities in conjunction with AASB 15. AASB 1058 and AASB 15 supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 *Contributions*.

For NFP entities, both AASB 1058 and 15 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 15. The Branch plans to adopt AASB 15 on the reporting period commencing 1 July 2019 using modified retrospective method.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

During the financial year ended 30 June 2019, the Branch performed a preliminary assessment of AASB 1058 and 15. The Branch does not have any enforceable contracts which has sufficiently specific performance obligations. It does not also receive any volunteer services and/or enters into other transactions where the consideration to acquire an asset is significantly less than the fair value of the asset.

(b) 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).

(c) 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.

(d) 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 capitalised 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 recognised at the same time and for the same amount. The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (Cont'd)**

**1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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 recognised 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 recognised on a straight-line basis over the lease term.

**(e) 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.

**(f) 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.

**(g) Financial Assets**

**Initial recognition and measurement**

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

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

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The Branch's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Branch commits to purchase or sell the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified into financial assets at amortised cost.

**Financial assets at amortised cost**

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

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

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

The Branch's financial assets at amortised cost includes trade receivables and loans to related parties.

**Derecognition**

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Branch has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - a) The Branch has transferred substantially all the risks and rewards of the asset, or
  - b) the Branch has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Branch has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Branch continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (Cont'd)**

**1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Trade receivables**

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

Therefore, the Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Branch has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**(h) 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.

**(i) Comparatives**

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

**(j) Going Concern**

The Branch is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The Branch has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (Cont'd)**

**2. ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

**a) Critical accounting estimates and assumptions**

The Branch makes estimates and assumptions concerning the future. By definition, the resulting accounting estimates seldom equal the related actual results.

Included in the trade and other receivables is the membership in arrears for the amount of \$249,343 (2018: \$204,189). This has been fully provided as at 30 June 2019.

**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.

**3. INFORMATION TO BE PROVIDED TO MEMBERS OR THE COMMISSIONER OF REGISTERED ORGANISATION 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 Commissioner of Registered Organisation 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).

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (Cont'd)**

	2019 \$	2018 \$
<b>4. INCOME</b>		
(a) Capitation fees	-	-
(b) Levies	-	-
(c) Interest		
Deposit	379	392
Loans	-	-
(d) Grants or Donations		
Grants	-	-
Donations	-	-
(e) Net Gains from Sale of Assets		
Plant and equipment	-	4,500
(f) Other revenue from another reporting unit	-	-
<b>5. EXPENSES</b>		
(a) Capitation Fees		
ASU National Office	367,635	347,511
(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	2,360	5,001
Total paid that exceeded \$1,000	<u>33,549</u>	<u>2,000</u>
Total Grants and Donations (including GST)	35,909	7,001
Less: GST	<u>(133)</u>	<u>-</u>
Total Grants and Donations (excluding GST)	<u>35,776</u>	<u>7,001</u>
(c) Compulsory levy	-	-
(d) Fees		
Employer payroll deduction	-	-
(e) Allowances		
Allowances for conferences/meeting	-	-
(f) Penalties		
Penalties under RO Act	-	-
(g) Conferences and functions		
Conferences	46,351	37,885
Functions	24,127	39,158
	<u>70,478</u>	<u>77,043</u>
(h) Other expense to another reporting unit	-	-

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (Cont'd)

	2019 \$	2018 \$
<b>6. Cash on Hand</b>		
Petty Cash	404	1,100
Cash at bank	<u>530,679</u>	<u>258,023</u>
	<u>531,083</u>	<u>259,123</u>
<b>7. TRADE AND RECEIVABLES</b>		
<b>Current</b>		
Receivables from reporting units:		
- ASU of NSW	1,309,594	1,047,096
Membership in Arrears	249,343	204,189
Allowance for Expected Credit Losses -		
Membership in Arrears	(249,343)	(204,189)
Membership Receivable	128,442	142,191
Sundry Debtors	44,663	1,092
Prepayments	26,308	15,543
	<u>1,509,007</u>	<u>1,212,388</u>
The movement in the allowance for expected credit losses of trade and other receivables is as follow:		
Opening Balance 1 July 2018 (1 July 2017)	204,189	174,269
Write-off	(204,189)	(174,269)
Allowance for expected credit losses	249,343	204,189
	<u>249,343</u>	<u>204,189</u>
<b>8. INVESTMENTS</b>		
(Non Public Investments)		
<b>Cash and Cash Equivalents</b>		
At Call Deposits – Credit Unions	<u>8,300</u>	<u>8,198</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (Cont'd)

	2019 \$	2018 \$
<b>9. PLANT AND EQUIPMENT</b>		
Furniture and Fixtures – at cost	28,033	24,796
Less: Accumulated Depreciation	<u>(20,456)</u>	<u>(17,974)</u>
	<u>7,577</u>	<u>6,822</u>
Computer Equipment – at cost	846,288	764,045
Less: Accumulated Depreciation	<u>(764,937)</u>	<u>(727,186)</u>
	<u>81,351</u>	<u>36,859</u>
Motor Vehicles – at cost	144,182	144,182
Less: Accumulated Depreciation	<u>(110,229)</u>	<u>(99,161)</u>
	<u>33,953</u>	<u>45,021</u>
Leased Motor Vehicles – at cost	91,558	91,558
Less: Accumulated Amortisation	<u>(71,237)</u>	<u>(59,423)</u>
	<u>20,321</u>	<u>32,135</u>
<b>Total Plant and Equipment</b>	<u>143,202</u>	<u>120,837</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 2017	8,741	24,094	23,902	50,447	107,184
Additions	536	33,896	31,565	-	65,997
Depreciation	<u>(2,455)</u>	<u>(21,131)</u>	<u>(10,446)</u>	<u>(18,312)</u>	<u>(52,344)</u>
Balance at 30 June 2018	<u>6,822</u>	<u>36,859</u>	<u>45,021</u>	<u>32,135</u>	<u>120,837</u>
Additions	3,237	82,243	-	-	85,480
Depreciation	<u>(2,482)</u>	<u>(37,751)</u>	<u>(11,814)</u>	<u>(11,814)</u>	<u>(63,115)</u>
Balance at 30 June 2019	<u>7,577</u>	<u>81,351</u>	<u>33,953</u>	<u>20,321</u>	<u>143,202</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (Cont'd)

		2019 \$	2018 \$
<b>10. PAYABLES</b>			
<b>Current</b>			
Trade creditors and accruals		139,924	51,614
ASU National Office		1,205	150
GST Payable		114,799	110,860
Membership Fees in Advance		42,350	53,436
Lease Liability	20	13,148	12,837
Legal fees – litigation		-	-
Legal fees - other matters		-	-
Consideration to employer for payroll deductions		-	-
		<u>311,426</u>	<u>228,897</u>
<b>Non-Current</b>			
Lease Liability	20	<u>14,949</u>	<u>26,004</u>
<b>11. PROVISION FOR EMPLOYEE ENTITLEMENTS</b>			
<b>Office holders</b>			
Annual Leave		73,121	74,498
Long Service Leave		94,891	81,472
Separations and redundancies		-	-
Others		-	-
		<u>168,012</u>	<u>155,970</u>
<b>Employees other than office holders</b>			
Annual Leave		312,285	271,255
Long Service Leave		325,801	315,642
Separations and redundancies		-	-
Others		-	-
		<u>638,086</u>	<u>586,867</u>
		<u>806,098</u>	<u>742,837</u>
<b>12. PROFESSIONAL SERVICES</b>			
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		13,476	-
Other legal matters		1,965	2,509
Total		<u>43,241</u>	<u>30,309</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (Cont'd)

	2019	2018
	\$	\$
<b>13. REMUNERATION DISCLOSURES</b>		
Employee expenses related to holders of office		
- wages and salaries;	281,892	271,857
- superannuation;	26,424	25,480
- leave and other entitlements expense	36,203	44,976
- separation and redundancies; and	-	-
- other employee expenses	<u>1,655</u>	<u>1,206</u>
Total	<u>346,174</u>	<u>343,519</u>
Employee expenses related to employees (other than holders of offices)		
- wages and salaries;	3,299,652	2,936,488
- superannuation;	329,103	338,424
- leave and other entitlements expense;	108,248	321,117
- separation and redundancies; and	-	-
- Other employee expense	<u>12,983</u>	<u>24,164</u>
Total	<u>3,749,986</u>	<u>3,620,193</u>

**14. SUPERANNUATION**

All employees of the Branch are entitled to benefits from a superannuation plan on retirement, disability or death. The Branch participates 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 Branch**

Remuneration is disclosed in Notes 13 and 17.

There have been no other transactions between officers and the Branch other than those relating to their membership of the Branch and the reimbursement by the Branch 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 2019 (Cont'd)**

**15. RELATED PARTIES (continued)**

**(b) Transactions with a Related Entity**

**Loans and Receivables**

The Branch has provided a loan to Australian Services Union of NSW. The loan is interest free loan and there are no terms and conditions that have been formalised between the Branch and the Australian Services Union NSW.

- (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.

**Transactions with other reporting unit**

- (i) Capitation Fees paid to the ASU National office are disclosed as other expenses in the statement of comprehensive income
- (ii) Amounts payable to the ASU National office are disclosed at Note 10 of the accounts.

**Acquisition Amalgamations and Restructures**

There were 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.

**Financial support provided**

The Branch has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

**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**

	2019 \$	2018 \$
<b>Short-term employee benefits</b>		
Salary (including annual leave taken)	281,892	271,857
Annual leave accrued	24,820	24,215
Performance bonus	-	-
	<u>306,712</u>	<u>296,072</u>
<b>Post-employment benefits:</b>		
Superannuation	26,424	25,480
<b>Other long-term benefits:</b>		
Long-service leave	11,386	20,761
Non-cash benefits	6,645	4,826
	<u>18,028</u>	<u>25,587</u>
<b>Termination benefits:</b>	-	-
<b>Total</b>	<u>351,164</u>	<u>347,139</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (Cont'd)

18. CASH FLOW INFORMATION	2019 \$	2018 \$
(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	404	1,100
Cash at bank	<u>530,679</u>	<u>258,023</u>
	<u>531,083</u>	<u>259,123</u>
(b) Reconciliation of cash flow from operations with operating result		
Net surplus for the year	456,311	275,685
Non-Cash flows in surplus		
Depreciation	63,115	52,344
Gain on disposal of plant and equipment	-	(4,500)
Expenses paid by Finance lease	-	-
Interest Income	(102)	(101)
Others	-	-
Change in Assets & Liabilities		
(Increase) in Trade and Other Receivables	(300,704)	(359,317)
Increase/(Decrease) in Payables	82,218	17,700
Increase in Provision for Employee Entitlements	<u>63,261</u>	<u>95,463</u>
Cash flow from operations	<u>364,099</u>	<u>77,274</u>
(c) Cash inflow information		
- Payments to ASU National Office	(445,928)	(423,792)
	<u>(445,928)</u>	<u>(423,792)</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 2019 (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	2019 \$	2018 \$
Cash and cash equivalents			
- Cash at Bank	6	530,679	258,023
- At Call Deposits	8	<u>8,300</u>	<u>8,198</u>
		<u>538,979</u>	<u>266,221</u>

The cash and cash equivalents are held in high quality Australian Financial Institutions.

Sundry Debtors - Current	7	44,663	1,092
Membership Receivable	7	128,442	142,191
ASU of NSW	7	<u>1,309,594</u>	<u>1,047,096</u>
Total loans and receivables		<u>1,482,699</u>	<u>1,190,379</u>

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 2019, it had \$539,383 (2018: \$267,321) of cash and cash equivalents to meet these obligations as they fall due. Total liabilities at 30 June 2019 were \$1,132,473 (2018: \$997,738).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (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 \$		
<b>30 June 2019</b>						
<b>Financial Assets</b>						
Cash assets	1.00%	530,679	-	-	404	531,083
Receivables	N/A	-	-	-	1,482,699	1,482,699
At call deposit	1.25%	8,300	-	-	-	8,300
<b>Total Financial Assets</b>		<b>538,979</b>	<b>-</b>	<b>-</b>	<b>1,483,103</b>	<b>2,022,082</b>
<b>Financial Liabilities</b>						
Payables	9.98%	-	13,148	14,949	255,928	284,025
<b>Net Financial Assets (Liabilities)</b>		<b>529,887</b>	<b>(13,148)</b>	<b>(14,949)</b>	<b>1,227,175</b>	<b>1,738,057</b>
<b>30 June 2018</b>						
<b>Financial Assets</b>						
Cash assets	1.00%	258,023	-	-	1,100	259,123
Receivables	N/A	-	-	-	1,190,379	1,190,379
At call deposit	1.25%	8,198	-	-	-	8,198
<b>Total Financial Assets</b>		<b>266,221</b>	<b>-</b>	<b>-</b>	<b>1,191,479</b>	<b>1,457,700</b>
<b>Financial Liabilities</b>						
Payables	9.99%	-	12,837	26,004	162,624	201,465
<b>Net Financial Assets (Liabilities)</b>		<b>266,221</b>	<b>(12,837)</b>	<b>(26,004)</b>	<b>1,028,855</b>	<b>1,256,235</b>

**Sensitivity Analysis**

	Carrying Amount \$	+1.50% (150 basis points) Profit \$	-1.50% (150 basis points) Loss \$
<b>2019</b>			
Cash and Cash Equivalents	530,679	7,960	(7,960)
At Call deposits	8,300	125	(125)
<b>2018</b>			
Cash and Cash Equivalents	258,023	3,870	(3,870)
At Call deposits	8,198	123	(123)

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (Cont'd)**

	Notes	2019 \$	2018 \$
<b>20. COMMITMENTS</b>			
<b>Lease Commitments</b>			
<b>Payable</b>			
- Not later than 12 months		15,041	15,558
- Between 12 Months and 5 Years		<u>15,547</u>	<u>28,305</u>
		<u>30,588</u>	<u>43,893</u>
Less future finance charges		<u>(2,491)</u>	<u>(5,052)</u>
Present Value of Minimum lease payments		<u>28,097</u>	<u>38,841</u>
Current Liability	10	13,148	12,837
Non-Current Liability	10	<u>14,949</u>	<u>26,004</u>
		<u>28,097</u>	<u>38,841</u>

At 30 June 2019, the Branch had 2 motor vehicle finance lease commitments (2018: 3) 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**

	2019 \$	2018 \$
Union NSW	43,761	44,806
Labour Councils	19,472	6,107
Australian Labor Party	57,457	53,390
Others	4,704	4,612
	<u>125,394</u>	<u>108,915</u>

**22. REGISTERED OFFICE**

The registered office and principal place of business of the branch is:  
 Level 1  
 39 - 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**

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 2019, 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 and the subsection 255(2A) report.

#### Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Branch as at 30 June 2019, 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).

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 of the Branch 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.



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

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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 Branch's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Branch Committee of Management.

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

- Conclude on the appropriateness of the Branch 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 Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch 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 Branch to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Branch audit. We remain solely responsible for our audit opinion.

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

We declare that the below signed is an auditor registered under the RO Act.

Dated at Sydney on the 22nd day of November 2019

ESV

ESV Business advisory and accounting



**Tim Valtwies**  
Partner

Registration number: AA2018/92