



18 January 2021

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

Sent via email: [natalie@asu.org.au](mailto:natalie@asu.org.au)  
CC: [travasb@esvgroup.com.au](mailto:travasb@esvgroup.com.au)

Dear Natalie Lang,

**Australian Municipal, Administrative, Clerical and Services Union-New South Wales and ACT (Services) Branch  
Financial Report for the year ended 30 June 2020 – (FR2020/132)**

I acknowledge receipt of the financial report for the year ended 30 June 2020 for the Australian Municipal, Administrative, Clerical and Services Union-New South Wales and ACT (Services) Branch (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 14 December 2020.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2021 may be subject to an advanced compliance review.

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

**General purpose financial report (GPFR)**

AASB 16 - Partial disclosures

Note 1(a) *New Australian Accounting Standards* to the GPFR states that Australian Accounting Standard AASB 16 *Leases* has been adopted. However, the accounting policies disclosed in note 1(d) *Leases* in the GPFR do not appear to have been updated to reflect these new standards.

I also note that AASB 16 *Leases* paragraph 47 requires an entity as a lessee to present in the statement of financial position or disclose in the notes specific information in regard to right-of-use assets. It appears that no such disclosure has been made.

Please note that in future years the reporting unit's GPFR must include all relevant and required financial disclosures in accordance with AASB 16.

### **Reporting Requirements**

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

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

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

Yours sincerely,



**Kylie Ngo**  
**Registered Organisations Commission**

**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 2020*

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 *23 November 2020*; and
- that the full report was presented to a meeting of the *Committee of Management (the Branch Executive)* of the reporting unit on *10 December 2020* 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:

10/12/2020

<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 2020**

**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 2020**

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 2020.

<b>Categories of expenditures</b>	<b>2020 \$</b>	<b>2019 \$</b>
Remuneration and other employment-related costs and expenses - employees	4,578,080	3,984,095
Advertising	-	-
Operating costs	2,064,817	1,771,058
Donations to political parties	2,750	35,909
Legal costs	14,854	15,441

Signed for and on behalf of the Committee of Management.



Natalie Lang  
**Branch Secretary**

Date *19/11/2020*

**OPERATING REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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 \$220,642 (2019: \$456,311).

**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.

**OPERATING REPORT  
 FOR THE YEAR ENDED 30 JUNE 2020 (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 14,261.
- (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 42.
- (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 2019 – 30 June 2020
Deputy Branch President 1	Robert McLean	1 July 2019 – 30 June 2020
Deputy Branch President 2	Benjamin Kensington	1 July 2019 – 30 June 2020
Vice President (SACS)	Danna Nelse	1 July 2019 – 30 June 2020
Vice President (Water & Ports)	Jennifer Hill	1 July 2019 – 30 June 2020
Vice President (Transport)	Natalie Noyeaux	1 July 2019 – 30 June 2020
Vice President (Hunter Water)	Matt Dries	1 July 2019 – 30 June 2020
Vice President (Private Sector Industries Group)	Paul Rowe	1 July 2019 – 30 June 2020
Branch Secretary	Natalie Lang	1 July 2019 – 30 June 2020
Treasurer	Samantha Parker	1 July 2019 – 30 June 2020
Deputy Secretary	Judith Wright	1 July 2019 – 30 June 2020
Executive Member (SACS)	Lina Cabaero	1 July 2019 – 30 June 2020
Executive Member (SACS)	Julie Perkins	1 July 2019 – 30 June 2020
Executive Member (SACS)	Nadia Saleh	1 July 2019 – 30 June 2020
Executive Member (SACS)	Ned Lambley	1 July 2019 – 30 June 2020
Executive Member (SACS)	Lisa Smajlov	1 July 2019 – 30 June 2020
Executive Member (SACS)	Maralyn Schofield	1 July 2019 – 30 June 2020
Executive Member (SACS)	Kerry Fairlie	1 July 2019 – 30 June 2020
Executive Member (SACS)	Maree Geraghty	1 July 2019 – 30 June 2020
Executive Member (SACS)	Angelique Sasagi	1 July 2019 – 30 June 2020
Executive Member (Water & Ports)	Riccardo Facci	1 July 2019 – 30 June 2020
Executive Member (Water & Ports)	Wayne Grant	1 July 2019 – 30 June 2020
Executive Member (Private Sector Industries Group)	Christian Turnbull	1 July 2019 – 30 April 2020
Executive Member (Private Sector Industries Group)	Maria Clegg	1 July 2019 – 30 June 2020
Executive Member (Hunter Water)	Peter Hull	1 July 2019 – 30 June 2020
Executive Member (Transport)	Martin Davis	1 July 2019 – 30 June 2020

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

**OPERATING REPORT**

**FOR THE YEAR ENDED 30 JUNE 2020 (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 *19/11/2020*



**BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT FOR THE YEAR ENDED  
30 JUNE 2020**

On 19 November 2020, **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 2020.

**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: 19/11/2020 .....

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
<b>Revenue from contracts with customers</b>			
Membership fees	4	6,751,004	6,531,800
Capitation fees and other revenue from another reporting unit	4a	-	-
Levies	4b	-	-
<b>Total revenue from contracts with customers</b>		<u>6,751,004</u>	<u>6,531,800</u>
<b>Other Income</b>			
Grants and/or donations	4c	-	-
Revenue from recovery of wages activity		-	-
Net gains on disposal of assets		799	-
Administration fee – ASU of NSW		50,000	50,000
Administration fee – WEF		20,000	20,000
Investment income	4d	285	379
Other income	4e	136,829	69,584
<b>Total other income</b>		<u>207,913</u>	<u>139,963</u>
<b>Total income</b>		<u>6,958,917</u>	<u>6,671,763</u>
<b>Expenses</b>			
Employee expenses	5a	4,578,080	4,096,161
Capitation fees and other expense to another reporting unit	5b	422,001	421,560
Affiliation fees	5c	125,243	125,393
Administration expenses	5d	470,735	388,700
Grants or donations	5e	3,913	35,776
Depreciation and amortisation		70,804	63,115
Finance costs		8,129	-
Occupancy costs		204,623	21,612
Legal costs	5f	14,854	15,441
Net losses from sale of assets		-	-
Other expenses	5g	822,751	1,002,046
Audit fees		17,142	45,648
Share of net loss from associate		-	-
<b>Total expenses</b>		<u>6,738,275</u>	<u>6,215,452</u>
<b>Surplus (deficit) for the year</b>		<u>220,642</u>	<u>456,311</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 2020**

	Notes	2020 \$	2019 \$
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	6	979,301	531,083
Trade and other receivables	7	159,498	173,105
Financial assets	9	8,396	8,300
Other assets	10	1,299,997	1,335,902
<b>Total current assets</b>		<u>2,447,192</u>	<u>2,048,390</u>
Non-current Assets			
Plant and equipment	11	110,437	143,202
<b>Total non-current assets</b>		<u>110,437</u>	<u>143,202</u>
<b>Total assets</b>		<u>2,557,629</u>	<u>2,191,592</u>
<b>LIABILITIES</b>			
Current Liabilities			
Trade payables	12	333,157	255,928
Financial liabilities	13	11,445	13,148
Employee provisions	14	889,204	806,098
Contract liabilities	8	42,469	42,350
<b>Total current liabilities</b>		<u>1,276,275</u>	<u>1,117,524</u>
Non-current Liabilities			
Financial liabilities	13	1,593	14,949
<b>Total non-current liabilities</b>		<u>1,593</u>	<u>14,949</u>
<b>Total liabilities</b>		<u>1,277,868</u>	<u>1,132,473</u>
<b>Net assets</b>		<u>1,279,761</u>	<u>1,059,119</u>
<b>EQUITY</b>			
Accumulated surplus		<u>1,279,761</u>	<u>1,059,119</u>
<b>Total equity</b>		<u>1,279,761</u>	<u>1,059,119</u>

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

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020

	Accumulated Surplus	Total
	\$	\$
<b>Balance at 30 June 2018</b>	602,808	602,808
<b>Comprehensive income</b>		
Net surplus for the year	456,311	456,311
Other comprehensive income	-	-
<b>Total Comprehensive Income</b>	456,311	456,311
<b>Balance at 30 June 2019</b>	1,059,119	1,059,119
<b>Comprehensive income</b>		
Net surplus for the year	220,642	220,642
Other comprehensive income	-	-
<b>Total Comprehensive Income</b>	220,642	220,642
<b>Balance at 30 June 2020</b>	1,279,761	1,279,761

**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.

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Receipts from members		7,411,674	6,924,551
Payments to suppliers and employees		(6,626,865)	(6,152,102)
Receipts/(payments) from/to other reporting units	21c	(457,324)	(445,928)
Other receipts		181,772	39,762
Interest paid		(1,830)	(2,461)
Interest received		189	277
<b>Net cash from operating activities</b>	21b	501,316	364,099
<b>Cash flows from investing activities</b>			
Payments for Purchase of Property, Plant & Equipment	11a	(38,039)	(85,480)
Proceeds from Sale of Property, Plant & Equipment		-	-
<b>Net cash (used in) investing activities</b>		(38,039)	(85,480)
<b>Cash flows from financing activities</b>			
Lease finance repayments		(15,059)	(10,744)
Net Receipts from Australian Services Union of NSW		-	4,085
<b>Net cash (used in) financing activities</b>		(15,059)	(6,659)
<b>Net increase in cash held</b>		448,218	271,990
<b>Cash at beginning of financial year</b>		531,083	259,123
<b>Cash at end of financial year</b>	21a	979,301	531,083

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

**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 2020 was authorised for issue in accordance with a resolution of the Branch Committee of Management on 19 November 2020.

**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 15 Revenue from Contracts with Customers, which replaces AASB 118 Revenue, and AASB 1058 Income of Not-for-Profit-Entities, which replaces in the income recognition requirements of AASB 1004 Contributions Impact on adoption of AASB 15 Revenue from Contracts with Customers (AASB 15) and AASB 1058 Income of Not-for-Profit Entities (AASB 1058)

AASB 15 Revenue from Contracts with Customers supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

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

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

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

The Union adopted AASB 15 and AASB 1058 using the modified retrospective 1 method of adoption, with the date of initial application of 1 July 2019. The adoption of AASB 15 and AASB 1058 did not have a material impact on the Union's financial statements

**Impact on adoption of AASB 16 Leases**

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

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have an impact for leases where the Union is the lessor.

The Union has adopted AASB 16 using the modified retrospective method of transition, with the date of initial application of 1 July 2019. The adoption of AASB 16 did not have a material impact on the Union's financial statements.

**(b) Revenue**

The Union enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations. The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

**Revenue from contracts with customers**

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

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

*Membership income*

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

If there is only one distinct membership service promised in the arrangement, the Union recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Union's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the Union allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the Union charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the Union recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Union has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less. When a member subsequently purchases additional goods or services from the Union at their standalone selling price, the Union accounts for those sales as a separate contract with a customer.

*Interest income*

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

*Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

**(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.

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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

**(f) Contract Liabilities**

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a member before the Union transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the Union performs under the contract (i.e., performance obligations of the related goods or services to the customer).

**(g) 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.

**(h) Financial Assets**

**Initial recognition and measurement**

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

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

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

**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.

**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.

**(i) 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 2020**

**(j) Comparatives**

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

**(k) 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.

**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 \$270,006 (2019: \$249,343). This has been fully provided as at 30 June 2020.

**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).

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

4. REVENUE AND INCOME

Disaggregation of revenue from contracts with customers

A disaggregation of the Union's revenue by type of arrangements is provided on the face of the Profit or loss and other comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

	2020	2019
	\$	\$
<b>Type of customer</b>		
Members – recognition overtime	6,751,004	6,531,800
Other reporting units	-	-
Government	-	-
Other parties	-	-
<b>Total revenue from contracts with customers</b>	<u>6,751,004</u>	<u>6,531,800</u>
<b>4a. CAPITATION FEES AND OTHER REVENUE FROM ANOTHER REPORTING UNIT</b>		
Capitation fees	-	-
<b>Total capitation fees</b>	<u>-</u>	<u>-</u>
<b>4b. LEVIES</b>		
Levies	-	-
<b>Total levies</b>	<u>-</u>	<u>-</u>
<b>4c. GRANTS AND/OR DONATIONS</b>		
Grants	-	-
Donations	-	-
<b>Total grants and donations</b>	<u>-</u>	<u>-</u>
<b>4d. INVESTMENT INCOME</b>		
Interest	285	379
<b>Total investment income</b>	<u>285</u>	<u>379</u>
<b>4e. OTHER INCOME</b>		
Insurance recoveries	50,000	-
Cash flow boost	50,000	-
Other income	36,829	69,584
<b>Total other income</b>	<u>136,829</u>	<u>69,584</u>

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

5. EXPENSES

	2020	2019
	\$	\$
<b>5a. EMPLOYEE EXPENSES</b>		
<b>Holders of office:</b>		
Wages and salaries	294,435	281,892
Superannuation	31,364	26,424
Leave and other entitlements	30,021	36,203
Separation and redundancies	-	-
Other employee expenses	31,253	1,655
<b>Subtotal employee expenses holders of office</b>	387,073	346,174
<b>Employees other than office holders:</b>		
Wages and salaries	3,437,046	3,299,652
Superannuation	355,069	329,103
Leave and other entitlements	53,085	108,248
Separation and redundancies	-	-
Other employee expenses	345,807	12,984
<b>Total other employee expenses employees</b>	4,191,007	3,749,987
<b>Total employee expenses</b>	4,578,080	4,096,161
<b>5b. CAPITATION FEES AND OTHER EXPENSES TO ANOTHER REPORTING ENTITY</b>		
<b>Capitation fees</b>		
Capitation fees to ASU National Office	396,768	367,635
Campaign expense to ASU National Office	-	37,754
Campaign expenses to other reporting entities	195	3,636
Subscription expense to ASU National Office	5,226	5,672
Insurance expense to ASU National Office	10,247	5,227
Other expenses to ASU National Office	9,565	1,636
<b>Total capitation and other expenses to another reporting entity</b>	422,001	421,560
<b>5c. AFFILIATION FEES</b>		
Union NSW	48,143	43,761
Labour councils	7,737	19,472
Australian Labour Party	59,485	57,457
Others	9,878	4,703
<b>Total affiliation fees</b>	125,243	125,393

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

5d. ADMINISTRATION EXPENSES

	2020	2019
	\$	\$
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conferences, functions and meetings	112,456	70,477
Delegates	11,310	49,674
Property expenses	66,141	-
Office expenses	69,469	83,550
IT and communication	211,359	184,999
<b>Total administration expenses</b>	<u>470,735</u>	<u>388,700</u>

5e. GRANTS AND DONATIONS

Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	3,913	2,360
Total expensed that exceeded \$1,000	-	33,416
<b>Total grants or donations</b>	<u>3,913</u>	<u>35,776</u>

5f. LEGAL COSTS

Litigation	4,545	13,476
Other legal matters	10,309	1,965
<b>Total legal fees</b>	<u>14,854</u>	<u>15,441</u>

5g. OTHER EXPENSES

Printing and publications	53,660	57,062
Professional fees	114,200	-
Travel expenses	68,124	135,018
Other employee expenses	185,828	221,556
Campaign expenses	31,208	62,154
Contributions to ASU of NSW Welfare and Emergency Fund	20,800	20,800
Other expenses	348,931	505,456
<b>Total other expenses</b>	<u>822,751</u>	<u>1,002,046</u>

6. CASH AND CASH EQUIVALENTS

Cash on hand	556	404
Cash at bank	978,745	530,679
<b>Total cash and cash equivalents</b>	<u>979,301</u>	<u>531,083</u>

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

7. TRADE AND OTHER RECEIVABLES

	2020	2019
	\$	\$
CURRENT		
Membership in arrears	270,006	249,343
Less allowance for expected credit losses	(270,006)	(249,343)
Membership receivable	159,439	128,442
Trade debtors	-	44,663
Sundry debtors	59	-
<b>Total trade and other receivables</b>	<u>159,498</u>	<u>173,105</u>

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

<b>Opening balance at 1 July 2019</b>	249,343	204,189
Write off	(249,343)	(204,189)
Allowance for expected credit losses	(270,006)	(249,343)
<b>Closing balance at 30 June 2020</b>	<u>(270,006)</u>	<u>(249,343)</u>

8. CONTRACT ASSETS AND LIABILITIES

CURRENT		
Contract liabilities – membership fees in advance	42,469	42,350
<b>Total contract liabilities</b>	<u>42,469</u>	<u>42,350</u>

9. OTHER FINANCIAL ASSETS

CURRENT		
Financial deposits at call	8,396	8,300
<b>Total current financial assets</b>	<u>8,396</u>	<u>8,300</u>

10. OTHER ASSETS

CURRENT		
Prepayments	102,085	26,308
Receivable from reporting units: ASU of NSW	1,197,912	1,309,594
Less: allowance from credit loss	-	-
<b>Total other assets</b>	<u>1,299,997</u>	<u>1,335,902</u>



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

11. PLANT AND EQUIPMENT

	2020	2019
	\$	\$
Furniture and fixtures		
At cost	28,068	28,033
Less: Accumulated depreciation	(23,005)	(20,456)
Total furniture and fixtures	<u>5,063</u>	<u>7,577</u>
Computer equipment		
At cost	258,119	846,288
Less: Accumulated depreciation	(185,280)	(764,937)
Total computer equipment	<u>72,839</u>	<u>81,351</u>
Motor vehicles		
At cost	235,740	235,740
Less: Accumulated depreciation	(203,205)	(181,466)
Total motor vehicles	<u>32,535</u>	<u>54,274</u>
<b>Total plant and equipment</b>	<u>110,437</u>	<u>143,202</u>

11a. 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	TOTAL
	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	6,822	36,859	77,156	120,837
Additions	3,237	82,243	-	85,480
Depreciation	(2,482)	(37,751)	(22,882)	(63,115)
<b>Balance at 30 June 2019</b>	<u>7,577</u>	<u>81,351</u>	<u>54,274</u>	<u>143,202</u>
Additions	39	38,000	-	38,039
Disposals	-	-	-	-
Depreciation	(2,553)	(46,512)	(21,739)	(70,804)
<b>Balance at 30 June 2020</b>	<u>5,063</u>	<u>72,839</u>	<u>32,535</u>	<u>110,437</u>

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

<b>12.</b>	<b>TRADE AND OTHER PAYABLES</b>		
		<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
<b>12a.</b>	<b>TRADE PAYABLES</b>		
	Trade creditors, accruals and other payables	206,794	139,924
	GST payable	118,281	114,799
		<u>325,075</u>	<u>254,723</u>
<b>12b.</b>	<b>PAYABLES TO REPORTING ENTITIES</b>		
	Payable to other reporting entities:		
	ASU National office	8,082	1,205
		<u>8,082</u>	<u>1,205</u>
	<b>Total trade and other payables</b>	<u>333,157</u>	<u>255,928</u>
<b>13.</b>	<b>FINANCIAL LIABILITIES</b>		
	<b>CURRENT</b>		
	Finance lease liabilities	11,445	13,148
	<b>Total current financial liabilities</b>	<u>11,445</u>	<u>13,148</u>
	<b>NON CURRENT</b>		
	Finance lease liabilities	1,593	14,949
	<b>Total non current liabilities</b>	<u>1,593</u>	<u>14,949</u>
	<b>Total financial liabilities</b>	<u>13,038</u>	<u>28,097</u>
<b>14.</b>	<b>PROVISION FOR EMPLOYEE ENTITLEMENTS</b>		
	<b>CURRENT</b>		
	<b>Office holders:</b>		
	Annual leave	85,581	73,121
	Long service leave	112,453	94,891
	Separations and redundancies	-	-
	Others	-	-
	<b>Employees other than office holders</b>		
	Annual leave	347,215	312,285
	Long service leave	343,955	325,801
	Separation and redundancies	-	-
	Others	-	-
	<b>Total current provisions for employee entitlements</b>	<u>889,204</u>	<u>806,098</u>

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

15. REMUNERATION OF AUDITOR

	2020	2019
	\$	\$
Audit of the financial report	23,300	23,300
Preparation of the financial report	4,500	4,500
<b>Total remuneration of auditor</b>	<b>27,800</b>	<b>27,800</b>

16. 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.

17. 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 5a, 14 and 19.

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.

(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 10 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**

- (a) 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 12b 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.

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

**17. RELATED PARTIES Cont'd**

**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.

**18. ADMINISTRATION PROVIDED BY ANOTHER ENTITY**

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

**19. KEY MANAGEMENT PERSONNEL COMPENSATION**

	2020	2019
	\$	\$
<b>Short-term employee benefits</b>		
Salary (including annual leave taken)	294,435	281,892
Annual leave accrued	25,441	24,820
Performance bonus	-	-
Non-cash benefits	31,253	6,645
<b>Total short-term employee benefits</b>	<u>351,129</u>	<u>313,357</u>
<b>Post-employment benefits:</b>		
Superannuation	31,364	26,424
<b>Total post-employment benefits</b>	<u>31,364</u>	<u>26,424</u>
<b>Other long-term benefits:</b>		
Long-service leave	15,265	11,386
<b>Total other long-term benefits</b>	<u>15,265</u>	<u>11,386</u>
<b>Termination benefits</b>	-	-
<b>Total</b>	<u>397,757</u>	<u>351,167</u>

**20. EVENTS AFTER THE REPORTING PERIOD**

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Union is not in a position to accurately estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Union. However, the Union is cautiously optimistic about future financial performance and position based upon membership trends during the reporting period. The Union has five industry divisions. One industry division has been negatively affected by COVID-19 through stand downs and redundancy while the other four industries employ essential workforces which the Union has been able to protect and grow through successful campaigns and industrial support. This has resulted in a net growth in membership which has had a positive effect on the Union's financial position. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Union, the results of those operations, or the state of affairs of the Union in subsequent financial periods.

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

21. CASH FLOW INFORMATION

	2020	2019
	\$	\$
(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	556	404
Cash at bank	978,745	530,679
	979,301	531,083
(b) Reconciliation of cash flow from operations with operating result		
<b>Net surplus for the year</b>	220,642	456,311
<b>Non-Cash flows in surplus</b>		
Depreciation	70,804	63,115
Gain on disposal of plant and equipment	-	-
Expenses paid by Finance lease	-	-
Interest Income	(96)	(102)
Others	-	-
<b>Change in Assets &amp; Liabilities</b>		
(Increase) in Trade and Other Receivables	49,512	(300,704)
Increase/(Decrease) in Payables	77,348	82,218
Increase in Provision for Employee Entitlements	86,106	63,261
<b>Cash flow from operations</b>	501,316	364,099
(c) <b>Cash outflow information to reporting entities</b>		
- Payments to ASU National Office	457,129	442,292
- Payments to other reporting entity	195	3,636

22. 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 2020 (Cont'd)

22. 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	2020 \$	2019 \$
Cash and cash equivalents			
- Cash at Bank	6	978,745	530,679
- At Call Deposits	9	8,396	8,300
		<u>987,141</u>	<u>538,979</u>

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

Trade and other receivable	7	59	44,663
Membership receivable	7	159,439	128,442
ASU of NSW	10	1,197,912	1,309,594
Total loans and receivables		<u>1,357,410</u>	<u>1,482,699</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 2020, it had \$987,697 (2019: \$539,383) of cash and cash equivalents to meet these obligations as they fall due. Total liabilities at 30 June 2020 were \$1,277,868 (2019: \$1,132,473).

(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:

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

22. FINANCIAL RISK MANAGEMENT (cont'd)

	Weighted Average Effective Interest	Floating interest rate	Fixed interest rate maturing within 1 year	Fixed interest rate maturing within 1 - 5 years	Non Interest Bearing	Total
<b>30-Jun-20</b>						
<b>Financial Assets</b>						
Cash assets	1.00%	978,745	-	-	556	979,301
Receivables	N/A	-	-	-	1,357,410	1,357,410
At call deposit	1.25%	8,396	-	-	-	8,396
<b>Total Financial Assets</b>		<b>987,697</b>	<b>-</b>	<b>-</b>	<b>1,357,410</b>	<b>2,345,107</b>
<b>Financial Liabilities</b>						
Payables	9.99%	-	11,445	1,593	333,157	346,195
<b>Net Financial Assets (Liabilities)</b>		<b>987,697</b>	<b>(11,445)</b>	<b>(1,593)</b>	<b>1,024,253</b>	<b>1,998,912</b>
<b>30-Jun-19</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	9.99%	-	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>

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

22. FINANCIAL RISK MANAGEMENT (cont'd)

Sensitivity Analysis

	Carrying Amount \$	+ 1.5% 150 basis points Profit \$	- 1.5% 150 basis points (Loss) \$
<b>2020</b>			
Cash and Cash Equivalents	978,745	14,681	(14,681)
At Call deposits	8,396	126	(126)
<b>2019</b>			
Cash and Cash Equivalents	530,679	7,960	(7,960)
At Call deposits	8,300	125	(125)

23 COMMITMENTS

	Notes	2020 \$	2019 \$
<b>Lease Commitments</b>			
<b>Payable</b>			
- Not later than 12 months		12,025	15,041
- Between 12 Months and 5 Years		1,611	15,547
		<u>13,636</u>	<u>30,588</u>
Less future finance charges		(598)	(2,491)
Present Value of Minimum lease payments		13,038	28,097
Current Liability	13	11,445	13,148
Non-Current Liability	13	1,593	14,949
		<u>13,038</u>	<u>28,097</u>

At 30 June 2020, the Branch had 2 motor vehicle finance lease commitments (2019: 2) 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%.

24. 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 2020, 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 2020, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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.

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## **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 20<sup>th</sup> of November 2020



**ESV Business Advice and Accounting**



**Travas Burns  
Partner**

Registration number: AA2020/9