

**svc-adlib5**

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**From:** ROC - Registered Org Commission  
**Sent:** Tuesday, 9 January 2018 4:07 PM  
**To:** 'Joseph Scales'  
**Cc:** Abbie Spencer; Pauline Sewell; Mark Goodey; Graeme Kent (gkent@mgisq.com.au)  
**Subject:** FR2017/105 ASU SA + NT Branch financial statements for the year ended 30 June 2017 [SEC=UNCLASSIFIED]  
**Attachments:** ASU\_SA & NT Branch\_FR2017\_105\_Filing letter\_09012018.pdf

**UNCLASSIFIED**

Dear Mr Scales

Please see attached my letter in relation to the above financial report. I have also copied this email to Mr Kent of MGI Audit Pty Ltd.

Yours faithfully

**DAVID VALE**

Principal Adviser  
Financial Reporting

**Registered Organisations Commission**

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

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

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**Australian Government**  
**Registered Organisations Commission**

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**From:** Joseph Scales [<mailto:jscales@asu-sant.asn.au>]  
**Sent:** Friday, 15 December 2017 9:52 AM  
**To:** ROC - Registered Org Commission <[regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)>  
**Cc:** Abbie Spencer <[aspencer@asu-sant.asn.au](mailto:aspencer@asu-sant.asn.au)>; Pauline Sewell <[psewell@asu-sant.asn.au](mailto:psewell@asu-sant.asn.au)>; Mark Goodey <[mgoodey@asu-sant.asn.au](mailto:mgoodey@asu-sant.asn.au)>  
**Subject:** FR2017/105 ASU SA + NT Branch financial statements for the year ended 30 June 2017

To Whom It May Concern:

Please find **attached** the financial statements (including prescribed designated officer certificate) for the year ended 30 June 2017 of the Australian Services Union – South Australian and Northern Territory Branch.

It would be appreciated if you could confirm receipt of the financial statements.

Yours faithfully

**Joseph Scales**

SECRETARY

Australian Services Union - SA + NT Branch

**Please note that the ASU office closes for the holiday period on 22 December 2017 and reopens on 8 January 2018.**

08 8363 1322 | 0429 033 210

twitter [@JosephScales](https://twitter.com/JosephScales)

[www.asu-sant.asn.au](http://www.asu-sant.asn.au)

**Active Strong United**

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9 January 2018

Mr Joseph Scales  
Secretary  
South Australian and Northern Territory Branch  
Australian Municipal, Administrative, Clerical and Services Union  
By email: [jscales@asu-sant.asn.au](mailto:jscales@asu-sant.asn.au)  
CC: [gkent@mqisq.com.au](mailto:gkent@mqisq.com.au)

Dear Mr Scales,

**Australian Municipal, Administrative, Clerical and Services Union-South Australian and Northern Territory Branch  
Financial Report for the year ended 30 June 2017 - [FR2017/105]**

I acknowledge receipt of the financial report of the Australian Municipal, Administrative, Clerical and Services Union-South Australian and Northern Territory Branch. The documents were lodged with the Registered Organisations Commission (the ROC) on 15 December 2017.

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

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

Please note that the financial report for the year ending 30 June 2018 may be subject to an advanced compliance review.

**Reporting Requirements**

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

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

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

Yours faithfully

A handwritten signature in blue ink, appearing to read 'David Vale', written over a light blue horizontal line.

David Vale  
Registered Organisations Commission

**From:** Joseph Scales <jscases@asu-sant.asn.au>  
**Sent:** Friday, 15 December 2017 9:52 AM  
**To:** ROC - Registered Org Commission  
**Cc:** Abbie Spencer; Pauline Sewell; Mark Goodey  
**Subject:** ASU SA + NT Branch financial statements for the year ended 30 June 2017  
**Attachments:** ASU SA + NT Branch financial statements for the year ended 30 June 2017.pdf

To Whom It May Concern:

Please find **attached** the financial statements (including prescribed designated officer certificate) for the year ended 30 June 2017 of the Australian Services Union – South Australian and Northern Territory Branch.

It would be appreciated if you could confirm receipt of the financial statements.

Yours faithfully

**Joseph Scales**

SECRETARY

Australian Services Union - SA + NT Branch

**Please note that the ASU office closes for the holiday period on 22 December 2017 and reopens on 8 January 2018.**

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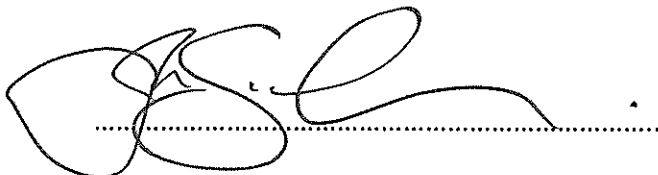
## CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 30 June 2017

I, **Joseph Scales**, being the **Secretary** of the **Australian Municipal, Administrative, Clerical and Services Union South Australian and Northern Territory Branch** (trading as the Australian Union South Australian and Northern Territory Branch) certify:

- That the documents lodged herewith are copies of the full report for **Australian Municipal, Administrative, Clerical and Services Union South Australian and Northern Territory Branch** for the period ended 30 June 2017 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- That the full report was provided to members of the reporting unit on **10 November 2017**; and
- That the full report was presented to **a meeting of the committee of management** of the reporting unit on **14 December 2017** in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

A handwritten signature in black ink, appearing to read 'J. Scales', is written over a horizontal dotted line.

Joseph Scales  
**SECRETARY**

Australian Municipal, Administrative, Clerical and Services Union South Australian and Northern Territory Branch

15/12/2017

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH  
AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

**ABN 55 436 538 739**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2017**

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**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

**COMMITTEE OF MANAGEMENT'S OPERATING REPORT**

**FOR THE YEAR ENDED 30 JUNE 2017**

**Operating Report**

The Committee of Management presents its report on the operation of the Australian Municipal, Administrative, Clerical and Services Union (South Australian and Northern Territory) Branch (the Branch) for the financial year ended 30 June 2017.

**Principal Activities**

The principal activities of the Branch during the year fell in the following categories:

- Organising existing members and new members
- Bargaining, negotiating and arbitrating for improvements in wages and conditions of employment for members of the Branch.
- Representing members in work related grievances or other matters
- Undertaking training and development for delegates of the Branch.

Over the year the Branch negotiated many Collective Agreements delivering improvements in wages and conditions to ASU members.

There have been no changes in the principal activities of the Branch during the year.

**Operating Result**

The deficit for the financial year amounted to \$172,907 (2016: \$576,280). No provision for tax was necessary as the Branch is considered exempt. The operating result has been impacted by:

1. The sale of the building located at 5 Rundle Street, Kent Town
2. The Branch finalised a large number of long running legal matters (spanning eight years) which were billed in total in this financial year. This resulted in an invoice of \$174,545 towards the end of the financial year.

**Significant Changes in Financial Affairs**

There was no significant change to the financial affairs of the Branch during the year other than the finalisation of the sale of the freehold property for \$4.4 million.

**After Balance Date Events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Branch, the results of those operations or the state of affairs of the Branch in future financial years.

**Future Developments**

Likely developments in the operations of the Branch or the expected result of those operations in future financial years have not been included in this report as such information is likely to result in unreasonable prejudice to the Branch.



**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH  
COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2017**

**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:

<b>Name</b>	<b>Position</b>	<b>Period of Appointment</b>
Joseph Scales	Branch Secretary	1/7/16 – 30/6/17
Abbie Spencer	Branch Assistant Secretary	1/7/16 – 30/6/17
Kristen Gilbertson	Branch President	1/7/16 – 30/6/17
Darren Wicks	Branch Vice President	1/7/16 – 30/6/17
Robert Habel	Branch Vice President	1/7/16 – 30/6/17
Helen Malby	Branch Vice President (Women)	1/7/16 – 11/4/17
Gabrielle Lauer	Branch Councillor (Women)	1/7/16 – 11/4/17
David Detchon	Branch Councillor	1/7/16 – 11/4/17
Kate Wootton	Branch Councillor (Women)	1/7/16 – 11/4/17
Sarah Lowe	Branch Councillor (Women)	1/7/16 – 11/4/17
Narrah Zollo	Branch Councillor (Women)	1/7/16 – 11/4/17
Lindsay Goode	Branch Councillor (General)	1/7/16 – 11/4/17
Letitia Ashworth	Branch Councillor (Women)	1/7/16 – 11/4/17
Christopher Luck	Branch Councillor	1/7/16 – 11/4/17
Mike Chang	Branch Councillor (General)	1/7/16 – 11/4/17
Stephen Dennis	Branch Councillor	1/7/16 – 11/4/17
Elizabeth Staniford	Branch Councillor	1/7/16 – 11/4/17
Nicole Taylor	Branch Councillor	1/7/16 – 11/4/17
Dora Lowe	Branch Councillor	1/7/16 – 11/4/17
Andrew Graham	Branch Councillor	1/7/16 – 11/4/17
Anne McLaughlin	Branch Councillor	1/7/16 – 11/4/17
Joanne Haralam	Branch Councillor	1/7/16 – 11/4/17
Ella Maguire	Branch Councillor	1/7/16 – 11/4/17
Patrick North	Branch Councillor	1/7/16 – 11/4/17
Pam Heinrich	Branch Councillor (Women)	1/7/16 – 30/6/17
Caroline Tindale	Branch Councillor	1/7/16 – 30/6/17
Carol-Ann Murray	Branch Councillor	1/7/16 – 30/6/17
Paris Dean	Branch Councillor	1/7/16 – 30/6/17
Sharon Kohn	Branch Councillor (General)	1/7/16 – 30/6/17
Sonya Carmody	Branch Councillor (General)	1/7/16 – 30/6/17
Vicki Osland	Branch Councillor (General)	1/7/16 – 30/6/17
Maggie L'Estrange	Branch Councillor	1/7/16 – 30/6/17
Brendan Pyne	Branch Councillor	1/7/16 – 30/6/17
Sandra Dunn	Branch Councillor	1/7/16 – 30/6/17
Rachel Ubergang	Branch Councillor	1/7/16 – 30/6/17
Emma Christie	Branch Councillor (Women)	11/4/17–30/6/17
Christopher Thompson	Branch Councillor (General)	11/4/17–30/6/17
Simon Richardson	Branch Councillor	11/4/17–30/6/17
Michael Woon	Branch Councillor	11/4/17–30/6/17
Maxine Bradwell	Branch Councillor (Women)	11/4/17–30/6/17
Lesley Donnelly	Branch Councillor (General)	11/4/17–30/6/17
Sherryn Parke	Branch Councillor (Women)	11/4/17–30/6/17
Peter Russell	Branch Councillor	11/4/17–30/6/17
Steve Letheby	Branch Councillor	11/4/17–30/6/17
Tatjana Turcinov	Branch Councillor	11/4/17–30/6/17
Brodie Boaden	Branch Councillor	11/4/17–30/6/17
Julie Kershaw	Branch Councillor	11/4/17–30/6/17
Jonathan Jackson	Branch Councillor	11/4/17–30/6/17
Timothy Jarrett	Branch Councillor	11/4/17–30/6/17
Ian Kirlough	Branch Councillor	11/4/17–30/6/17
Tyson Kinnane	Branch Councillor	11/4/17–30/6/17
Thomas Mooney	Branch Councillor	11/4/17–30/6/17

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH  
COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2017**

**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.

**Membership of the Branch**

Total number of members as at 30 June 2017:4,899 (2016: 4,975).

**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 19.3 (2016: 20.3).

**Disclosure Statements – Remuneration and Non-cash Benefits of Highest Paid Officers**

The two highest paid officers of the Branch for the disclosure period ended 30 June 2017 and the amounts of relevant remuneration paid to them and the value or form of non-cash benefits received by them is as set out in the table below:

<b>Name of Officer</b>	<b>Actual amount of relevant remuneration</b>	<b>Value of or form of non-cash benefits</b>
Joseph Scales	\$131,687	\$11,279
Abbie Spencer	\$126,497	\$6,714

**Disclosure Statements – Officers' Material Personal Interests**

No officer of the Branch has disclosed any material personal interests that they or a relative of theirs has in a matter that relates to the affairs of the Branch in the year ended 30 June 2017.

**Disclosure by Branch of Payments to Related Parties or Declared Persons**

The Branch has made no reportable payments to any related party or declared person or body of the Branch in the year ended 30 June 2017.

**Indemnifying Officers or Auditors**

The Branch has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor:

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against liability for the costs or expenses to defend legal proceedings.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

**COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2017**

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

The following officers/ member/ 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 held for	position
Joseph Scales – Branch Secretary	Statewide Superannuation Pty Ltd	Statewide Super	Director  Risk Committee Member	9/9/16 – 30/6/17	
Joseph Scales – Branch Secretary	Electricity Industry Superannuation Board	Electricity Industry Superannuation Scheme	Board Member  Engagement Committee Chair	1/7/16 – 29/10/16	
Joseph Scales Branch Secretary	Premiers Climate Change Council	Government Committee	Committee Member	01/07/16 – 30/06/17	
Anne Purdy – Industrial Officer	Electricity Industry Superannuation Board	Electricity Industry Superannuation Scheme	Director  Corporate Governance Committee Member	29/10/16 – 30/6/17	
Anne McEwen	Statewide Superannuation Pty Limited	Statewide Super	Director	1/07/16 – 30/06/17	
Ian Steel	Statewide Superannuation Pty Limited	Statewide Super	Director	01/07/16 – 30/06/17	

Sitting fees earned by Joseph Scales for Statewide Super and the Premier's Climate Change Council are paid directly to the Branch.

There are no sitting fees for the Electricity Industry Superannuation Scheme.

Anne McEwen and Ian Steel receive a portion of the sitting fees from Statewide Super to account for the time spent undertaking their Director duties, the remainder is paid to the Branch.

**Wages Recovery Activity**

The Branch has not undertaken any recovery of wages activity for the financial years ended 30 June 2017 and 30 June 2016.

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH

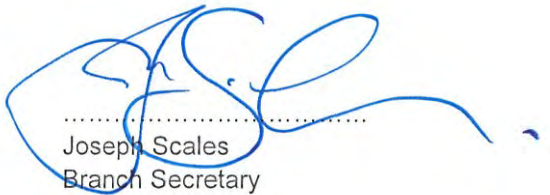
COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration is set out on page 8.

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:



.....  
Joseph Scales  
Branch Secretary

9 November 2017

Dulwich

**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE COMMITTEE OF MANAGEMENT OF THE  
AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION  
(SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

As lead auditor for the audit of the Australian Municipal, Administrative, Clerical and Services Union (South Australian and Northern Territory) Branch for the year ended 30 June 2017; 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

Dulwich

9 November 2017

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

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

**COMMITTEE OF MANAGEMENT STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2017**

On 9 November 2017, 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 2017.

The Committee of Management declares in relation to the GPFR that in its opinion:

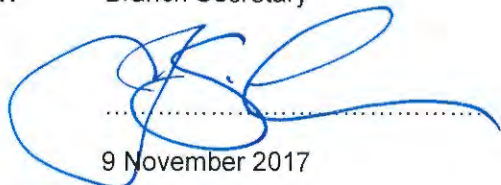
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Commissioner;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position 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;
  - iii. the financial records of the Branch have been kept and maintained in accordance with the *RO Act*;
  - 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;
  - 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. there have been no orders for inspection of financial records made by the Registered Organisations Commission under section 273 of the *RO Act* during the year.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting year.

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

**Name of Designated Officer:** Joseph Scales

**Title of Designated Officer:** Branch Secretary

**Signature:**



**Date:**

9 November 2017

## **Independent Audit Report to the Members of the Australian Municipal, Administrative, Clerical and Services Union (South Australian and Northern Territory) 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 (South Australian and Northern Territory) Branch (the Branch), which comprises the statement of financial position as at 30 June 2017, 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.

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 (South Australian and Northern Territory Branch) as at 30 June 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) 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 that I am an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

**Opinion on the recovery of wages activity financial report**

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

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

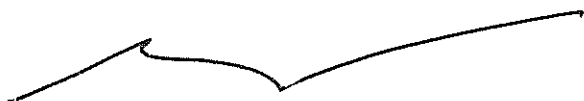
- a) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- b) any donations or other contributions deducted from recovered money.

**Responsibilities**

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

M.L.T

**MGI Audit Pty Ltd**



**G I Kent**

Director – Audit & Assurance

Dulwich

9 November 2017

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

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017 \$	2016 \$
<b>Revenue</b>			
Membership subscription		<b>2,584,022</b>	2,564,734
Gain on sale of property, plant and equipment		<b>404,750</b>	15,767
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	<b>14,349</b>	4,788
Grants or donations	3D	<b>5,000</b>	13,091
Rental income	3E	<b>1,035</b>	33,137
Board fees	3F	<b>127,109</b>	96,652
Other Revenue	3G	<b>38,557</b>	29,485
<b>Total revenue</b>		<b><u>3,174,822</u></b>	<u>2,757,654</u>
<b>Expenses</b>			
Employee expenses	4A	<b>(1,873,265)</b>	(2,063,788)
Capitation fees	4B	<b>(147,866)</b>	(136,107)
Affiliation fees	4C	<b>(63,625)</b>	(57,199)
Administration expenses	4D	<b>(941,216)</b>	(874,907)
Grants and donations	4E	<b>(1,005)</b>	(1,795)
Depreciation	4F	<b>(128,315)</b>	(132,071)
Legal fees	4G	<b>(179,612)</b>	(58,267)
Audit fees	4H	<b>(12,825)</b>	(9,800)
Other expenses	4I	-	-
<b>Total expenses</b>		<b><u>(3,347,729)</u></b>	<u>(3,333,934)</u>
<b>Deficit for the year</b>		<b><u>(172,907)</u></b>	<u>(576,280)</u>
<b>Other comprehensive income</b>			
Revaluation of land and buildings (net of income tax)		-	-
<b>Total comprehensive income for the year</b>		<b><u>(172,907)</u></b>	<u>(576,280)</u>

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

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2017

	Notes	2017 \$	2016 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	351,158	114,109
Investment in short term deposits	5B	3,506,693	1,116
Investment in shares		665	665
Trade and other receivables	5C	6,713	15,349
Other current assets	5D	14,907	21,866
Non-current assets held for sale	5E	-	4,087,397
<b>Total current assets</b>		<b>3,880,136</b>	<b>4,240,502</b>
<b>Non-Current Assets</b>			
Land and buildings	6A	-	-
Motor vehicles	6B	28,712	55,441
Office furniture and equipment	6C	62,098	71,987
<b>Total non-current assets</b>		<b>90,810</b>	<b>127,428</b>
<b>Total assets</b>		<b>3,970,946</b>	<b>4,367,930</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	7A	100,652	197,287
Other payables	7B	84,509	47,608
Borrowings	7C	-	220,000
Employee provisions	8A	342,491	294,856
<b>Total current liabilities</b>		<b>527,652</b>	<b>759,751</b>
<b>Non-Current Liabilities</b>			
Employee provisions	8A	21,283	13,261
<b>Total non-current liabilities</b>		<b>21,283</b>	<b>13,261</b>
<b>Total liabilities</b>		<b>548,935</b>	<b>773,012</b>
<b>Net assets</b>		<b>3,422,011</b>	<b>3,594,918</b>
<b>EQUITY</b>			
Asset revaluation reserve	9A	-	3,429,184
Building maintenance reserve	9B	-	132,570
Retained earnings		3,422,011	33,164
<b>Total equity</b>		<b>3,422,011</b>	<b>3,594,918</b>

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

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH

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

	Asset Revaluation Reserve	Building Maintenance Reserves	Retained Earnings	Total Equity
Notes	\$	\$	\$	\$
<b>Balance as at 1 July 2015</b>	3,429,184	132,570	609,444	4,171,198
Deficit for the year	-	-	(576,280)	(576,280)
Other comprehensive income	-	-	-	-
<b>Closing balance as at 30 June 2016</b>	3,429,184	132,570	33,164	3,594,918
Deficit for the year	-	-	(172,907)	(172,907)
Transfers to/ from reserves	(3,429,184)	(132,570)	3,561,754	-
Other comprehensive income	-	-	-	-
<b>Closing balance as at 30 June 2017</b>	-	-	3,422,011	3,422,011

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

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017 \$	2016 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from other reporting units	10B	24,599	15,988
Receipts from members and other customers		3,455,332	2,988,975
Interest and Dividends		14,349	4,788
		<u>3,494,280</u>	<u>3,009,751</u>
<b>Cash used</b>			
Employees and suppliers		(3,767,208)	(3,342,363)
Payment to other reporting units	10B	(164,896)	(167,330)
		<u>(3,932,104)</u>	<u>(3,509,693)</u>
<b>Net cash provided by/ (used in) operating activities</b>		<u>(437,824)</u>	<u>(499,942)</u>
<b>INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		4,400,450	44,545
(Purchase) /Receipts from investments		(3,505,577)	277,863
Payments for property, plant and equipment		-	(1,632)
<b>Net cash provided by/ (used in) investing activities</b>		<u>894,873</u>	<u>320,776</u>
<b>FINANCING ACTIVITIES</b>			
Proceeds from borrowings		-	220,000
Repayments of borrowings		(220,000)	-
<b>Net cash provided by/ (used in) financing activities</b>		<u>(220,000)</u>	<u>220,000</u>
<b>Net increase/ (decrease) in cash held</b>		<u>237,049</u>	<u>40,834</u>
Cash & cash equivalents at the beginning of the reporting period		114,109	73,275
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	10A	<u>351,158</u>	<u>114,109</u>

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

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

**RECOVERY OF WAGES ACTIVITY  
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
<b>Cash assets in respect of recovered money at beginning of year</b>	-	-
<b>Receipts</b>		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
<b>Total receipts</b>	-	-
<b>Payments</b>		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
<b>Total payments</b>	-	-
<b>Cash assets in respect of recovered money at end of year</b>	-	-
Number of workers to which the monies recovered relates	-	-
<b>Aggregate payables to workers attributable to recovered monies but not yet distributed</b>		
Payable balance	-	-
Number of workers the payable relates to	-	-
<b>Fund or account operated for recovery of wages</b>	-	-

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

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

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

**Index to the Notes of the Financial Statements**

Note 1	Summary of significant accounting policies
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Note 4	Expenses
Note 5	Current assets
Note 6	Non-current assets
Note 7	Current liabilities
Note 8	Provisions
Note 9	Reserves
Note 10	Cash flow
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**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

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

**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 (South Australian and Northern Territory) 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.

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.



AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH

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

**Note 1 Summary of significant accounting policies (Continued)**

**1.3 Significant accounting judgements and estimates**

Key Judgements (Continued)

*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***

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

***Future Australian Accounting Standards Requirements***

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

- AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the Branch on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognize gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of this Standard, the application of such accounting would be largely prospective.

The Committee of Management does not believe the effects of AASB 9 will significant affect the Branch.

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

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

**Note 1 Summary of significant accounting policies (Continued)**

**1.4 New Australian Accounting Standards (Continued)**

*Future Australian Accounting Standards Requirements (continued)*

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

The Committee of Management does not believe the effects of AASB 15 will significant affect the Branch.

- 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.

Although the Committee of Management anticipate that the adoption of AASB 16 will impact the Branch's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

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

**Note 1 Summary of significant accounting policies (Continued)**

**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.

**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.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

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

**Note 1 Summary of significant accounting policies (Continued)**

**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**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

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

**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.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**1.12 Financial assets**

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

***Fair value through profit or loss***

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

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

**Note 1 Summary of significant accounting policies (Continued)**

**1.12 Financial assets (continued)**

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

***Held-to-maturity investments***

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

***Available-for-sale***

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2017**

**Note 1 Summary of significant accounting policies (Continued)**

**1.12 Financial assets (continued)**

*Loan and receivables*

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

*Effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

*Impairment of financial assets*

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

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

**Note 1 Summary of significant accounting policies (Continued)**

**1.12 Financial assets (continued)**

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

***Derecognition of financial assets***

The Branch derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.



**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIA AND NORTHERN TERRITORY) BRANCH**

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

**Note 1 Summary of significant accounting policies (Continued)**

**1.13 Financial Liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

***Fair value through profit or loss***

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

***Other financial liabilities***

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

***Derecognition of financial liabilities***

The Branch derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

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

**Note 1 Summary of significant accounting policies (Continued)**

**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.

***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:

	<b>2017</b>	<b>2016</b>
Buildings	40 years	40 years
Motor vehicles	3.3 years	3.3 years
Office furniture and equipment	2 - 10 years	2 - 10 years

***Derecognition***

An item of plant and equipment is derecognized 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 recognized in the profit and loss.

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH

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

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 (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

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

**Note 1 Summary of significant accounting policies (Continued)**

**1.18 Non—current assets held for Sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transactions rather than through continued use. This condition is regard as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. The senior leadership group of the Branch must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less cost of disposal.

**1.19 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.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

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

**Note 1 Summary of significant accounting policies (Continued)**

**1.19 Fair value measurement (continued)**

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.

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.

**1.20 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.

**1.21 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 (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

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

**Note 2 Events after the reporting period**

There were no events that occurred after 30 June 2017, and /or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

	2017	2016
	\$	\$
<b>Note 3 Income</b>		
<b>Note 3A: Capitation fees</b>	-	-
<b>Total capitation fees</b>	<u>-</u>	<u>-</u>
<b>Note 3B: Levies</b>	-	-
<b>Total levies</b>	<u>-</u>	<u>-</u>
<b>Note 3C: Interest</b>		
Deposits	14,349	4,788
<b>Total interest</b>	<u>14,349</u>	<u>4,788</u>
<b>Note 3D: Grants or donations</b>		
Grants	5,000	13,091
Donations	-	-
<b>Total grants or donations</b>	<u>5,000</u>	<u>13,091</u>
<b>Note 3E: Rental income</b>		
Property rent – Food and Beverage Development Fund SA	-	32,889
Other – room hire	1,035	248
<b>Total rental income</b>	<u>1,035</u>	<u>33,137</u>
<b>Note 3F: Board fees</b>		
Premier’s Climate Change Council	9,304	-
Statewide Super	117,805	96,652
<b>Total board fees</b>	<u>127,109</u>	<u>96,652</u>
<b>Note 3G: Other revenue</b>		
Financial Support from another reporting unit – ASU National Office (Northern Territory project)	24,599	15,988
Other revenue	13,958	13,497
<b>Total other revenue</b>	<u>38,557</u>	<u>29,485</u>

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH

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

	2017	2016
	\$	\$
<b>Note 4 Expenses</b>		
<b>Note 4A: Employee expenses</b>		
<b>Holders of office:</b>		
Wages and salaries	225,869	216,856
Superannuation	32,315	25,205
Leave and other entitlements	22,536	24,725
Separation and redundancies	-	-
Other employee expenses	13,761	5,150
<b>Subtotal employee expenses holders of office</b>	<u>294,481</u>	<u>271,936</u>
<b>Employees other than office holders:</b>		
Wages and salaries	1,261,480	1,451,517
Superannuation	180,647	178,406
Leave and other entitlements	126,973	138,467
Separation and redundancies	-	-
Other employee expenses	9,684	23,462
<b>Subtotal employee expenses employees other than office holders</b>	<u>1,578,784</u>	<u>1,791,852</u>
<b>Total employee expenses</b>	<u>1,873,265</u>	<u>2,063,788</u>
<b>Note 4B: Capitation Fees</b>		
Australian Municipal, Administrative, Clerical and Services Union – National Office	147,866	136,107
<b>Total capitation fees</b>	<u>147,866</u>	<u>136,107</u>
<b>Note 4C: Affiliation fees</b>		
SA Unions	30,528	30,319
Australian Labor Party (South Australia)	23,775	24,984
Australian Labor Party (Northern Territory)	4,421	-
Unions NT	2,964	591
SA Government Superannuation Federation	400	100
SA May Day Collective	800	450
Don Dunstan Foundation	90	-
Australian Society for Study of Labor History	100	-
N.T. Council of Social Services	547	-
<b>Total affiliation fees</b>	<u>63,625</u>	<u>57,199</u>

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

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

	2017	2016
	\$	\$
<b>Note 4D: Administration and other operating expenses</b>		
Consideration to employers for payroll deductions	-	-
Compulsory levies:		
National Airlines Division Council - Australian Municipal, Administrative, Clerical and Services Union – National Office	1,564	1,564
Fees/ allowances – meeting and conferences	-	-
Conference and meeting expenses	31,508	25,086
Computer expenses	117,382	76,143
Accountancy fees	26,364	27,589
Communications	52,072	72,624
Grant expenses	-	-
Motor vehicle expenses	89,882	60,497
Payroll tax	62,462	72,651
Office expenses	92,644	88,639
Other expenses	189,409	165,757
Property expenses	212,660	207,278
Travel expenses	48,114	40,313
Workcover levy	17,155	36,766
<b>Total administration and other operating expense</b>	<b>941,216</b>	<b>874,907</b>
<b>Note 4E: Grants or donations</b>		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	1,005	40
Total paid that exceeded \$1,000	-	1,755
<b>Total grants or donations</b>	<b>1,005</b>	<b>1,795</b>
<b>Note 4F: Depreciation and amortisation</b>		
Depreciation		
Buildings	72,000	72,603
Motor vehicles	13,421	27,720
Office furniture and equipment	42,894	31,748
<b>Total depreciation</b>	<b>128,315</b>	<b>132,071</b>
Amortisation	-	-
<b>Total depreciation and amortisation</b>	<b>128,315</b>	<b>132,071</b>



AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
<b>Note 4G: Legal costs</b>		
Litigation	175,016	58,267
Other legal matters	4,596	-
<b>Total legal costs</b>	<u>179,612</u>	<u>58,267</u>
<b>Note 4H: Audit Fees</b>		
External audit fees – Nexia Edwards Marshall	-	9,800
External audit fees – MGI Audit Pty Ltd	12,825	-
<b>Total audit fees</b>	<u>12,825</u>	<u>9,800</u>
<b>Note 4I: Other expenses</b>		
Penalties - via RO Act or RO Regulations	-	-
<b>Total other expenses</b>	<u>-</u>	<u>-</u>
<b>Note 5 Current Assets</b>		
<b>Note 5A: Cash and Cash Equivalents</b>		
Cash at bank	351,158	113,352
Cash on hand	-	757
<b>Total cash and cash equivalents</b>	<u>351,158</u>	<u>114,109</u>
<b>Note 5B: Investments in Short Term Deposits</b>		
Term deposits	3,506,693	1,116
<b>Total investments in short term deposits</b>	<u>3,506,693</u>	<u>1,116</u>
<b>Note 5C: Trade and Other Receivables</b>		
Receivables from other reporting units		
Australian Municipal, Administrative, Clerical and Services Union		
– National Office (Northern Territory support)	6,600	-
Less provision for doubtful debts (reporting units)	-	-
<b>Receivable from other reporting units (net)</b>	<u>6,600</u>	<u>-</u>
<b>Other receivables:</b>		
Other trade receivables	12,167	15,349
Less: provision for doubtful debts (other receivables)	(12,054)	-
<b>Total other receivables</b>	<u>113</u>	<u>15,349</u>
<b>Total trade and other receivables (net)</b>	<u>6,713</u>	<u>15,349</u>

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH

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

	2017	2016
	\$	\$

**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.

**Note 5D: Other Current Assets**

Prepayments	14,907	21,866
<b>Total other current assets</b>	<b>14,907</b>	<b>21,866</b>

**Note 5E: Non-current Assets Held for Sale**

Land and buildings – 5 Rundle Street, Kent Town	-	4,087,397
<b>Total non-current assets held for sale</b>	<b>-</b>	<b>4,087,397</b>

**Note 6 Non-current Assets**

**Note 6A: Land and buildings**

Land and buildings – 5 Rundle Street, Kent Town		
independent valuation 2015	-	-
accumulated depreciation	-	-
<b>Total land and buildings</b>	<b>-</b>	<b>-</b>

**Reconciliation of Opening and Closing Balances of Land and Buildings**

<b>As at 1 July</b>		
Gross book value	-	4,256,000
Accumulated depreciation and impairment	-	(96,000)
<b>Net book value 1 July</b>	<b>-</b>	<b>4,160,000</b>
Additions:		
By purchase	-	-
Depreciation expense	-	(72,603)
Disposals:		
By sale	-	-
By reclassification to non-current assets held for sale	-	(4,087,397)
<b>Net book value 30 June</b>	<b>-</b>	<b>-</b>
<b>Net book value as of 30 June represented by:</b>		
Gross book value	-	-
Accumulated depreciation and impairment	-	-
<b>Net book value 30 June</b>	<b>-</b>	<b>-</b>

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH

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

	2017	2016
	\$	\$
<b>Note 6B: Motor vehicles</b>		
Motor vehicles:		
at cost	92,428	214,286
accumulated depreciation	(63,716)	(158,845)
<b>Total motor vehicles</b>	<b>28,712</b>	<b>55,441</b>

*Reconciliation of Opening and Closing Balances of Motor Vehicles*

<b>As at 1 July</b>		
Gross book value	214,286	334,650
Accumulated depreciation and impairment	(158,845)	(222,710)
<b>Net book value 1 July</b>	<b>55,441</b>	111,940
Additions:		
By purchase	-	-
Depreciation expense	(13,421)	(27,720)
Disposals:		
By sale	(13,308)	(28,778)
<b>Net book value 30 June</b>	<b>28,712</b>	55,441
<b>Net book value as of 30 June represented by:</b>		
Gross book value	92,428	214,286
Accumulated depreciation and impairment	(63,716)	(158,845)
<b>Net book value 30 June</b>	<b>28,712</b>	55,441

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

	2017	2016
	\$	\$
<b>Note 6C: Office furniture and equipment</b>		
Office furniture and equipment:		
at cost	99,948	524,819
accumulated depreciation	(37,850)	(452,832)
<b>Total office furniture and equipment</b>	<b>62,098</b>	<b>71,987</b>

*Reconciliation of Opening and Closing Balances of Office Furniture and Equipment*

<b>As at 1 July</b>		
Gross book value	524,819	523,187
Accumulated depreciation and impairment	(452,832)	(421,084)
<b>Net book value 1 July</b>	<b>71,987</b>	102,103
Additions:		
By purchase	33,005	1,632
Depreciation expense	(42,894)	(31,748)
Disposals:		
By sale	-	-
<b>Net book value 30 June</b>	<b>62,098</b>	71,987
<b>Net book value as of 30 June represented by:</b>		
Gross book value	99,948	524,819
Accumulated depreciation and impairment	(37,850)	(452,832)
<b>Net book value 30 June</b>	<b>62,098</b>	71,987

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH

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

	2017	2016
	\$	\$
<b>Note 7 Current Liabilities</b>		
<b>Note 7A: Trade payables</b>		
Trade creditors and accruals	99,690	101,392
<b>Subtotal trade creditors</b>	<u>99,690</u>	<u>101,392</u>
<b>Payables to other reporting units</b>		
Australian Municipal, Administrative, Clerical and Services Union – National Office	962	81,605
Australian Municipal, Administrative, Clerical and Services Union – NSW & ACT Branch	-	14,290
<b>Subtotal payables to other reporting units</b>	<u>962</u>	<u>95,895</u>
<b>Total trade payables</b>	<u>100,652</u>	<u>197,287</u>

Settlement is usually made within 30 days.

**Note 7B: Other payables**

Consideration to employers for payroll deductions		-
Legal costs		
Litigation	-	4,785
Other legal matters	-	-
GST payable	40,898	37,581
FBT payable	8,167	5,242
Other payables	35,444	-
<b>Total other payables</b>	<u>84,509</u>	<u>47,608</u>

Total other payables are expected to be settled in:

No more than 12 months	84,509	47,608
More than 12 months	-	-
<b>Total other payables</b>	<u>84,509</u>	<u>47,608</u>

**Note 7C: Borrowings**

Borrowings from Australian Municipal, Administrative, Clerical and Services Union – National Office	-	220,000
<b>Total Borrowings</b>	<u>-</u>	<u>220,000</u>

**Loan terms and conditions**

During the 2016 year the Branch borrowed \$220,000 from the National Office. The terms and conditions of the above loans are:

1. The loan was unsecured and interest was charged at 4% from 1st October 2016.
2. The loan is to be repaid upon the Branch selling the building located at 5 Rundle Street, Kent Town in May 2017.

The loans have not been discounted as the amount was deemed immaterial by the Branch Committee of Management.

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH

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

	2017	2016
	\$	\$
<b>Note 8 Provisions</b>		
<b>Note 8A: Employee Provisions</b>		
<b>Office Holders:</b>		
Annual leave	74,317	52,329
Long service leave	26,196	7,733
Separations and redundancies		-
Other	-	-
<b><i>Subtotal employee provisions—office holders</i></b>	<b>100,513</b>	<b>60,062</b>
<b>Employees other than office holders:</b>		
Annual leave	174,761	154,205
Long service leave	88,500	93,850
Separations and redundancies		-
Other	-	-
<b><i>Subtotal employee provisions—employees other than office holders</i></b>	<b>263,261</b>	<b>248,055</b>
<b>Total employee provisions</b>	<b>363,774</b>	<b>308,117</b>
Current	342,491	294,856
Non-Current	21,283	13,261
<b>Total employee provisions</b>	<b>363,774</b>	<b>308,117</b>

**Note 9 Reserves**

**Note 9A: Asset Revaluation Reserve**

The asset revaluation reserve records revaluation of financial assets.

**Note 9B: Building Maintenance Reserve**

The building maintenance reserve records funds allocated for future maintenance of the Branch's buildings.

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH

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

	2017	2016
	\$	\$
<b>Note 10 Cash Flow</b>		
<b>Note 10A: Cash Flow Reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:</b>		
<b>Cash and cash equivalents as per:</b>		
Cash flow statement	351,158	114,109
Statement of financial position	351,158	114,109
<b>Difference</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of surplus to net cash from operating activities:</b>		
Deficit for the year	(172,207)	(576,280)
<b>Adjustments for non-cash items</b>		
Depreciation/ amortisation	128,315	132,071
(Gain)/ loss on disposal of property, plant and equipment	(404,750)	(15,767)
<b>Changes in assets/liabilities</b>		
(Increase)/ decrease in trade and other receivables	8,636	10,355
(Increase)/ decrease in prepayments	6,959	(21,866)
Increase/ (decrease) in trade creditors and other payables	(59,734)	(63,078)
Increase/ (decrease) in employee provisions	55,657	34,623
<b>Net cash (used in)/ provided by operating activities</b>	<u>(437,824)</u>	<u>(499,942)</u>
<b>Note 10B: Cash flow information</b>		
Cash inflows from other reporting units		
Australian Municipal, Administrative, Clerical and Services Union – National Office	24,599	15,988
<b>Total cash inflows</b>	<u>24,599</u>	<u>15,988</u>
Cash outflows to other reporting units		
Australian Municipal, Administrative, Clerical and Services Union – National Office	(164,726)	(154,339)
Australian Municipal, Administrative, Clerical and Services Union – NSW and ACT Branch	(170)	(12,991)
<b>Total cash outflows</b>	<u>(164,896)</u>	<u>(167,330)</u>

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

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

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

**Note 10C: Credit standby arrangements and loan facilities**

The Branch has a credit card facility amounting to \$50,000 (2016: \$50,000). 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 (2016: Nil).

**Note 11 Contingent Liabilities, Assets and Commitments**

**Note 11A: Commitments and Contingencies**

**Capital commitments**

At 30 June 2017 the Branch did not have any capital commitments (2016: Nil).

**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.

	2017	2016
	\$	\$
<b>Leasing Commitments</b>		
<b>Operating Leases (as a lessee)</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements.		
<b>Payable – Minimum lease payments</b>		
not later than 12 months	240,642	99,882
between 12 months and 5 years	186,724	80,876
greater than 5 years	-	-
<b>Minimum lease payments</b>	<u>427,366</u>	<u>180,758</u>

The Branch leases buildings in both Adelaide and Darwin. Both leases are for a period of less than 12 months and have options to extend should the Committee of Management chose to exercise the options.

The Branch also leases motor vehicles which range from 2-5 years and leases two photocopiers.



**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

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

**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 – Services and Northern Administrative Branch (ASU – Queensland, Services and Northern Administrative Branch)  
 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 – Western Australia Branch (ASU – WA Branch)  
 Australian Municipal, Administrative, Clerical and Services Union – Taxation Officers' Branch (ASU – Tax Officers' Branch)

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

	<b>2017</b>	2016
	\$	\$
<b>Revenue received from ASU – National Office includes the following:</b>		
Financial support	<b>24,599</b>	15,988
<b>Expenses paid to ASU – National Office includes the following:</b>		
Capitation fees	<b>141,865</b>	136,107
Levy - National Airline Industry Division	<b>1,564</b>	1,564
Interest from loan	<b>7,764</b>	-
Reimbursements	<b>7,532</b>	16,668

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

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

**Note 12 Related Party Disclosures (Continued)**

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

	2017	2016
	\$	\$
<b>Amounts owed to ASU – National Office include the following:</b>		
Capitation fees	962	81,605
Borrowings	-	220,000
<b>Amounts owed by ASU – National Office include the following:</b>		
Reimbursements	6,600	-
<b>Expenses paid to ASU – NSW and ACT Branch includes the following:</b>		
Expense reimbursements	170	12,991
<b>Amounts owed to ASU – NSW and ACT Branch include the following:</b>		
Expense reimbursements	-	14,290

During the 2016 year the Branch agreed to borrow \$220,000 from the National Office on a non-commercial arm's length basis. Repayment terms are set out in the loan term which states repayment must be made upon the Branch successfully selling its building at 5 Rundle Street, Kent Town. Interest at 4% was charged from October 2016. The loan was repaid in May 2017. Under Australian Accounting Standards, loans and receivables require an entity to measure interest free loans at fair value, using commercial market interest rates issued on an arm's length basis on similar loan terms in the market place. It was determined that the fair value of the loan was not materially difference from the carrying value and as a result, the Committee of Management have not fair valued this loan at reporting date.

**Terms and conditions of transactions with related parties**

With the exception of the loan payable to the National Office, 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 2017, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2016: 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.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

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

**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:

- Joseph Scales (Branch Secretary)
- Abbie Spencer (Branch Assistant Secretary)
- All remaining members of the Committee of Management.

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

	2017	2016
	\$	\$
<b>Note 12B: Key Management Personnel Remuneration for the Reporting Period</b>		
<b>Short-term employee benefits</b>		
Salary (including annual leave taken)	225,869	239,781
Other	30,722	5,150
<b>Total short-term employee benefits</b>	<b>256,591</b>	<b>244,931</b>
<b>Post-employment benefits:</b>		
Superannuation	32,315	25,205
<b>Total post-employment benefits</b>	<b>32,315</b>	<b>25,205</b>
<b>Other long-term benefits:</b>		
Long-service leave	5,575	1,800
<b>Total other long-term benefits</b>	<b>5,575</b>	<b>1,800</b>
<b>Termination benefits</b>	-	-
<b>Total</b>	<b>294,481</b>	<b>271,936</b>

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**

**Value of the services provided**

Financial statement audit services	10,575	9,800
Other services	2,250	26,472
<b>Total remuneration of auditors</b>	<b>12,825</b>	<b>36,272</b>

Other services comprised of taxation advice, ECSA disclosure returns audits and accounting assistance.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

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

**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 arises 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 (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH

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

Note 14 Financial Instruments (Continued)

Ageing of financial assets that were past due but not impaired for 2017

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	113	-	-	12,054	12,167
Receivables from other reporting units	6,600	-	-	-	6,600
<b>Total</b>	<b>6,713</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,767</b>

Ageing of financial assets that were past due but not impaired for 2016

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	1,972	-	6,311	7,066	15,349
Receivables from other reporting units	-	-	-	-	-
<b>Total</b>	<b>1,972</b>	<b>-</b>	<b>6,311</b>	<b>7,066</b>	<b>15,349</b>

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 2017, 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 2017 (2016: Nil).

**(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.

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH

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

**Note 14 Financial Instruments (Continued)**

**(b) Liquidity Risk (continued)**

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	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Trade payables	(100,652)	(197,287)	-	-	-	-	(100,652)	(197,287)
Other payables	(84,509)	(47,608)	-	-	-	-	(84,509)	(47,608)
Borrowings	-	(220,000)	-	-	-	-	-	(220,000)
<b>Total expected outflows</b>	<b>(185,161)</b>	<b>(464,895)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(185,161)</b>	<b>(464,895)</b>
<b>Financial assets – cash flow receivable</b>								
Cash and cash equivalents	351,158	114,109	-	-	-	-	351,158	114,109
Investments in short term deposits	3,506,693	1,116	-	-	-	-	3,506,693	1,116
Investments in shares	665	665	-	-	-	-	665	665
Trade and other receivables	6,713	15,349	-	-	-	-	6,713	15,349
<b>Total anticipated inflows</b>	<b>3,865,229</b>	<b>131,239</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,865,229</b>	<b>131,239</b>
<b>Net (outflow) / inflow on financial instruments</b>	<b>3,680,068</b>	<b>(333,656)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,680,068</b>	<b>(333,656)</b>

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH

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

**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.

The financial instruments which expose the Branch to interest rate risk are limited to its cash reserves.

ii. Foreign exchange risk

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

iii. Price risk

The Branch is not 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.

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 \$
<b>Year ended 30 June 2017</b>		
+2% in interest rates	+77,157	+77,157
-2% in interest rates	-37,646	-37,646
<b>Year ended 30 June 2016</b>		
+2% in interest rates	+2,305	+2,305
-2% in interest rates	-2,305	-2,305

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 (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

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

**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	2017		2016	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	(i)	351,158	357,758	114,109	114,109
Investment in short term deposits	(i)	3,506,693	3,506,693	1,116	1,116
Investments in shares	(i)	665	665	665	665
Accounts receivable and other debtors	(i)	6,713	113	15,349	15,349
<b>Total financial assets</b>		<b>3,865,229</b>	<b>3,865,229</b>	<b>131,239</b>	<b>131,239</b>
<b>Financial liabilities</b>					
Trade payables	(i)	100,652	100,652	197,287	197,287
Other payables	(i)	84,509	84,509	47,608	47,608
Borrowings	(i)	-	-	220,000	220,000
<b>Total financial liabilities</b>		<b>185,161</b>	<b>185,161</b>	<b>464,895</b>	<b>464,895</b>

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

- (i) Cash and cash equivalents, term deposits, shares in listed companies, accounts receivable and other debtors, accounts payable and other payables and borrowings from National Office are short-term instruments in nature whose carrying value is equivalent to fair value.



**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

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

**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.

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

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

**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 2017*

The Branch did not have any assets or liabilities that were recorded using the above fair value hierarchy at 30 June 2017.

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

*Fair value hierarchy – 30 June 2016*

	<b>Note</b>	<b>Date of Valuation</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets measured at fair value</b>					
Non-current assets held for sale – Land and buildings located at 5 Rundle Street, Kent Town		19 May 2015	-	4,256,000	-
Total			-	4,256,000	-

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

**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).

**AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION (SOUTH AUSTRALIAN AND NORTHERN TERRITORY) BRANCH**

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

**Note 17 Branch Details**

The registered office of the Branch is:

Level 1, 185 Fullarton Road  
DULWICH SA 5065

**Note 18 Segment Information**

The Branch operates solely in one reporting segment, being the provision of industrial services in South Australia and the Northern Territory.

**Note 19 Other Acquisitions of Assets or Liabilities**

During the financial year the Branch has not acquired an asset or liability as a result of:

- (a) An amalgamation under Part 2 of Chapter 3 of the *Fair Work (Registered Organisations) Act 2009*.
- (b) A restructure of Branches of the organisation.
- (c) A determine by the Commission under subsection 245(1) of the *Fair Work (Registered Organisations) Act 2009* of an alternative reporting structure for the organisation.
- (d) A revocation by the Commission under subsection 249(1) of the *Fair Work (Registered Organisations) Act 2009* of a certificate issued to the organisation under subsection 241(1).
- (e) A business combination.



8 August 2017

Mr Joseph Scales  
Secretary  
Australian Municipal, Administrative, Clerical and Services Union-South Australian and Northern Territory Branch  
By Email: [jscales@asu-sant.asn.au](mailto:jscales@asu-sant.asn.au)

Dear Mr Scales,

**Re: Lodgement of Financial Report - [FR2017/105]  
*Fair Work (Registered Organisations) Act 2009* (the RO Act)**

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

### **Loans Grants and Donations Statement**

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

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

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

### **Financial report**

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

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

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

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

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

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

### **Auditor's report**

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

## **REMINDER**

### **YOUR AUDITOR MUST BE REGISTERED (s.256)**

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

### **Contact**

Should you require any clarification in relation to the above, please email [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au).

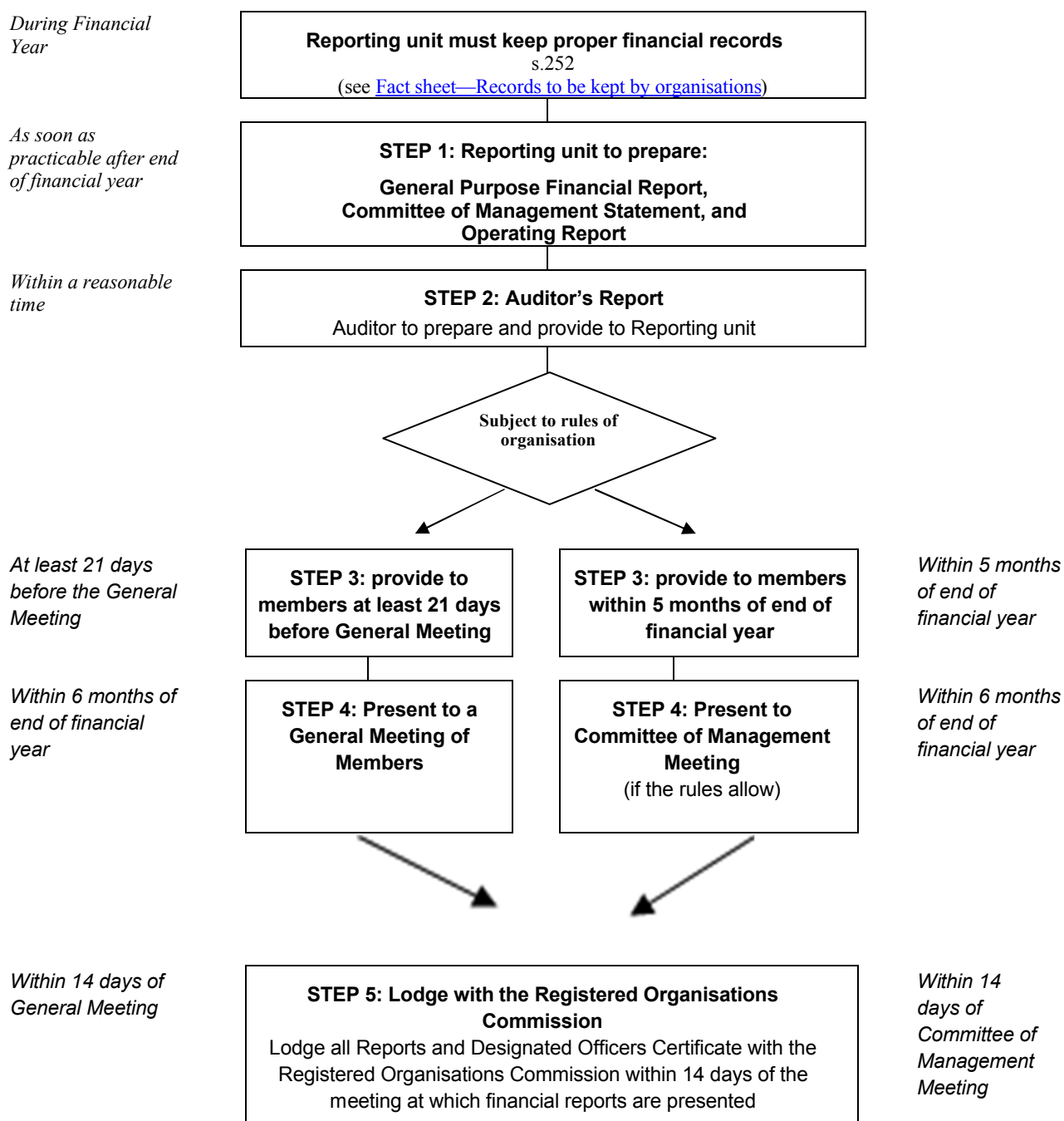
Yours faithfully,  
**Michael Moutevelis**  
**Registered Organisations Commission**



# Fact sheet

## Summary of financial reporting timelines – s.253 financial reports

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





## Fact sheet

### Loans, Grants & Donations

#### The Loans, Grants & Donations Requirements

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

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

#### The Loans, Grants & Donations Statement

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





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



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

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

#### Common misconceptions

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

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

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

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

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

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

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

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

### Implications for filing the Financial Report

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

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

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

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

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

### Further information

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





## **Guidance Note**

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

Prepared and issued by the Registered Organisations Commission

<b>Version</b>	<b>Date published</b>
1	4 August 2017

## 1. Introduction

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

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

## 2. Background to the revised Auditing Standard

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

The purpose of the change is to:

- enhance the communicative value of the Auditor's Report;
- give prominence to the most important matters by re-ordering the content;
- enhance reporting on going concern matters (if applicable), and provide enhanced descriptions of the respective responsibilities of management and the auditor, in relation to going concern;
- provide an affirmative statement on auditor's independence and fulfilment of relevant ethical responsibilities;
- provide more information to users on the auditor's responsibilities, and the key features of an audit and;
- provide details of other information the auditor has received at the date of the Auditor's Report, and is expected to receive after the date of the Auditor's Report<sup>1</sup>.

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

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

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

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

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

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

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

<To be printed on Auditor letterhead>

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

### Report on the Audit of the Financial Report

#### Opinion

I have audited the financial report of <name of Reporting Unit> (the Reporting Unit), which comprises the statement of financial position<sup>2</sup> as at <balance date>, the statement of comprehensive income<sup>3</sup>, statement of changes in equity<sup>4</sup> and statement of cash flows<sup>5</sup> for the year ended <date>, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management<sup>6</sup> Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of <name of Reporting Unit> as at <balance date>, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

#### Basis for Opinion

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Information Other than the Financial Report and Auditor's Report Thereon<sup>7</sup>

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

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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

<sup>3</sup> Ibid paragraph 9

<sup>4</sup> Ibid paragraph 9

<sup>5</sup> Ibid paragraph 9

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

<sup>7</sup> Ibid paragraph 7

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### **Responsibilities of Committee of Management for the Financial Report**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Report**

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

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

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

## **[Report on Other Legal and Regulatory Requirements]<sup>8</sup>**

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

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

[Example:

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

## **[Report on the Recovery of Wages Activity financial report]<sup>9</sup>**

### **Opinion on the recovery of wages activity financial report**

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

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

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

### **Responsibilities**

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

<Audit Firm Name>

<Name>

Partner

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<sup>8</sup> Ibid paragraph 11

<sup>9</sup> Ibid paragraph 11

<City>  
<Date>

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

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<sup>10</sup> Ibid paragraph 12

## 5. Illustrative Auditor's Report Notes

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

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



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

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

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