



Australian Government
Registered Organisations Commission

23 December 2019

Neil Henderson
Secretary, Queensland (Services and Northern Administrative) Branch
Australian Municipal, Administrative, Clerical and Services Union

By e-mail:

Dear Sir

Re: – Australian Municipal, Administrative, Clerical and services Union, Queensland (Services and Northern Administrative) Branch - financial report for year ending 30 June 2019 (FR2019/139)

I refer to the financial report of the Queensland (Services and Northern Administrative) Branch of the Australian Municipal, Administrative, Clerical and Services Union. The documents were lodged with the Registered Organisations Commission (**ROC**) on 29 November 2019.

The financial report has 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.

You are not required to take any further action in respect of the report lodged. Please note that the financial report for the year ending 30 June 2020 may be subject to an advanced compliance review.

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 questions about the above or the reporting requirements, please do not hesitate to contact me by email at stephen.kellett@roc.gov.au.

Yours faithfully

Stephen Kellett
Financial Reporting
Registered Organisations Commission

Australian Services Union

ABN 86 351 665 653

29 November 2019

Registered Organisations Commission
GPO Box 2983
Melbourne VIC 3001

By email: regorgs@roc.gov.au

Dear Sir,

**Re: Australian Municipal, Administrative, Clerical and Services
Union Queensland (Services and Northern Administrative)
Branch Lodgement of Financial Statements for year ended
30 June 2019.**

In accordance with s268 of the *Fair Work (Registered Organisations) Act 2009*, sub-section (a), (b) and (c), attached are the financial statements including the Certificate by Prescribed Designated Officer and operating report of the Australian Municipal, Administrative, Clerical and Services Union Queensland (Services and Northern Administrative) Branch for year ending 30 June 2019.

Queensland (Services and Northern Administrative) Branch

Ground Floor
32 Peel Street
South Brisbane
QLD 4101

PO Box 3347
South Brisbane
QLD 4101

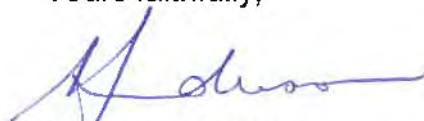
Tel: (07) 3844 5300
Fax: (07) 3846 5046

W:theservicesunion.com.au

Branch Secretary:
Neil Henderson

Executive President:
Jennifer Thomas

Yours faithfully,



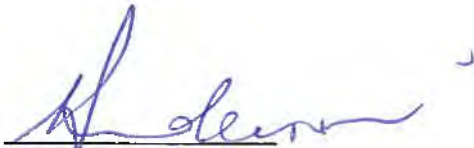
Neil Henderson
Secretary

Designated Officer's Certificate

s268(c) *Fair Work (Registered Organisations) Act 2009*

I, Neil Henderson being the Branch Secretary of the Australian Municipal, Administrative, Clerical and Services Union Queensland (Services and Northern Administrative) Branch certify:

- that the documents lodged herewith are copies of the full report for the Australian Municipal, Administrative, Clerical and Services Union, Queensland (Services and Northern Administrative) Branch for the period ended 30 June 2019 referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 24 September 2019; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 29 November 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Neil Henderson
Branch Secretary

Date: 29 November 2019

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

ABN 86 351 665 653

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

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**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

COMMITTEE OF MANAGEMENT'S OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2019

Operating Report

The Branch Executive, being the Committee of Management for the purposes of the *Fair Work (Registered Organisations) Act 2009* (RO Act), presents its report on the operation of the Australian Municipal, Administrative, Clerical and Services Union Queensland (Services & Northern Administrative) Branch (the Branch) for the financial year ended 30 June 2019.

Principal Activities

The principal operating activities of the Branch continued to be those of industrial activities that are normally carried out by the Trade Union and are consistent with the objects of the Union and particularly the object of protecting and improving the interests of the members.

Operating Result

The operating deficit for the financial year amounted to \$461,726 (2018: \$109,553). Matters which contributed to this result include:

1. Upon completion of the update to the building located at 32 Peel Street, South Brisbane, the valuation of the building did not increase – due to the building valued at its highest and best use, which is deemed to be a commercial office tower, not that of a union office/ administrative building. As a result, the Branch recognised an impairment expense of \$286,022 during the year (refer Note 4H).
2. Membership income increased by \$104,896 (or 1.69%) to \$6,312,146
3. Wages and salaries expenditure increased by \$248,044 (or 5.51%) to \$4,745,354 as the Branch continues to invest in member services.

No provision for tax was necessary as the branch is considered exempt.

Significant Changes in Financial Affairs

There was no significant change to the financial affairs of the Branch during the year.

Members Right to Resign

All members have the right to resign from the Branch in accordance with National Rule 32 - Resignation of the Union Rules (and Section 174 of the Act); namely, by providing written notice addressed and delivered to the Secretary of the Branch of which they are a member.

Officers or Members who are Superannuation Fund Trustees/ Directors of a Company that is a Superannuation Fund Trustee

The following Officers/ members/ employees of the organisation are Directors of companies that are trustees of superannuation funds where a criterion for the officer of member being the trustee or director is that the officer or member is an officer or member of a registered organisation

| Officer/Member/ Employee | Trustee Company | Entity/Scheme | Position | Period position held for |
|---|---|----------------------|-----------------|-------------------------------------|
| Jennifer Thomas (Executive President) | Electricity Supply Industry Superannuation (Qld) Ltd | Energy Super | Director | 1 October 2017 - present |

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

Officers & employees who are directors of a company or members of a board

| Name of officer or employee | Name of company or board | Principal activities of company of board | How appointed |
|------------------------------------|---|--|---------------------------------|
| Michelle Robertson | Health & Community Services – Workforce Council (resigned from Council on 31 August 2018) | Works with community services to create a strong and sustainable workforce. | Nominated by QCU |
| Jennifer Thomas | Jobs Qld | Developing strategies for improving skills and employment options. | Nominated by QCU |
| | Queensland Council of Unions | Peak union body in Queensland, seeking to improve working conditions of union members. | Nominated by ASU |
| | Queensland Government Ministerial Housing Council | | Nominated by ASU |
| | ESI Financial Services Pty Ltd | Provision of financial services to Energy Super fund and its members | Nominated by ASU |
| Neil Henderson | Union Shopper | Provision of services to affiliated union members. | Nominated by ASU |
| | Labor Holdings P/L Labor Resources P/L Labour Enterprises P/L | Investing companies of the ALP (State of Queensland) | By ALP Administration Committee |
| Lynette Henson | QCU – Townsville | Peak union body in Queensland. | Nominated by QCU Delegates |

Membership of the Branch

Total number of members as at 30 June 2019: 11,745.

Employees of the Branch

The number of persons who were, at the end of the period to which the report relates, employees of the Branch, where the number of employees includes both full-time and part-time employees measured on a full-time equivalent basis is 38.46.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

Members of the Committee of Management

The name of each person who has been a member of the Committee of Management of the Branch at any time during the reporting period, and the period for which he or she held such a position is as follows:

| Name | Period of Appointment | Position |
|-----------------------|------------------------------|----------------------------------|
| Penelope Carr | 01/07/18 – 02/04/19 | Vice President SACS |
| Kathleen Cotter | 01/07/18 – 30/06/19 | Treasurer |
| Tehanne Denham-Jarvis | 01/07/18 – 30/06/19 | Vice President Rail |
| Margaret Evans | 01/07/18 – 30/06/19 | Vice President BCC |
| Kenneth Feltham | 01/07/18 – 02/04/19 | Vice President Energy |
| Lucas Garretty | 02/04/19 – 30/06/19 | Vice President Energy |
| Thomas Green | 02/04/19 – 30/06/19 | Vice President Youth |
| Dominic Hale | 01/07/18 – 28/09/18 | Vice President Youth |
| Neil Henderson | 01/07/18 – 30/06/19 | Branch Secretary |
| Lynette Henson | 01/07/18 – 30/06/19 | President |
| Rosemary Larkin | 02/04/19 – 30/06/19 | Vice President SACS |
| Debbie McDonald | 01/07/18 – 30/06/19 | Vice President Ports & Private |
| David McDowell | 01/09/18 – 30/06/19 | Vice President Local Authorities |
| Veronica Meachen | 01/07/18 – 30/06/19 | Vice President Women |
| Marianne Ryan | 01/07/18 – 30/06/19 | Vice President Local Authorities |
| Alyas Taqawi | 28/09/18 – 02/04/19 | Vice President Youth |
| Jennifer Thomas | 01/07/18 – 30/06/19 | Executive President |
| Lorraine Walter | 01/07/18 – 30/06/19 | Vice President Nth Qld C & A |

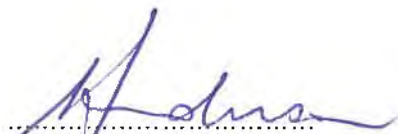
Wage Recovery Activity

The Branch continuously undertakes recovery of wages on behalf of members. It is Branch policy that any successful wage recovery from employers is paid directly to those effected members. As a result, no wage recovery activity is accounted through via the Branch's bank accounts and therefore not reflected in these financial statements.

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out on page 6.

This report is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee of Management by:



Neil Henderson
Branch Secretary

19 September 2019

Brisbane

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE COMMITTEE OF MANAGEMENT OF THE**

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

As lead auditor for the audit of the Australian Municipal, Administrative, Clerical and Services Union Queensland (Services & Northern Administrative Branch) for the year ended 30 June 2019; I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

M. G. F

MGI Audit Pty Ltd



G I Kent

Director – Audit & Assurance

Brisbane

19 September 2019

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2019

On 19 September 2019, the Committee of Management of the Branch passed the following resolution to the General Purpose Financial statements (GPFR) of the reporting unit for the financial year ended 30 June 2019:

The Committee of Management declares in relation to the GPFR 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 of Management were held in accordance with the rules of the organisation and 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 the 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 reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - v. where information has been sought in any request of a member of the reporting unit or Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or Commissioner; and
 - vi. where any order for inspection of financial records 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.

Name of Designated Officer: Neil Henderson

Title of Designated Officer: Branch Secretary

Signature:



Date: 19 September 2019

Independent Audit Report to the Members of the Australian Municipal, Administrative, Clerical and Services Union Queensland (Services & Northern Administrative) Branch

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Australian Municipal, Administrative, Clerical and Services Union Queensland (Services & Northern Administrative) Branch (the Branch), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Australian Municipal, Administrative, Clerical and Services Union Queensland (Services & Northern Administrative) 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).

We declare that management's use of the going concern basis in the preparation of the financial statements 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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to 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 Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my 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.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Branch is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Branch's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the 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 objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Branch's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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's audit. We remain solely responsible for our audit opinion.

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

Declaration

I declare I am a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

I declare that I am an auditor registered under the RO Act.

M.L.J

MGI Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'G I Kent', written over a horizontal line.

G I Kent

Director – Audit & Assurance

Brisbane

19 September 2019

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

| | Notes | 2019 \$ | 2018 \$ |
|---|-------|--------------------|--------------------|
| Revenue | | | |
| Membership subscription | | 6,312,570 | 6,207,250 |
| Gain on sale of property, plant and equipment | | 25,096 | 27,499 |
| Interest | 3A | 128,146 | 104,659 |
| Sponsorship income | | 23,309 | 17,914 |
| Grants or donations | 3B | 52,000 | - |
| Rental income | | - | 10,400 |
| Other revenue | 3C | 130,678 | 95,590 |
| Total revenue | | 6,671,799 | 6,463,312 |
| Expenses | | | |
| Administrative and other operating expenses | 4D | (209,236) | (196,423) |
| Affiliations | 4C | (193,814) | (170,232) |
| Audit and Consultancy | 13 | (35,825) | (34,534) |
| Bad debts | | (124,475) | (106,796) |
| Campaigns | | (65,503) | (148,794) |
| Capitation fees | 4B | (344,667) | (340,431) |
| Communications | | (156,015) | (152,139) |
| Depreciation and amortisation | 4F | (285,476) | (219,091) |
| Elected structures | | (59,090) | (31,548) |
| Employee expenses | 4A | (4,745,354) | (4,497,310) |
| Finance | | (70,849) | (67,691) |
| Grants or donations | 4E | (30,614) | (59,849) |
| Legal costs | 4G | (21,321) | (39,915) |
| Membership | | (26,437) | (21,585) |
| Repairs and maintenance | | (142,715) | (146,518) |
| Support services | | (11,548) | 9,443 |
| Travel | | (174,975) | (201,840) |
| Vehicles | | (149,589) | (147,712) |
| Total expenses | | (6,847,503) | (6,572,965) |
| Operating deficit for the year | | (175,704) | (109,653) |
| Impairment Expense | 4H | (286,022) | - |
| Deficit for the year | | (461,726) | (109,653) |
| Other comprehensive income | | | |
| Revaluation of land and buildings (net of income tax) | | (1,416,953) | - |
| Total comprehensive income for the year | | (1,878,679) | (109,653) |

The above statement should be read in conjunction with the notes.

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

| | Notes | 2019 \$ | 2018 \$ |
|--------------------------------------|-------|------------------|-------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 5A | 5,097,989 | 6,557,004 |
| Trade and other receivables | 5B | 227,937 | 211,075 |
| Total current assets | | 5,325,926 | 6,768,079 |
| Non-Current Assets | | | |
| Buildings and improvements | 6A | 955,000 | 1,047,706 |
| Land | 6B | 1,805,000 | 1,725,000 |
| Computers | 6C | 86,690 | 92,889 |
| Office furniture and equipment | 6D | 145,244 | 110,878 |
| Motor vehicles | 6E | 373,148 | 397,460 |
| Library | 6F | 5,392 | 5,392 |
| Intangibles | 6G | 60,253 | 59,418 |
| Capital work in progress | 6H | - | 215,279 |
| Security deposits | | 598 | 598 |
| Total non-current assets | | 3,431,325 | 3,654,620 |
| Total assets | | 8,757,251 | 10,422,699 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade payables | 7A | 172,747 | 200,047 |
| Other payables | 7B | 150,081 | 95,846 |
| Employee provisions | 8A | 1,119,184 | 952,190 |
| Total current liabilities | | 1,442,012 | 1,248,083 |
| Non-Current Liabilities | | | |
| Employee provisions | 8A | 38,127 | 18,825 |
| Total non-current liabilities | | 38,127 | 18,825 |
| Total liabilities | | 1,480,139 | 1,266,908 |
| Net assets | | 7,277,112 | 9,155,791 |
| EQUITY | | | |
| Reserves | 9 | - | 1,416,953 |
| Retained earnings | | 7,277,112 | 7,738,838 |
| Total equity | | 7,277,112 | 9,155,791 |

The above statement should be read in conjunction with the notes.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

| | Notes | Asset Revaluation Reserve \$ | Retained earnings \$ | Total equity \$ |
|---|-------|---------------------------------------|----------------------------|--------------------|
| Balance as at 1 July 2017 | | 1,416,953 | 7,848,491 | 9,265,444 |
| Deficit for the year | | - | (109,653) | (109,653) |
| Other comprehensive income | | - | - | - |
| Closing balance as at 30 June 2018 | | 1,416,953 | 7,738,838 | 9,155,791 |
| Deficit for the year | | - | (461,726) | (486,726) |
| Other comprehensive income | | (1,416,953) | - | (1,416,953) |
| Closing balance as at 30 June 2019 | | - | 7,277,112 | 7,277,112 |

The above statement should be read in conjunction with the notes.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

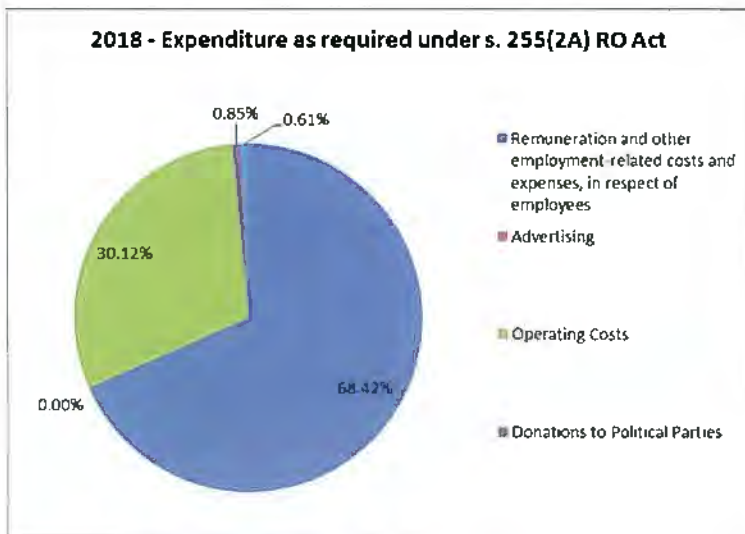
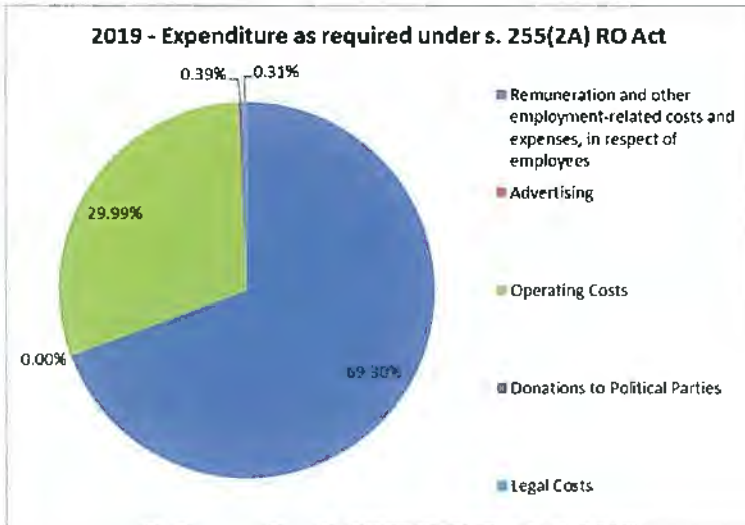
| | Notes | 2019 \$ | 2018 \$ |
|---|-------|--------------------|--------------------|
| OPERATING ACTIVITIES | | | |
| Cash received | | | |
| Receipts from other reporting units | 10B | 59,863 | 50,759 |
| Receipts from members and other customers | | 7,140,379 | 6,967,446 |
| Interest | | 128,146 | 104,659 |
| | | <u>7,328,388</u> | <u>7,122,864</u> |
| Cash used | | | |
| Employees and suppliers | | (6,648,730) | (6,336,643) |
| Payment to other reporting units | 10B | (398,613) | (468,711) |
| | | <u>(7,047,343)</u> | <u>(6,805,354)</u> |
| Net cash provided by operating activities | | <u>281,045</u> | <u>317,510</u> |
| INVESTING ACTIVITIES | | | |
| Proceeds from sale of property, plant and equipment | | 51,364 | 28,863 |
| Payments for property, plant and equipment | | (1,765,762) | (342,076) |
| Payments for intangibles | | (25,662) | (49,206) |
| Net cash used in investing activities | | <u>(1,740,060)</u> | <u>(362,419)</u> |
| FINANCING ACTIVITIES | | | |
| | | - | - |
| Net increase in cash held | | <u>(1,459,015)</u> | <u>(44,909)</u> |
| Cash & cash equivalents at the beginning of the reporting period | | 6,557,004 | 6,601,913 |
| Cash & cash equivalents at the end of the reporting period | 10A | <u>5,097,989</u> | <u>6,557,004</u> |

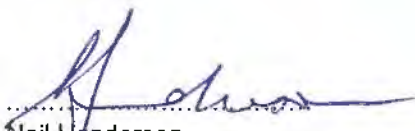
The above statement should be read in conjunction with the notes.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

**REPORT REQUIRED UNDER SUBSECTION 255(2A) OF THE FAIR WORK (REGISTERED
ORGANISATIONS) ACT 2009
FOR THE YEAR ENDED 30 JUNE 2019**

The Committee of Management presents the expenditure report as required under subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009* on the Branch for the year ended 30 June 2019:




Neil Henderson
Branch Secretary

19 September 2019

Brisbane

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

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**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Australian Municipal, Administrative, Clerical and Services Union Queensland (Services & Northern Administrative) Branch (the Branch) is a not-for-profit entity.

The financial statements have 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 values 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.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Key Estimates

Impairment – general

The Branch assesses impairment at each reporting period by evaluation of conditions and events specific to the Branch that may be indicative of impairment triggers. Recoverable amounts of relevant assets are assessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised in respect of the current year.

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

Note 1 Summary of significant accounting policies (Continued)

Key Judgements

Useful lives of plant and equipment

Plant and equipment are depreciated over the useful life of the asset and the depreciation rates are assessed when the asset are acquired or when there is a significant change that affects the remaining useful life of the asset.

Provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

On-cost for employee entitlement provision

The Branch revised its estimate for on-costs for employee provision during the year to include superannuation, workers compensation and payroll tax.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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.

Impact on adoption of AASB 9

(a) 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 applied AASB 9 retrospectively, with an initial application date of 1 July 2018.

The adoption of AASB 9 did not have any material impact on the amount disclosed in the comparative financial year.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

Note 1 Summary of significant accounting policies (Continued)

1.4 New Australian Accounting Standards (Continued)

Future Australian Accounting Standards Requirements

- 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-to-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards 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.

Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment).

Upon initial recognition of the asset, AASB 1058 requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as:

- Contributions by owners;
- Revenue, or a contract liability arising from a contract with a customer;
- A lease liability;
- A financial instrument; or
- A provision.

These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.

The Branch is yet to undertake a detailed assessment of the impact of AASB 1058 and AASB 15. However, based on the Branch's preliminary assessment, the Standards are not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopts for the year ending 30 June 2020.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

Note 1 Summary of significant accounting policies (Continued)

1.4 New Australian Accounting Standards (Continued)

Future Australian Accounting Standards Requirements (continued)

- ♦ AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019)

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The Committee of Management does not believe the effects of AASB 16 will significantly affect the Branch.

1.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

Note 1 Summary of significant accounting policies (Continued)

1.6 Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1.7 Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

1.8 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.9 Leases

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.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

Note 1 Summary of significant accounting policies (Continued)

1.10 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1.11 Financial instruments

Financial assets and financial liabilities are recognised when the Branch becomes a party to the contractual provisions of the instrument.

1.12 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.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

Note 1 Summary of significant accounting policies (Continued)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

Financial assets at amortised costs

The reporting unit 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.

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

Note 1 Summary of significant accounting policies (Continued)

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.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

(i) 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.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

Note 1 Summary of significant accounting policies (Continued)

(ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Branch recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Branch expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Branch considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Branch may also consider a financial asset to be in default when internal or external information indicates that the Branch is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

1.13 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Branch's financial liabilities include trade and other payables.

Subsequent Measurement

Financial liabilities at fair value through profit or loss (including designated)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

Note 1 Summary of significant accounting policies (Continued)

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

1.14 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.15 Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

Note 1 Summary of significant accounting policies (Continued)

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

| | 2019 | 2018 |
|-------------------------------|-------------|-------------|
| Buildings | 33 years | 33 years |
| Computers | 3.3 years | 3.3 years |
| Office equipment | 10 years | 10 years |
| Motor vehicles - metropolitan | 5.8 years | 5.8 years |
| Motor vehicles – regional | 4 years | 4 years |

Derecognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

Note 1 Summary of significant accounting policies (Continued)

1.16 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.17 Taxation

The Branch is exempt from income tax under section 50.1 of the *Income Tax Assessment Act 1997* however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

Note 1 Summary of significant accounting policies (Continued)

1.18 Fair value measurement

The Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 15.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Branch. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Branch determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

Note 1 Summary of significant accounting policies (Continued)

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Branch has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.19 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.

1.20 Government Grants

Government grants are not recognised until there is reasonable assurance that the Branch will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Branch recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Branch should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Branch with no future related costs are recognised in profit or loss in the period in which they become receivable.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

Note 2 Events after the reporting period

There were no events that occurred after 30 June 2019, and /or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

| | 2019 | 2018 |
|-------------------------------------|----------------|----------------|
| | \$ | \$ |
| Note 3 Income | | |
| Note 3A: Interest | | |
| Deposits | 128,146 | 104,659 |
| Total interest | <u>128,146</u> | <u>104,659</u> |
| Note 3B: Grants or donations | | |
| Grants | 52,000 | - |
| Donations | - | - |
| Total grants or donations | <u>52,000</u> | <u>-</u> |
| Note 3C: Other revenue | | |
| Director fees | 68,646 | 36,713 |
| Staff motor vehicle contributions | 14,249 | 17,541 |
| Training income | 10,200 | 1,700 |
| Other sundry income | 37,583 | 39,636 |
| Total other revenue | <u>130,678</u> | <u>95,590</u> |

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

| | 2019 | 2018 |
|---|------------------|------------------|
| | \$ | \$ |
| Note 4 Expenses | | |
| Note 4A: Employee expenses | | |
| Holders of office: | | |
| Wages and salaries | 336,008 | 325,117 |
| Superannuation | 51,073 | 49,418 |
| Leave and other entitlements | 52,598 | 47,390 |
| Separation and redundancies | - | - |
| Other employee expenses | 473 | 353 |
| Subtotal employee expenses holders of office | 440,152 | 422,278 |
| Employees other than office holders: | | |
| Wages and salaries | 2,997,589 | 2,833,310 |
| Superannuation | 477,402 | 456,612 |
| Leave and other entitlements | 511,812 | 438,678 |
| Separation and redundancies | - | - |
| Other employee expenses | 318,399 | 346,432 |
| Subtotal employee expenses employees other than office holders | 4,305,202 | 4,075,032 |
| Total employee expenses | 4,745,354 | 4,497,310 |
| Note 4B: Capitation fees | | |
| Australian Municipal, Administrative, Clerical and Services Union – National Office | 334,667 | 325,433 |
| Queensland Alliance | 10,000 | 14,998 |
| Total capitation fees | 344,667 | 340,431 |
| Note 4C: Affiliation fees | | |
| Australian Labor Party (State of Queensland) | 83,073 | 60,312 |
| Queensland Council of Unions | 91,446 | 90,625 |
| Union Shopper | 19,295 | 19,295 |
| Total affiliation fees | 193,814 | 170,232 |

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

| | 2019 | 2018 |
|--|----------------|----------------|
| | \$ | \$ |
| Note 4D: Administration and other operating expenses | | |
| Compulsory levies | | |
| Australian Municipal, Administrative, Clerical and Services Union – National Office | 942 | 942 |
| Fees as consideration for employers making payroll deductions of membership subscriptions | 424 | - |
| Building/ occupancy expenses | 111,360 | 96,319 |
| Office expenses | 96,510 | 99,162 |
| Total administration and other operating expense | 209,236 | 196,423 |

Purpose of Levy

The purpose of the levy raised by the ASU – National Office is to fund activities with respect to members within the National Airline Industry Division.

Note 4E: Grants or donations

| | | |
|--------------------------------------|---------------|---------------|
| Grants | | |
| Total paid that were \$1,000 or less | 1,000 | 1,500 |
| Donations: | | |
| Total paid that were \$1,000 or less | 2,614 | 2,318 |
| Total paid that exceeded \$1,000 | 27,000 | 56,031 |
| Total grants or donations | 30,614 | 59,849 |

Note 4F: Depreciation and amortisation

| | | |
|--|----------------|----------------|
| Depreciation | | |
| Buildings and improvement | 100,188 | 33,648 |
| Computers | 38,527 | 46,789 |
| Office furniture and equipment | 19,930 | 19,591 |
| Motor vehicles | 111,291 | 114,944 |
| Total depreciation | 269,936 | 214,972 |
| Amortisation | | |
| Intangible assets | 15,540 | 4,119 |
| | 15,540 | 4,119 |
| Total depreciation and amortisation | 285,476 | 219,091 |

Note 4G: Legal costs

| | | |
|--------------------------|---------------|---------------|
| Litigation | 15,314 | - |
| Other legal matters | 6,007 | 39,915 |
| Total legal costs | 21,321 | 39,915 |

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

| | 2019 | 2018 |
|------------------------------------|----------------|----------|
| | \$ | \$ |
| Note 4H: Impairment Expense | | |
| Impairment losses | 286,022 | - |
| Total impairment expense | 286,022 | - |

The Branch undertook a significant renovation to the building located at 32 Peel Street, South Brisbane. This construction works included:

- Update to office spaces for staff
- Update to meeting and boardrooms
- Replacement of bathroom and kitchen facilities
- Construction of a members entertainment area

As the Branch's accounting policy is to hold the building at fair value, it was revalued after the significant works. However, as the valuation has been based on the highest and best use (which has been determined as a development site for a residential tower block and not as a union office/ administrative office.), the value of the land and buildings has not significantly changed as a result of the construction build. As a result, an impairment expense of \$286,022 has been recognised in the financial statements for the year ended 30 June 2019.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

| | 2019 | 2018 |
|--|------------------|------------------|
| | \$ | \$ |
| Note 5 | | |
| Current Assets | | |
| Note 5A: Cash and Cash Equivalents | | |
| Cash at bank | 5,096,989 | 6,556,004 |
| Cash on hand | 1,000 | 1,000 |
| Total cash and cash equivalents | 5,097,989 | 6,557,004 |
| Note 5B: Trade and Other Receivables | | |
| Receivables from other reporting units | | |
| Australian Municipal, Administrative, Clerical and Services Union – National Office | 6,837 | 2,613 |
| Australian Municipal, Administrative, Clerical and Services Union – Queensland Together Branch | - | 2,887 |
| Less provision for doubtful debts (reporting units) | - | - |
| Receivable from other reporting units (net) | 6,837 | 5,500 |
| Trade receivables | | |
| Membership subscription receivable | 28,303 | 105,514 |
| Less provision for doubtful debts | (10,421) | (35,254) |
| | 17,882 | 70,260 |
| Other receivables: | | |
| GST receivable from the Australian Taxation Office | 6,150 | 1,956 |
| Other trade receivables | 69,401 | 10,871 |
| Prepayments | 11,206 | 6,027 |
| Term deposit | 116,461 | 116,461 |
| Total other receivables | 203,218 | 135,315 |
| Total trade and other receivables (net) | 227,937 | 211,075 |

Provision for Doubtful Debts

A provision has been recognised for doubtful debts when membership subscription fees owing has been given to a third party for collection or where full recoverability is unlikely.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

| | 2019 | 2018 |
|--|----------------|------------------|
| | \$ | \$ |
| Note 6 Non-current Assets | | |
| Note 6A: Building and improvements | | |
| Building and improvements – 32 Peel Street South Brisbane (50% interest) | | |
| independent valuation 2019 | 575,000 | 675,000 |
| improvements | - | - |
| accumulated depreciation | - | (20,802) |
| | 575,000 | 654,198 |
| Building and improvements – 485 Flinders Street Townsville | | |
| independent valuation 2019 | 380,000 | 400,000 |
| improvements | - | 6,354 |
| accumulated depreciation | - | (12,846) |
| | 380,000 | 393,508 |
| Total building and improvements | 955,000 | 1,047,706 |

Reconciliation of Opening and Closing Balances of building and improvements

| | | |
|---|------------------|------------------|
| As at 1 July | | |
| Gross book value | 1,081,354 | 1,075,000 |
| Accumulated depreciation and impairment | (33,648) | - |
| Net book value 1 July | 1,047,706 | 1,075,000 |
| Additions: | | |
| By purchase | 1,575,178 | 6,354 |
| By transfer from capital work in progress | 215,279 | - |
| Revaluations | (1,496,953) | - |
| Impairment loss | (286,022) | - |
| Depreciation expense | (100,188) | (33,648) |
| Disposals: | | |
| By sale | - | - |
| Net book value 30 June | 955,000 | 1,047,706 |
| Net book value as of 30 June represented by: | | |
| Gross book value | 955,000 | 1,081,354 |
| Accumulated depreciation and impairment | - | (33,648) |
| Net book value 30 June | 955,000 | 1,047,706 |

Valuation Details

(a) In May 2019, the land and buildings at 32 Peel Street, South Brisbane were valued by Mr Michael Galvin – AAPI CPV (Registered Valuers Number: 1779) of G.D Trivett & Associates Pty Ltd. The amount presented in the financial statements represents half of the valuation value for the land and buildings as provided in this valuation, in accordance with the Branch's ownership in these assets.

(b) In May 2019, the land and buildings at 485 Flinders Street, Townsville were valued by Mr Carlo Lando – AAPI (Registered Valuers Number: 2534) of Taylor Byrne Pty Ltd.

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
 QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2019

| | 2019 | 2018 |
|---|------------------|------------------|
| | \$ | \$ |
| Note 6B: Land | | |
| Land – 32 Peel Street South Brisbane (50% interest) independent valuation 2019 | 1,625,000 | 1,525,000 |
| Land – 485 Flinders Street Townsville independent valuation 2019 | 180,000 | 200,000 |
| Total Land | 1,805,000 | 1,725,000 |

Reconciliation of Opening and Closing Balances of Land

| | | |
|---|------------------|------------------|
| As at 1 July | | |
| Gross book value | 1,725,000 | 1,725,000 |
| Accumulated depreciation and impairment | - | - |
| Net book value 1 July | 1,725,000 | 1,725,000 |
| Additions: | | |
| By purchase | - | - |
| Revaluations | 80,000 | - |
| Depreciation expense | - | - |
| Disposals: | | |
| By sale | - | - |
| Net book value 30 June | 1,805,000 | 1,725,000 |
| Net book value as of 30 June represented by: | | |
| Gross book value | 1,805,000 | 1,725,000 |
| Accumulated depreciation and impairment | - | - |
| Net book value 30 June | 1,805,000 | 1,725,000 |

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
 QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2019

| | 2019 | 2018 |
|---------------------------|---------------|---------------|
| | \$ | \$ |
| Note 6C: Computers | | |
| Computers: | | |
| at cost | 215,804 | 231,176 |
| accumulated depreciation | (129,114) | (138,286) |
| Total computers | <u>86,690</u> | <u>92,889</u> |

Reconciliation of Opening and Closing Balances of Computers

| | | |
|---|---------------|----------------|
| As at 1 July | | |
| Gross book value | 231,176 | 224,345 |
| Accumulated depreciation and impairment | (138,286) | (91,498) |
| Net book value 1 July | <u>92,889</u> | <u>132,847</u> |
| Additions: | | |
| By purchase | 32,328 | 6,831 |
| Depreciation expense | (38,527) | (46,789) |
| Disposals: | | |
| By sale | - | - |
| Net book value 30 June | <u>86,690</u> | <u>92,889</u> |
| Net book value as of 30 June represented by: | | |
| Gross book value | 215,804 | 231,176 |
| Accumulated depreciation and impairment | (129,114) | (138,286) |
| Net book value 30 June | <u>86,690</u> | <u>92,889</u> |

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
 QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2019

| | 2019 | 2018 |
|--|----------------|----------------|
| | \$ | \$ |
| Note 6D: Office Furniture and Equipment | | |
| Office furniture and equipment | | |
| at cost | 240,024 | 289,743 |
| accumulated depreciation | (94,780) | (178,865) |
| Total office furniture and equipment | 145,244 | 110,878 |

Reconciliation of Opening and Closing Balances of Office Furniture and Equipment

| | | |
|---|----------------|----------------|
| As at 1 July | | |
| Gross book value | 289,743 | 282,715 |
| Accumulated depreciation and impairment | (178,865) | (159,274) |
| Net book value 1 July | 110,878 | 123,441 |
| Additions: | | |
| By purchase | 54,296 | 7,028 |
| Depreciation expense | (19,930) | (19,591) |
| Disposals: | | |
| By sale | - | - |
| Net book value 30 June | 145,244 | 110,878 |
| Net book value as of 30 June represented by: | | |
| Gross book value | 240,024 | 289,743 |
| Accumulated depreciation and impairment | (94,780) | (178,865) |
| Net book value 30 June | 145,244 | 110,878 |

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

| | 2019 | 2018 |
|--------------------------------|----------------|----------------|
| | \$ | \$ |
| Note 6E: Motor Vehicles | | |
| Motor Vehicles: | | |
| at cost | 624,149 | 647,530 |
| accumulated depreciation | (251,001) | (250,070) |
| Total motor vehicles | 373,148 | 397,460 |

Reconciliation of Opening and Closing Balances of Motor Vehicles

| | | |
|---|----------------|----------------|
| As at 1 July | | |
| Gross book value | 647,530 | 605,562 |
| Accumulated depreciation and impairment | (250,070) | (198,378) |
| Net book value 1 July | 397,460 | 407,184 |
| Additions: | | |
| By purchase | 103,960 | 106,584 |
| Depreciation expense | (111,291) | (114,944) |
| Disposals: | | |
| By sale | (16,981) | (1,364) |
| Net book value 30 June | 373,148 | 397,460 |
| Net book value as of 30 June represented by: | | |
| Gross book value | 624,149 | 647,530 |
| Accumulated depreciation and impairment | (251,001) | (250,070) |
| Net book value 30 June | 373,148 | 397,460 |

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
 QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2019

| | 2019 | 2018 |
|--------------------------|--------------|--------------|
| | \$ | \$ |
| Note 6F: Library | | |
| Library: | | |
| at cost | 5,392 | 5,392 |
| accumulated depreciation | - | - |
| Total Library | 5,392 | 5,392 |

Reconciliation of Opening and Closing Balances of Library

| | | |
|---|--------------|--------------|
| As at 1 July | | |
| Gross book value | 5,392 | 5,392 |
| Accumulated depreciation and impairment | - | - |
| Net book value 1 July | 5,392 | 5,392 |
| Additions: | | |
| By purchase | - | - |
| Depreciation expense | - | - |
| Disposals: | | |
| By sale | - | - |
| Net book value 30 June | 5,392 | 5,392 |
| Net book value as of 30 June represented by: | | |
| Gross book value | 5,392 | 5,392 |
| Accumulated depreciation and impairment | - | - |
| Net book value 30 June | 5,392 | 5,392 |

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
 QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2019

| | 2019 | 2018 |
|-----------------------------|---------------|---------------|
| | \$ | \$ |
| Note 6G: Intangibles | | |
| Intangibles: | | |
| at cost | 74,868 | 96,054 |
| accumulated depreciation | (14,615) | (36,636) |
| Total intangibles | 60,253 | 59,418 |

Reconciliation of Opening and Closing Balances of Intangibles

| | | |
|---|---------------|---------------|
| As at 1 July | | |
| Gross book value | 96,054 | 46,848 |
| Accumulated depreciation and impairment | (36,636) | (32,517) |
| Net book value 1 July | 59,418 | 14,331 |
| Additions: | | |
| By purchase | 25,662 | 49,206 |
| Amortisation expense | (15,540) | (4,119) |
| Disposals: | | |
| By sale | (9,287) | - |
| Net book value 30 June | 60,253 | |
| Net book value as of 30 June represented by: | | |
| Gross book value | 74,868 | 96,054 |
| Accumulated depreciation and impairment | (14,615) | (36,636) |
| Net book value 30 June | 60,253 | 59,418 |

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
 QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2019

| | 2019 | 2018 |
|--|----------|----------------|
| | \$ | \$ |
| Note 6H: Capital Work in Progress | | |
| Work in Progress: | | |
| at cost | - | 215,279 |
| accumulated depreciation | - | - |
| Total capital work in progress | - | 215,279 |

Reconciliation of Opening and Closing Balances of Work in Progress

| | | |
|---|----------------|----------------|
| As at 1 July | | |
| Gross book value | 215,279 | 215,279 |
| Accumulated depreciation and impairment | - | - |
| Net book value 1 July | 215,279 | 215,279 |
| Additions: | | |
| By purchase | - | 215,279 |
| Depreciation expense | - | - |
| Disposals: | | |
| By sale | - | - |
| By transfer | (215,279) | - |
| Net book value 30 June | - | 215,279 |
| Net book value as of 30 June represented by: | | |
| Gross book value | - | 215,279 |
| Accumulated depreciation and impairment | - | - |
| Net book value 30 June | - | 215,279 |

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
 QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2019

| | 2019 | 2018 |
|--|----------------|----------------|
| | \$ | \$ |
| Note 7 Current Liabilities | | |
| Note 7A: Trade payables | | |
| Payable to ASU staff – purchase of leave | 539 | 108 |
| Trade creditors and accruals | 172,208 | 199,939 |
| Total trade payables | <u>172,747</u> | <u>200,047</u> |

Settlement is usually made within 30 days.

Note 7B: Other payables

| | | |
|-----------------------------|----------------|---------------|
| Legal costs | | |
| Other legal matters | 959 | - |
| Unearned revenue | 30,677 | 7,776 |
| GST payable | 113,781 | 87,263 |
| Other | - | - |
| Resigned members owed fees | 4,664 | 807 |
| Total other payables | <u>150,081</u> | <u>95,846</u> |

Total other payables are expected to be settled in:

| | | |
|-----------------------------|----------------|---------------|
| No more than 12 months | 150,081 | 95,846 |
| More than 12 months | - | - |
| Total other payables | <u>150,081</u> | <u>95,846</u> |

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

| | 2019 | 2018 |
|---|------------------|----------------|
| | \$ | \$ |
| Note 8 Provisions | | |
| Note 8A: Employee Provisions | | |
| Office Holders: | | |
| Annual leave | 57,133 | 40,563 |
| Long service leave | 118,762 | 94,347 |
| Separations and redundancies | - | - |
| Other | - | - |
| Subtotal employee provisions—office holders | 175,915 | 134,910 |
| Employees other than office holders: | | |
| Annual leave | 257,275 | 224,377 |
| Long service leave | 724,121 | 611,728 |
| Separations and redundancies | - | - |
| Other | - | - |
| Subtotal employee provisions—employees other than office holders | 981,396 | 836,105 |
| Total employee provisions | 1,157,311 | 971,015 |
| Current | 1,119,184 | 952,190 |
| Non-Current | 38,127 | 18,825 |
| Total employee provisions | 1,157,311 | 971,015 |

Note 9 Reserves

Note 9A: Asset Revaluation Reserve

The asset revaluation reserve records revaluation of financial assets.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

| | 2019 | 2018 |
|---|------------------|------------------|
| | \$ | \$ |
| Note 10 Cash Flow | | |
| Note 10A: Cash Flow Reconciliation | | |
| Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement: | | |
| Cash and cash equivalents as per: | | |
| Cash flow statement | 5,097,989 | 6,557,004 |
| Statement of financial position | 5,097,989 | 6,557,004 |
| Difference | <u>-</u> | <u>-</u> |
| Reconciliation of deficit to net cash from operating activities: | | |
| Deficit for the year | (461,726) | (109,653) |
| Adjustments for non-cash items | | |
| Depreciation/ amortisation | 285,476 | 219,091 |
| Impairment expense | 286,022 | - |
| (Gain)/ loss on disposal of property, plant and equipment | (25,096) | (27,499) |
| Changes in assets/liabilities | | |
| (Increase)/ decrease in net receivables and prepayments | (12,668) | 48,889 |
| Increase/ (decrease) in trade creditors | (27,300) | 86,478 |
| Increase/ (decrease) in other payables | 50,041 | 9,809 |
| Increase/ (decrease) in employee provisions | 186,296 | 90,395 |
| Net cash provided by operating activities | <u>281,045</u> | <u>317,510</u> |
| Note 10B: Cash flow information | | |
| Cash inflows from other reporting units | | |
| Australian Municipal, Administrative, Clerical and Services Union – National Office | 16,973 | 6,998 |
| Australian Municipal, Administrative, Clerical and Services Union – Queensland Together Branch | 42,890 | 43,761 |
| Total cash inflows | <u>59,863</u> | <u>50,759</u> |
| Cash outflows to other reporting units | | |
| Australian Municipal, Administrative, Clerical and Services Union – National Office | (382,615) | (454,242) |
| Australian Municipal, Administrative, Clerical and Services Union – Queensland Together Branch | (15,834) | (14,469) |
| Australian Municipal, Administrative, Clerical and Services Union – NSW & ACT Branch | (164) | - |
| Total cash outflows | <u>(398,613)</u> | <u>(468,711)</u> |

Note: Cash flow information to/ from other reporting units disclosed include 10% GST on applicable transactions.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

Note 10C: Credit standby arrangements and loan facilities

The Branch has a credit card facility amounting to \$80,000 (2018: \$80,000). This may be terminated at any time at the option of the bank. The balance of this facility is cleared monthly and interest rates are variable.

Note 10D: Non-cash transactions

There have been no non-cash financing or investing activities during the year (2018: Nil).

| | 2019 \$ | 2018 \$ |
|--|------------------|------------------|
| Note 10E: Net debt reconciliation | | |
| Cash and cash equivalents | 5,097,989 | 6,557,004 |
| Borrowings – repayable within one year | - | - |
| Borrowings – repayable after one year | - | - |
| Net debt | <u>5,097,989</u> | <u>6,557,004</u> |

Note 10F: Reconciliation of movements of liabilities to cash flows arising from financing activities

| | Other Assets | Liabilities from financing activities | | Total |
|---------------------------------|------------------|---------------------------------------|-------------------------------------|------------------|
| | Cash assets | Finance lease – due within 1 year | Finance lease – due after 1 year | |
| Net debt at 1 July 2017 | 6,601,913 | - | - | 6,601,913 |
| Cash flows | (44,909) | - | - | (44,909) |
| Net debt at 30 June 2018 | 6,557,004 | - | - | 6,557,004 |
| Cash flows | (1,459,015) | - | - | (1,459,015) |
| Net debt at 30 June 2019 | <u>5,097,989</u> | - | - | <u>5,097,989</u> |

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

Note 11 Contingent Liabilities, Assets and Commitments

Note 11A: Commitments and Contingencies

| | 2019 | 2018 |
|---|------|------------------|
| | \$ | \$ |
| Capital Commitments | | |
| Capital expenditure commitments contracted for: | | |
| Buildings and improvements | - | <u>1,112,485</u> |

During the 2018 financial year, the Branch has entered into a contract to conduct extensive renovations to the building located at 32 Peel Street, South Brisbane. These works were completed during the 2019 year with no additional capital commitments entered into by the Branch.

Other contingent assets or liabilities (i.e. legal claims)

Committee of Management is not aware of any contingent assets or liabilities that are likely to have a material effect on the results of the Branch.

Leasing Commitments

Operating Leases (as a lessor)

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

Receivable – Minimum lease payments

| | | |
|-------------------------------|--------------|---------------|
| not later than 12 months | 4,603 | 12,566 |
| between 12 months and 5 years | - | 4,603 |
| greater than 5 years | - | - |
| Minimum lease payments | <u>4,603</u> | <u>17,169</u> |

The Branch leases photocopiers for a period of up to 5 years.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

Note 12 Related Party Disclosures

**Note 12A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units**

For financial reporting purposes, under the *Fair Work (Registered Organisations) Act 2009*, the Australian Municipal, Administrative, Clerical and Services Union is divided into the following separate reporting units (and deemed related parties):

Australian Municipal, Administrative, Clerical and Services Union – National Office (ASU – National Office)
 Australian Municipal, Administrative, Clerical and Services Union – Queensland Together Branch (ASU – Queensland Together Branch)
 Australian Municipal, Administrative, Clerical and Services Union – New South Wales Local Government, Clerical, Administrative, Energy, Airlines and Utilities Branch (ASU – NSW United Services Branch)
 Australian Municipal, Administrative, Clerical and Services Union – New South Wales and Australian Capital Territory Branch (ASU – NSW & ACT Branch)
 Australian Municipal, Administrative, Clerical and Services Union – Victoria/ Tasmania Authorities and Services Branch (ASU – VIC/ TAS Authorities Branch)
 Australian Municipal, Administrative, Clerical and Services Union – Victoria Private Sector Branch (ASU – VIC Private Sector Branch)
 Australian Municipal, Administrative, Clerical and Services Union – South Australia/ Northern Territory Branch (ASU – SA/ NT Branch)
 Australian Municipal, Administrative, Clerical and Services Union – Western Australia Branch (ASU – WA Branch)
 Australian Municipal, Administrative, Clerical and Services Union – Taxation Officers' Branch (ASU – Tax Officers' Branch)

Other Related Entities

Queensland Services, Industrial Union of Employees

The Queensland Services, Industrial Union of Employees (being a state registered trade union under the *Industrial Relations Act 2016*) has members on its Committee of Management that are consistent with that of the Branch.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

| | 2019 | 2018 |
|--|---------------|-------|
| | \$ | \$ |
| Revenue received from ASU – National Office includes the following: | | |
| Reimbursement of travel expenses | 12,906 | 2,376 |
| Sponsorship | 6,364 | 6,091 |

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

Note 12 Related Party Disclosures (Continued)

**Note 12A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)**

| | 2019 | 2018 |
|--|---------|---------|
| | \$ | \$ |
| Expensed paid to ASU – National Office includes the following: | | |
| Capitation fees | 334,667 | 325,433 |
| Levy - National Airline Industry Division | 942 | 942 |
| Insurance premiums and other costs charged by National Office | 5,135 | 6,040 |
| Campaign costs | - | 74,251 |
| Other administration costs | 7,088 | 5,932 |
| Amounts owed by ASU – National Office include the following: | | |
| Reimbursement of expenses | 6,837 | 2,613 |
| Revenue received from ASU – Queensland Together Branch includes the following: | | |
| Rent | - | 7,800 |
| Reimbursement of property expenses on building located at 32 Peel Street, South Brisbane | 22,714 | 20,942 |
| Reimbursement of training expenses | 13,652 | 2,083 |
| Expensed paid to ASU – Queensland Together Branch includes the following: | | |
| Reimbursement of property expenses on building located at 32 Peel Street, South Brisbane | 14,174 | 13,153 |
| Reimbursement of printing expenses | 220 | - |
| Amounts owed by ASU – Queensland Together Branch include the following: | | |
| Property expenses | - | 596 |
| Training expenses | - | 2,291 |

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QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

Note 12 Related Party Disclosures (Continued)

**Note 12A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)**

| | 2019 | 2018 |
|---|-------------|-------------|
| | \$ | \$ |
| Revenue received from Queensland Services, Industrial Union of Employees includes the following: | | |
| Reimbursement of GST | 1,740 | 847 |
| Reimbursement of legal expenses | 3,362 | - |
| Expense paid to Queensland Services, Industrial Union of Employees includes the following: | | |
| Reimbursement of GST | - | 843 |

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2019, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2018: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

Note 12 Related Party Disclosures (Continued)

Key management personnel comprise those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Branch. The Branch has determined key management personnel comprise of:

- Neil Henderson (Branch Secretary)
- Jennifer Thomas (Executive Branch President)
- All remaining members of the Committee of Management.

During the year, key management personnel of the Branch were remunerated as follows:

| | 2019 | 2018 |
|---|----------------|----------------|
| | \$ | \$ |
| Note 12B: Key Management Personnel Remuneration for the Reporting Period | | |
| Short-term employee benefits | | |
| Salary (including annual and long-service leave taken) | 336,008 | 325,117 |
| Annual leave accrual | 35,539 | 34,388 |
| Other | 473 | 353 |
| Total short-term employee benefits | 372,020 | 359,858 |
| Post-employment benefits: | | |
| Superannuation | 51,073 | 49,418 |
| Total post-employment benefits | 51,073 | 49,418 |
| Other long-term benefits: | | |
| Long-service leave accrual | 17,059 | 13,002 |
| Total other long-term benefits | 17,059 | 13,002 |
| Termination benefits | - | - |
| Total | 440,152 | 422,278 |

No other transactions occurred during the year with elected officers, close family members or other related parties than those related to their membership or employment and on terms no more favourable than those applicable to any other member of employee.

Note 13 Remuneration of Auditors and Consultants

Value of the services provided

| | | |
|---|---------------|---------------|
| Financial statement audit services | 35,825 | 34,524 |
| Other services | - | - |
| Total remuneration of auditors | 35,825 | 34,524 |
| Add: Consultancy services (not provided by external auditors) | - | - |
| Total remuneration of auditors and consultants | 35,825 | 34,524 |

No non-audit services were provided to the Branch during the year.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

Note 14 Financial Instruments

Financial Risk Management Policy

The Branch Committee of Management monitors the Branch's financial risk management policies and exposure and approves financial transactions entered into. It also reviews the effectiveness of internal controls relating to the counterparty credit risk, liquidity risk, market risk and interest rate risk. The Branch Committee of Management meets on a regular basis to review the financial exposure of the Branch.

(a) Credit Risk

Exposure to credit risk relating to financial assets arise from the potential non-performance by counterparties of contract obligations that could lead to a financial loss of the Branch. The Branch does not have any material credit risk exposures as its major source of revenue is the receipt of membership fees.

The maximum exposures to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of provisions) as presented in the statement of financial position.

The Branch has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Branch.

On a geographical basis, the Branch's trade and other receivables are all based in Australia.

The following table details the Branch's trade and other receivables exposed to credit risk. Amounts are considered 'past due' when the debt has not been settled, within the terms and conditions agreed between the Branch and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Branch.

The balance of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

Note 14 Financial Instruments (Continued)

Ageing of financial assets that were past due but not impaired for 2019:

| | Within trading terms/ 0 to 30 days | 31 to 60 days | 61 to 90 days | 90+ days | Total |
|--|------------------------------------|---------------|---------------|----------|----------------|
| | \$ | \$ | \$ | \$ | \$ |
| Trade and other receivables | 221,100 | - | - | - | 221,100 |
| Receivables from other reporting units | 6,837 | - | - | - | 6,837 |
| Total | 227,937 | - | - | - | 227,937 |

Ageing of financial assets that were past due but not impaired for 2018:

| | Within trading terms/ 0 to 30 days | 31 to 60 days | 61 to 90 days | 90+ days | Total |
|--|------------------------------------|---------------|---------------|----------|----------------|
| | \$ | \$ | \$ | \$ | \$ |
| Trade and other receivables | 205,575 | - | - | - | 205,575 |
| Receivables from other reporting units | 5,500 | - | - | - | 5,500 |
| Total | 211,075 | - | - | - | 211,075 |

The Branch has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved policy. Such policy requires that surplus funds are only invested with counterparties with a strong reputation and backed by the Commonwealth Government's bank guarantee. At 30 June 2019, all funds were held by financial institutions backed by the Commonwealth Government's bank guarantee.

Collateral held as security

The Branch does not hold collateral with respect to its receivables at 30 June 2019 (2018: Nil).

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

Note 14 Financial Instruments (Continued)

(b) Liquidity Risk

Liquidity risk arises from the possibility that the Branch might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Branch manages this risk through the following mechanisms:

- preparing forward looking cash flow estimates;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Branch does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates

Financial Instrument Composition and Maturity Analysis

| | Within 1 Year | | 1 to 5 Years | | Over 5 Years | | Total | |
|--|------------------|-----------|--------------|------|--------------|------|------------------|-----------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Financial liabilities due for payment | | | | | | | | |
| Trade payables | 172,747 | 200,047 | - | - | - | - | 172,747 | 200,047 |
| Other payables | 150,081 | 95,846 | - | - | - | - | 150,081 | 95,846 |
| Total expected outflows | 322,828 | 295,893 | - | - | - | - | 322,828 | 295,893 |
| Financial assets – cash flow receivable | | | | | | | | |
| Cash and cash equivalents | 5,097,989 | 6,557,004 | - | - | - | - | 5,097,989 | 6,557,004 |
| Trade and other receivables | 227,937 | 211,075 | - | - | - | - | 227,937 | 211,075 |
| Total anticipated inflows | 5,325,926 | 6,768,079 | - | - | - | - | 5,325,926 | 6,768,079 |
| Net (outflow) / inflow on financial instruments | 5,003,098 | 6,472,186 | - | - | - | - | 5,003,098 | 6,472,186 |

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

Note 14 Financial Instruments (Continued)

(c) Market Risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Branch is also exposed to earnings volatility on floating rate instruments.

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Branch is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed using a mix of fixed and floating financial instruments. The effective interest rate expenditure to interest rate financial instruments are as follows:

| | Weighted Average Effective Interest Rate | | | |
|----------------------------------|---|-------------|------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 |
| | % | % | \$ | \$ |
| Floating rate instruments | | | | |
| Cash and cash equivalents | 2.21 | 2.35 | 5,097,989 | 6,557,004 |

ii. Foreign exchange risk

The Branch is not exposed to direct fluctuations in foreign currencies.

iii. Price risk

The Branch is no exposed to any material commodity price risk.

iv. Interest rate risk

The Branch has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

Note 14 Financial Instruments (Continued)

v. Sensitivity Analysis

The following table illustrates sensitivities to the Branch's exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

| | Profit \$ | Equity \$ |
|--------------------------------|--------------|--------------|
| Year ended 30 June 2019 | | |
| +2% in interest rates | +104,289 | +104,289 |
| -2% in interest rates | -96,784 | -96,784 |
| Year ended 30 June 2018 | | |
| +2% in interest rates | +133,469 | +133,469 |
| -2% in interest rates | -129,044 | -129,044 |

No sensitivity analysis has been performed on foreign exchange risk as the Branch has no material direct exposures to currency risk. There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

Note 15 Fair Value Measurement

Fair Values

Fair value estimation

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded.

In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Branch. Most of these instruments, which are carried at amortised cost (i.e. accounts receivable), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Branch.

The following table contains the carrying amounts and related fair values for the Branch's financial assets and liabilities:

| | Footnote | 2019 | | 2018 | |
|---------------------------------------|----------|------------------|------------------|------------------|------------------|
| | | Carrying value | Fair value | Carrying value | Fair value |
| | | \$ | \$ | \$ | \$ |
| Financial assets | | | | | |
| Cash and cash equivalents | (i) | 5,097,989 | 5,097,989 | 6,557,004 | 6,557,004 |
| Accounts receivable and other debtors | (i) | 277,937 | 277,937 | 211,075 | 211,075 |
| Total financial assets | | 5,375,926 | 5,375,926 | 6,768,079 | 6,768,079 |
| Financial liabilities | | | | | |
| Trade payables | (i) | 172,747 | 172,747 | 200,047 | 200,047 |
| Other payables | (i) | 150,081 | 150,081 | 95,846 | 95,846 |
| Total financial liabilities | | 322,828 | 322,828 | 295,893 | 295,893 |

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

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

Note 15 Fair Value Measurement (Continued)

The fair values disclosed in the above table have been determined based on the following methodologies:

- (ii) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categories fair value measurement into one of the three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

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

Note 15 Fair Value Measurement (Continued)

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 30 June 2019

| | Note | Date of Valuation | Level 1 | Level 2 | Level 3 |
|---|------------|----------------------|----------|----------|------------------|
| | | \$ | \$ | \$ | \$ |
| Assets measured at fair value | | | | | |
| Land and buildings – 32 Peel Street, South Brisbane | 6A & 6B | 28 May 2019 | - | - | 2,200,000 |
| Land and buildings – 485 Flinders Street, Townsville | 6A & 6B | 15 May 2019 | - | - | 560,000 |
| Total | | | <u>-</u> | <u>-</u> | <u>2,760,000</u> |

The Branch does not have any other assets or liabilities that are recorded using a fair value technique.

Fair value hierarchy – 30 June 2018

| | Note | Date of Valuation | Level 1 | Level 2 | Level 3 |
|---|------------|----------------------|----------|----------|------------------|
| | | \$ | \$ | \$ | \$ |
| Assets measured at fair value | | | | | |
| Land and buildings – 32 Peel Street, South Brisbane | 6A & 6B | 30 June 2017 | - | - | 2,200,000 |
| Land and buildings – 485 Flinders Street, Townsville | 6A & 6B | 30 June 2017 | - | - | 600,000 |
| Total | | | <u>-</u> | <u>-</u> | <u>2,800,000</u> |

The Branch does not have any other assets or liabilities that are recorded using a fair value technique.

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

Note 16 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commission:

- (1) A member of a reporting unit, or the Commissioner, 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).

Note 17 Branch Details

The registered office of the Branch is:

32 Peel Street
SOUTH BRISBANE QLD 4101

Note 18 Segment Information

The Branch operates solely in one reporting segment, being the provision of industrial services in Queensland.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

OFFICER DECLARATION STATEMENT

I, Neil Henderson, being the Branch Secretary of the Australian, Administrative, Clerical and Services Union Queensland (Services & Northern Administrative) Branch, declare that the following activities did not occur during the reporting period ending 30 June 2019:

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive donations
- receive revenue from undertaking recovery of wages activity
- pay a grant that exceeded \$1,000
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- pay a penalty imposed under the RO Act or the *Fair Work Act 2009*
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have other employee provisions in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION
QUEENSLAND (SERVICES & NORTHERN ADMINISTRATIVE) BRANCH**

OFFICER DECLARATION STATEMENT (CONTINUED)

- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit



Neil Henderson
Branch Secretary

19 September 2019

Brisbane