



6 February 2019

Ms Lisa Darmanin  
Branch Secretary  
Australian Municipal, Administrative, Clerical and Services Union - Victorian and Tasmanian  
Authorities and Services Branch

By e-mail: [ibu@asuvictas.com.au](mailto:ibu@asuvictas.com.au)

CC: [contact@youraccountant.com.au](mailto:contact@youraccountant.com.au)

Dear Ms Darmanin,

**Australian Municipal, Administrative, Clerical and Services Union - Victorian and Tasmanian  
Authorities and Services Branch**

**Financial Report for the year ended 30 June 2018 - [FR2018/132]**

I acknowledge receipt of the financial report of the Australian Municipal, Administrative, Clerical and Services Union - Victorian and Tasmanian Authorities and Services Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 21 December 2018.

The financial report has now been filed.

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

Please note that the financial report for the year ending 30 June 2019 may be subject to an advanced compliance review.

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

**General purpose financial report (GPFR)**

Nil activities disclosure

Item 21 of the reporting guidelines (**RGs**) states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. The notes contained nil activity information for all prescribed RG categories except the following:

- Having a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch (RG 17(a));
- Transferring to or withdrawing from a fund (other than the general fund), account, asset or controlled entity (RG 17(b));

- Having another entity administer the financial affairs of the reporting unit (RG 19); and
- Making a payment to a former related party of the reporting unit (RG 20).

Please ensure in future years that the above mentioned items are disclosed in either the financial statements, the notes or in the officer's declaration statement as per the RGs.

### **Auditor's report**

#### Audit scope to include subsection 255(2A) report

A GPFR prepared under section 253 of the RO Act also includes the expenditure report required to be prepared under subsection 255(2A) as prescribed by RG 22.

The subsection 255(2A) report must be identified by title in the auditor's statement in accordance with paragraph 24(c) of Australian Auditing Standard *ASA 700 Forming an Opinion and Reporting on a Financial Report*.

A subsection 255(2A) report was included in the copy of the documents lodged with the ROC but the auditor did not refer to the statement in the auditor's report.

Please ensure in future years that the subsection 255(2A) report is audited before provided to members and lodged with the ROC.

### **Redaction of information**

#### Operating report

In the operating report, certain information disclosed under the heading, *Officers or members who are superannuation fund trustee(s) (including position details) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position* has been redacted from the copy of the 2018 financial report by the ROC before publishing it on its website.

The ROC takes its obligations relating to privacy seriously and endeavours to ensure compliance with the requirements under the *Privacy Act 1988 (Privacy Act)*. The redactions have been effected in accordance with the ROC privacy policy to protect the personal information of persons identified in the operating report. A copy of the ROC privacy policy can be found via [this link](#).

### **Reporting Requirements**

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

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

Yours sincerely



**Kylie Ngo**  
**Financial Reporting Assistant**  
**Registered Organisations Commission**

**Australian Municipal, Administrative, Clerical and Services Union, Victorian and Tasmanian Authorities and Services Branch**

s.268 *Fair Work (Registered Organisations) Act 2009*

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the year ended 30 June 2018

I, Lisa Darmanin, being the Branch Secretary of the Australian Municipal, Administrative, Clerical and Services Union, Victorian and Tasmanian Authorities and Services Branch, certify:

- that the documents lodged herewith are copies of the full report for the Australian Municipal, Administrative, Clerical and Services Union, Victorian and Tasmanian Authorities and Services Branch for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the Australian Municipal, Administrative, Clerical and Services Union, Victorian and Tasmanian Authorities and Services Branch on 28 November 2018; and
- that the full report was presented to a meeting of the Branch Executive of the reporting unit on 21 December 2018 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

.....  


Name of prescribed designated officer:

.....  
LISA DARMANIN

Title of prescribed designated officer:

.....  
BRANCH SECRETARY

Dated:

.....  
21/12/18



# **ASU Victorian and Tasmanian Authorities & Services Branch**

ABN: 76 569 632 753

## **Financial Statements**

For the Year Ended 30 June 2018

# ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

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For the Year Ended 30 June 2018

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# ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

## Operating Report For the Year Ended 30 June 2018

The Committee of Management presents its operating report on the Reporting Unit for the year ended 30 June 2018.

### Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The principal activities of the Branch during the financial year ended 30 June 2018 was to provide industrial, professional and managerial services to members consistent with the objects of the Union and particularly the object of protecting and improving the interests of the members. There was no significant change in the nature of those activities during the year.

The Branch's activities resulted in member's interests being advanced across numerous forums including in their workplaces and in various legal and political forums.

### Significant changes in financial affairs

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

### Right of members to resign

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

### Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

The following officers and/or employees of the Branch are directors of companies that are trustees of superannuation funds which require one or more of their directors to be a member of a registered organisation –

<u>Officer/ Employee</u>	<u>Trustee Company</u>	<u>Entity/ Scheme</u>	<u>Position</u>	<u>Fees</u>	<u>Super</u>
Lisa Darmanin	HEST Australia Pty Ltd	HESTA	Director 1/7/17 - 31/12/17	■	■
Lisa Darmanin	Vision Super Pty Ltd	Vision Super	Director 6/3/2018 to 30/6/2018	■	■

# ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

## Operating Report For the Year Ended 30 June 2018

<u>Officer/ Employee</u>	<u>Trustee Company</u>	<u>Entity/ Scheme</u>	<u>Position</u>	<u>Fees</u>	<u>Super</u>
Wendy Phillips	Vision Super Pty Ltd	Vision Super	Deputy Chair commenced on 13/4/18	██████	██████
Brian Parkinson	Vision Super Pty Ltd	Vision Super	Chair – ended on 13/4/18	██████	██████
Richard Duffy	Vision Super Pty Ltd	Vision Super	Director – ended on 12/2/18	██	██████
Casey Nunn	Vision Super Pty Ltd	Vision Super	Director	██████	██████

### Number of members

In accordance with Regulation 159 of the Fair Work (Registered Organisations) Regulations 2009:

The number of persons that were at the end of the financial year recorded in the register of members for s.230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the Branch under s.244 of the Fair Work (Registered Organisations) Act 2009 was 23,707 (2017: 23,054)

### Number of employees

The number of persons who were at the end of the financial year employees of the Branch including both full-time and part-time employees measured on a full-time equivalent basis was 67 (2017: 70).

# ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

## Operating Report For the Year Ended 30 June 2018

### Names of Committee of Management members and period positions held during the financial year

The names of those who have been members of the Committee of Management of the Branch at any time during the financial year and the periods for which he or she held office were:

<u>Name</u>	<u>Position</u>	<u>Period</u>
<b><u>Full time Officers</u></b>		
Richard Duffy	Branch Secretary	1/7/2017 to 10/11/2017
Michelle Jackson	Branch Secretary	28/11/2017 to 26/6/2018
Lisa Darmanin	Branch Secretary	26/6/2017 to 30/6/2018
Lisa Darmanin	Branch Executive President	1/7/2017 to 26/6/2018
Raymond (Billy) King	Branch Executive President	26/6/2018 to 30/6/2018
<b><u>Honorary Officers</u></b>		
Wendy Phillips	Branch President	1/7/2017 to 30/6/2018
Robyn Glascott	Branch Senior Vice President	1/7/2017 to 30/6/2018
Josephine Ackerman	Branch Vice President Women	1/7/2017 to 30/6/2018
Darcy Edgar	Branch Executive Youth	1/7/2017 to 30/6/2018
<b><u>Committee Members</u></b>		
David Andrews	Committee Member	1/7/2017 to 11/7/2017
Ann Beck	Committee Member	1/7/2017 to 30/6/2018
Dale Borthwick	Committee Member	1/7/2017 to 30/6/2018
Darren Cresswell	Committee Member	1/7/2017 to 30/6/2018
Kim Delahey	Committee Member	1/7/2017 to 30/6/2018



# ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

## Operating Report For the Year Ended 30 June 2018

<u>Name</u>	<u>Position</u>	<u>Period</u>
Kate Evans	Committee Member	1/7/2017 to 19/9/2017
Barry Gough	Committee Member	1/7/2017 to 30/6/2018
Raymond Lamaro	Committee Member	1/7/2017 to 26/6/2018
Piergiorgio Moro	Committee Member	1/7/2017 to 30/6/2018
Troy Parkinson	Committee Member	1/7/2017 to 30/6/2018
Maree Renden	Committee Member	1/7/2017 to 30/6/2018
Liane Simko	Committee Member	1/7/2017 to 30/6/2018
Katrina Spence	Committee Member	1/7/2017 to 12/1/2018
Jan Wrigley	Committee Member	11/10/2017 to 30/6/2018
Thomas Hillebrand	Committee Member	11/10/2017 to 30/6/2018
Leonie Grant	Committee Member	24/10/2017 to 30/6/2018

Signature of designated officer: 

Name and title of designated officer: LUA DARMANIN

Dated: 27/11/18

# ASU Victorian and Tasmanian Authorities & Services Branch

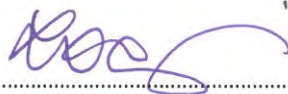
ABN: 76 569 632 753

## Expenditure Report Required under Subsection 255(2A) For the Year Ended 30 June 2018

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2018.

Categories of expenditure	2018 \$	2017 \$
Remuneration and other employment-related costs and expenses - employees	8,738,908	8,447,825
Advertising	34,372	71,155
Operating costs	2,676,102	2,828,379
Donations to political parties	595	-
Legal costs	407,886	264,363

Branch Secretary



.....  
Lisa Darmanin

Dated:

27/11/18

# ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

## Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
Member subscriptions		11,680,025	11,649,644
Interest		69,552	59,792
Other revenue	4	847,894	618,802
<b>Total Revenue</b>		<b>12,597,471</b>	12,328,238
Employee benefits expense	5(a)	(8,738,908)	(8,447,825)
Capitation fees	5(b)	(612,081)	(635,122)
Affiliation fees	5(c)	(254,834)	(260,777)
Operational expenses	5(d)	(857,124)	(949,485)
Donations	5(e)	(11,686)	(49,319)
Depreciation	5(g)	(373,480)	(399,591)
Legal fees	5(h)	(407,886)	(264,363)
Communications expenses		(164,404)	(155,299)
Travel expenses		(146,187)	(209,320)
Motor vehicle expenses		(426,648)	(427,788)
Occupancy expenses		(249,185)	(261,742)
Net capital gain/(loss) in financial assets		2,788	(54,747)
Loss on asset disposal		(15,885)	(40,067)
Doubtful debt expense		(132,274)	-
<b>Total Expenses</b>		<b>(12,387,794)</b>	(12,155,445)
<b>Surplus for the year</b>		<b>209,677</b>	172,793
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive income for the year</b>		<b>209,677</b>	172,793

The accompanying notes form part of these financial statements.

# ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

## Statement of Financial Position

As at 30 June 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	6	3,842,611	3,629,745
Trade and other receivables	7	177,681	346,738
Other current assets	8	53,536	26,185
TOTAL CURRENT ASSETS		<u>4,073,828</u>	<u>4,002,668</u>
NON-CURRENT ASSETS			
Trade and other receivables	7	-	9,112
Other financial assets	10	2,514,749	2,274,003
Property, plant and equipment	9	4,843,798	4,956,100
TOTAL NON-CURRENT ASSETS		<u>7,358,547</u>	<u>7,239,215</u>
TOTAL ASSETS		<u>11,432,375</u>	<u>11,241,883</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	11	756,933	598,888
Short-term provisions	12(a)	2,040,836	2,149,566
TOTAL CURRENT LIABILITIES		<u>2,797,769</u>	<u>2,748,454</u>
NON-CURRENT LIABILITIES			
Long-term provisions	12(b)	110,146	178,646
TOTAL NON-CURRENT LIABILITIES		<u>110,146</u>	<u>178,646</u>
TOTAL LIABILITIES		<u>2,907,915</u>	<u>2,927,100</u>
NET ASSETS		<u>8,524,460</u>	<u>8,314,783</u>
<b>EQUITY</b>			
Reserves		276,446	-
Retained earnings		8,248,014	8,314,783
TOTAL EQUITY		<u>8,524,460</u>	<u>8,314,783</u>

The accompanying notes form part of these financial statements.

# ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

## Statement of Changes in Equity

For the Year Ended 30 June 2018

2018

	Retained earnings	Grants reserve	Total
	\$	\$	\$
<b>Balance at 1 July 2017</b>	<b>8,314,783</b>	<b>-</b>	<b>8,314,783</b>
Surplus for the year	209,677	-	209,677
Transfers from retained earnings to grants reserve	(276,446)	276,446	-
<b>Balance at 30 June 2018</b>	<b>8,248,014</b>	<b>276,446</b>	<b>8,524,460</b>

2017

	Retained earnings	Grants reserve	Total
	\$	\$	\$
<b>Balance at 1 July 2016</b>	<b>8,141,990</b>	<b>-</b>	<b>8,141,990</b>
Surplus for the year	172,793	-	172,793
<b>Balance at 30 June 2017</b>	<b>8,314,783</b>	<b>-</b>	<b>8,314,783</b>

The accompanying notes form part of these financial statements.

# ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

## Statement of Cash Flows For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from members and other customers	13,563,012	13,183,643
Receipts from other reporting units	243,359	202,832
Interest received	58,906	64,062
Investment distribution received	177,518	137,687
Payments to employees & suppliers	(12,338,546)	(11,652,951)
Payments to other reporting units	(976,362)	(1,021,151)
Net cash provided by/(used in) operating activities	14 <u>727,887</u>	<u>914,122</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	71,818	72,746
Purchase of plant and equipment	(348,881)	(394,456)
Purchase of investments	(237,958)	(117,060)
Net cash provided by/(used in) investing activities	<u>(515,021)</u>	<u>(438,770)</u>
Net increase/(decrease) in cash and cash equivalents held	212,866	475,352
Cash and cash equivalents at beginning of year	3,629,745	3,154,393
Cash and cash equivalents at end of financial year	6 <u>3,842,611</u>	<u>3,629,745</u>

The accompanying notes form part of these financial statements.

# ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 1 Basis of Preparation

#### General purpose

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 Services Union Victorian and Tasmanian Authorities & Services Branch is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost basis of accounting, except for certain assets and liabilities at 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. The financial statements are presented in Australian dollars.

Except where otherwise stated, the accounting policies in the preparation of this financial report are consistent with those of the previous financial year. The financial statements were authorised for issue on the same date the statement by the Committee of Management was signed.

#### Comparative figures

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

#### (a) Statement of Cash Flows

The comparative figures for the statement of cash flows have been adjustment to conform to the changes in presentation for the current financial year. Key changes made are as follow:

- Total receipts and payments have been grossed up to include GST to comply with the reporting unit's accounting policy in note 1(i).
- The reporting unit does not have any financing activities. Cash received from the repayment of loans of \$18,225 has been reclassified to cash received in operating activities.

#### (b) Reclassification of operational expense to donations

The reporting unit has reclassified \$32,060 from operational expense to donations.

#### New Australian Accounting Standards

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

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

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

# ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

Revenue from membership subscription fee 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 transactions will flow to the entity.

Grant and sponsorship revenue is recognised in the statement of profit or loss when the reporting unit obtains control of the grant or sponsorship, it is probable that the economic benefits gained from the grant or sponsorship will flow to the reporting unit and the amount of the grant or sponsorship can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

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 lease.

Trust distribution income is recognised when the right to receive the distribution has been established.

All revenue is stated net of the amount of goods and services tax (GST).

#### Gain and losses

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

#### (b) Employee benefits

Provision is made for the reporting unit's liability for employee benefits arising from services rendered by employees to the end of the reporting period.

Liabilities for short-term employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled including related on costs.

Long-term employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.



# ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies

#### (c) 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.

#### (d) Cash and cash equivalents

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.

#### (e) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the reporting unit becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred). 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.

# ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies

#### (e) Financial instruments Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than twelve months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

#### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

# ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies

#### (e) Financial instruments Available-for-sale financial assets

Listed shares and listed redeemable notes that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit 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.

#### Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the reporting unit's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. Held-to-maturity financial assets are included in non-current assets, except for those with maturities of less than twelve months from the reporting date, which are classified as current assets.

#### 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

# ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies

#### (e) Financial instruments

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.

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 unrecoverable, 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.

#### De-recognition of financial assets

The reporting unit 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.

# ASU Victorian and Tasmanian Authorities & Services Branch

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies

#### (f) Property, plant and equipment

##### Cost model

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

##### Land and buildings

Land and buildings are measured using the cost model.

##### Plant and equipment

Plant and equipment are measured using the cost model.

##### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the reporting unit, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5%
Furniture and Equipment	7.5% - 40%
Motor Vehicles	25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

##### De-recognition

An item of property, plant and equipment is derecognised upon its disposal or when no future economic benefits are expected its use. Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss.

#### (g) Impairment of non-financial assets

At the end of each reporting period the reporting unit determines whether there is an evidence of an impairment indicator for non-financial assets. Where this indicator exists, the recoverable amount of the asset is estimated and an impairment adjustment is made in all cases where the recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of the fair value less costs of disposal and the value in use. Value in use

# ASU Victorian and Tasmanian Authorities & Services Branch

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies

**(g) Impairment of non-financial assets**

is the present value of the future cash flows expected to be derived from an asset.

Where the future economic benefit of an asset is not primarily dependent on the ability of the asset to generate future cash flows and the assets would be replaced if the reporting unit were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**(h) Contingent assets and liabilities**

Contingent assets and liabilities are not recognised in the Statement of Financial Position and instead, where applicable, are reported in the relevant notes. They may arise from uncertainty as to the existence of an asset or a liability or represent an existing asset or liability 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.

**(i) Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

**(j) Adoption of new and revised accounting standards**

**(i) Adoption of new Australian Accounting Standards requirements**

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

**(ii) Future Australian Accounting Standards Requirements**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the reporting unit. The reporting unit has decided not to early adopt any of the new and amended pronouncements. The reporting unit's assessment of the new and amended pronouncements that are relevant to the reporting unit but applicable in future reporting periods is set out below:

**AASB 15: Revenue from Contracts with Customers**

(applicable for annual reporting periods commencing on or after 1 January 2019)

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

# ASU Victorian and Tasmanian Authorities & Services Branch

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For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies

#### (j) Adoption of new and revised accounting standards

##### (ii) Future Australian Accounting Standards Requirements

line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise 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. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

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

The committee of management anticipate that the adoption of AASB 15 will not have a significant impact on the reporting unit's financial statements.

#### **AASB 16: Leases**

(applicable for annual reporting periods commencing on or after 1 January 2019)

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying AASB 107 Statement of Cash Flows.

Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.

Although the committee of management anticipate that the adoption of AASB 16 may have an impact on the reporting unit's financial statements, it is anticipated that the effect will be insignificant to the financial statements as a whole.

# ASU Victorian and Tasmanian Authorities & Services Branch

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 3 Significant Accounting Estimates and Judgments

The committee of management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

The significant estimates and judgements made have been described below.

The preparation of financial statements require the reporting unit to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

#### **Key estimates - Impairment of property, plant and equipment**

The reporting unit assesses impairment at the end of each reporting year by evaluating conditions specific to the reporting unit that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

#### **Key judgement - Useful lives of property, plant and equipment**

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

#### **Key judgement- Provisions 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.



# ASU Victorian and Tasmanian Authorities & Services Branch

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 4 Other Revenue

	2018	2017
	\$	\$
<b>Other Revenue</b>		
- Rental income from ASU Victorian Private Sector Branch	77,020	74,777
- Rental income from other non-reporting units	2,528	-
- Government grants	350,000	-
- Sponsorship income	174,091	190,432
- Sundry income	74,324	115,129
- Investment income	85,660	137,687
- Super board director fees received	84,271	100,777
- Capitation fees	-	-
- Levies	-	-
- Donations received	-	-
- Financial support from other reporting units	-	-
- Revenue derived from undertaking recovery of wages activity	-	-
	<b>847,894</b>	<b>618,802</b>

### 5 Expenses

#### (a) Employee benefits

##### Office holders

Wages & Salaries	356,697	333,690
Superannuation contributions	48,338	53,717
Leave entitlements	43,181	120,445
Separation and redundancies	-	-
Other employee expenses	23,347	27,732

##### Subtotal employee expenses - Holders of Office

**471,563**      **535,584**

##### Employees (including contract staff) other than office holders

Wages and salaries	5,069,185	6,144,721
Superannuation	781,747	1,079,104
Leave entitlements	1,466,591	78,026
Separation and redundancies	540,516	22,987
Other employee expenses	409,306	587,403

##### Subtotal employee expense - employees other than office holders

**8,267,345**      **7,912,241**

##### Total employee benefits

**8,738,908**      **8,447,825**

# ASU Victorian and Tasmanian Authorities & Services Branch

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 5 Expenses

#### (b) Capitation fees

	2018	2017
	\$	\$
ASU National Office	612,081	635,122
<b>Total capitation fees</b>	<b>612,081</b>	<b>635,122</b>

#### (c) Affiliation fees

Victorian Trades Hall Council	108,436	105,891
Unions Tasmania	-	10,797
Regional Trades & Labour Councils	21,915	23,319
Australian Labor Party	124,483	120,770
<b>Total affiliation fees</b>	<b>254,834</b>	<b>260,777</b>

#### (d) Operating expenses

Consideration to employers for payroll deductions	676	-
Industry Division Levy - ASU National Office (i)	1,301	1,301
ACTU campaign contribution	66,020	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	251,975	333,430
Administration expenses	537,152	614,754
Penalties - via RO Act or RO Regulations	-	-
<b>Total operating expenses</b>	<b>857,124</b>	<b>949,485</b>

(i) Industry division levy is a contribution to ASU National Airlines Industry Division. The levy is paid to ASU National Office, who administers the fund.

(ii) ACTU campaign contribution is paid via ASU National Office.

#### (e) Donations

Total paid that were \$1,000 or less	3,086	1,759
Total paid that exceeded \$1,000	8,600	47,560
<b>Total donations</b>	<b>11,686</b>	<b>49,319</b>

# ASU Victorian and Tasmanian Authorities & Services Branch

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 5 Expenses

#### (f) Grants

	2018	2017
	\$	\$
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Total grants</b>	<b>-</b>	<b>-</b>

#### (g) Depreciation

Motor Vehicles	247,980	258,512
Buildings	70,615	70,615
Furniture and equipment	54,885	70,464
<b>Total depreciation</b>	<b>373,480</b>	<b>399,591</b>

#### (h) Legal costs

Litigation	200,733	173,739
Other legal matters	207,153	90,624
<b>Total legal costs</b>	<b>407,886</b>	<b>264,363</b>

#### (i) Remuneration of auditors

Financial statement audit services	21,500	27,000
Other services	9,500	6,150
<b>Total remuneration of auditors</b>	<b>31,000</b>	<b>33,150</b>

### 6 Cash and Cash Equivalents

Cash on hand	856	642
Bank balances	1,440,087	2,637,253
Short-term deposits	2,401,668	991,850
<b>Total cash and cash equivalents</b>	<b>3,842,611</b>	<b>3,629,745</b>

# ASU Victorian and Tasmanian Authorities & Services Branch

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 7 Trade and Other Receivables

	2018	2017
	\$	\$
<b>CURRENT</b>		
<b>Receivables from other reporting units</b>		
ASU National Office	41,241	41,544
ASU Victorian Private Sector Branch	11,339	22,494
	<u>52,580</u>	<u>64,038</u>
<b>Other receivables</b>		
Other trade receivables	257,376	282,700
	<u>257,376</u>	<u>282,700</u>
<b>Less provision for doubtful debt</b>		
Non-reporting units	(132,275)	-
	<u>(132,275)</u>	<u>-</u>
<b>Total current trade and other receivables</b>	<u>177,681</u>	<u>346,738</u>
<b>NON-CURRENT</b>		
<b>Receivables from other reporting units</b>		
ASU Victorian Private Sector Branch	-	9,112
<b>Total non-current trade and other receivables</b>	<u>-</u>	<u>9,112</u>

The carrying amounts of all current trade and other receivables are equal to their fair values as they are short term receivables (less than 30 days) and non-interest bearing. Current receivables are all on 30-day terms and no provision for impairment was considered necessary in relation to any particular account as at balance date.

### 8 Other Assets

<b>CURRENT</b>		
Prepayments	41,663	24,958
Interest receivable	11,673	1,027
Rental bond	200	200
<b>Total other assets</b>	<u>53,536</u>	<u>26,185</u>

# ASU Victorian and Tasmanian Authorities & Services Branch

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 9 Property, plant and equipment

#### Land & Buildings - Queensberry Street

At cost	3,817,105	3,817,105
Building improvement	274,148	274,148
Accumulated depreciation	(767,615)	(699,500)
Total land and buildings - Queensberry Street	<u>3,323,638</u>	<u>3,391,753</u>

#### Land & Buildings - Macquarie Street

At cost	570,000	570,000
Accumulated depreciation	(12,856)	(10,356)
Total land and buildings - Macquarie Street	<u>557,144</u>	<u>559,644</u>

#### Furniture, fixtures and fittings

At cost	1,155,558	1,140,038
Accumulated depreciation	(965,450)	(914,753)
Total furniture, fixtures and fittings	<u>190,108</u>	<u>225,285</u>

#### Motor vehicles

At cost	1,588,050	1,528,978
Accumulated depreciation	(815,142)	(749,560)
Total motor vehicles	<u>772,908</u>	<u>779,418</u>

#### Total property, plant and equipment

	<u>4,843,798</u>	<u>4,956,100</u>
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# ASU Victorian and Tasmanian Authorities & Services Branch

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 9 Property, plant and equipment

#### Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land & Buildings	Furniture and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
<b>Year ended 30 June 2018</b>				
Balance at the beginning of year	3,951,397	225,285	779,418	4,956,100
Additions	-	19,708	329,173	348,881
Disposals	-	-	(87,703)	(87,703)
Depreciation expense	(70,615)	(54,885)	(247,980)	(373,480)
<b>Balance at the end of the year</b>	<b>3,880,782</b>	<b>190,108</b>	<b>772,908</b>	<b>4,843,798</b>

	Land & Buildings	Furniture and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
<b>Year ended 30 June 2017</b>				
Balance at the beginning of year	4,022,012	262,147	789,890	5,074,049
Additions	-	39,037	355,419	394,456
Disposals	-	(5,435)	(107,379)	(112,814)
Depreciation expense	(70,615)	(70,464)	(258,512)	(399,591)
<b>Balance at the end of the year</b>	<b>3,951,397</b>	<b>225,285</b>	<b>779,418</b>	<b>4,956,100</b>

#### Land & Buildings - 116 124 Queensberry Street, Carlton South

Office premises at 116-124 Queensberry Street Carlton is wholly-owned by the reporting unit with National Office having a 23.3% share and Victorian and Tasmanian Authorities & Services Branch having a 76.7%. With reference to note 1(f), the property is stated in the accounts at historical cost less accumulated depreciation. The indicative fair value of the property based on 16 May 2016 independent valuation by WBP Property Group based on continuation of existing use basis is \$10,080,000 (76.7% = \$7,731,360).

#### Land & Building - 265 Macquarie Street, Hobart

The property was transferred into the reporting unit's name on 10th May 2013. The property was valued at \$570,000 which is its fair value at transfer date based on the Hobart City Council rates notice. The property was subsequently measured at historical cost less accumulated depreciation. The indicative fair value of the property based 8 June 2017 independent valuation by Preston Rowe Paterson is \$800,000.

# ASU Victorian and Tasmanian Authorities & Services Branch

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 10 Financial Assets

	2018	2017
	\$	\$
Managed fund - Industry Fund Services	2,512,872	2,272,126
Listed shares - MyState Limited	1,877	1,877
<b>Total investment</b>	<b>2,514,749</b>	<b>2,274,003</b>

The reporting unit measures the financial assets at fair value on a recurring basis. Level 1 input is used where fair value is based on unadjusted quoted prices in active markets for identical assets that the reporting unit can access at the measurement date.

### 11 Trade and Other Payables

Current		
Trade payables and accruals	219,470	242,663
GST payable	247,173	247,403
Consideration to employers for payroll deductions	37	-
Legal fee payable - Litigation	24,102	56,034
Legal fee payable - Other legal matters	14,009	9,406
<b>Subtotal trade and other payables</b>	<b>504,791</b>	<b>555,506</b>
<b>Payable to other reporting units</b>		
ASU National Office	252,142	43,382
<b>Subtotal payables to other reporting units</b>	<b>252,142</b>	<b>43,382</b>
	<b>756,933</b>	<b>598,888</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

# ASU Victorian and Tasmanian Authorities & Services Branch

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 12 Provisions

#### (a) Employee provisions - Current

	2018	2017
	\$	\$
<b>Office holders</b>		
Annual leave	41,551	135,572
Long service leave	108,810	154,579
Separations and redundancies	-	-
Other	-	-
	<u>150,361</u>	<u>290,151</u>
<b>Employees other than office holders</b>		
Annual leave	988,327	992,219
Long service leave	902,148	798,132
Separations and redundancies	-	-
Other	-	69,064
	<u>1,890,475</u>	<u>1,859,415</u>
<b>Total employee provisions - Current</b>	<u><u>2,040,836</u></u>	<u><u>2,149,566</u></u>

#### (b) Employee provisions - non-current

<b>Office holders</b>		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
	<u>-</u>	<u>-</u>
<b>Employees other than office holders</b>		
Annual leave	-	-
Long service leave	110,146	178,646
Separations and redundancies	-	-
Other	-	-
	<u>110,146</u>	<u>178,646</u>
<b>Total employee provisions - non-current</b>	<u><u>110,146</u></u>	<u><u>178,646</u></u>



# ASU Victorian and Tasmanian Authorities & Services Branch

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 12 Provisions

The liability for employee entitlements represents the amount accrued for annual leave and long service leave. The current portion represents entitlements that have vested due to employees having completed the required period of service whilst the non-current portion represents those entitlements that have not yet vested.

The branch does not expect the full amount of the liability classified as current to be settled within the next twelve months. However, there is no unconditional right to defer settlement in the event of employees wishing to use their entitlements. Accordingly, the amount must be shown as a current liability.

### 13 Capital and Leasing Commitments

#### (a) Operating Lease commitments - as lessee

	2018	2017
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	-	7,622
	<u>-</u>	<u>7,622</u>

Operating leases are in place for 12 month for an office premise expiring on 30 July 2018.

#### (b) Operating Lease commitments - as lessor

- no later than one year	39,665	77,020
between one year and five years	-	39,665
	<u>39,665</u>	<u>116,685</u>

5 years lease of office premise expiring 1 January 2019.

#### (c) Capital commitments

At 30 June 2018 the reporting unit has no significant capital commitments.

# ASU Victorian and Tasmanian Authorities & Services Branch

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 14 Cash Flow Information

#### (a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2018	2017
	\$	\$
Surplus for the year	209,677	172,793
Cash flows excluded from surplus attributable to operating activities		
Non-cash flows in profit:		
- depreciation	373,480	399,591
- net gain on disposal of property, plant and equipment	15,885	40,068
- impairment of receivables	132,275	-
- fair value movements on investments	(2,788)	54,746
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	35,248	(72,043)
- (increase)/decrease in other assets	(16,705)	26,818
- increase/(decrease) in trade and other payables	158,045	93,679
- increase/(decrease) in employee benefits	(177,230)	198,470
Cashflows from operations	<u>727,887</u>	<u>914,122</u>

#### (b) Cash flow information

##### Cash inflows

ASU - National office	111,812	90,239
ASU - Victorian Private Sector Branch	131,547	112,593
<b>Total cash inflows</b>	<u>243,359</u>	<u>202,832</u>

##### Cash outflows

ASU - National Office	976,362	1,019,104
ASU - NSW & ACT (Services) Branch	-	311
ASU - Victorian Private Sector Branch	-	1,736
<b>Total cash outflows</b>	<u>976,362</u>	<u>1,021,151</u>

# ASU Victorian and Tasmanian Authorities & Services Branch

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 15 Related Parties

#### (a) Related party transactions for the reporting period

	2018	2017
	\$	\$
<b>Revenue received includes the following:</b>		
<b>ASU National Office</b>		
Office and administration expenses recovered	99,903	91,573
<b>ASU Victorian Private Sector Branch</b>		
Office rental	77,020	74,777
Office and administration expenses recovered	23,464	19,613
	<u>100,484</u>	<u>94,390</u>
<b>Vision Super</b>		
Sponsorship revenue	109,000	109,091
Board Directors fees	44,107	56,396
	<u>153,107</u>	<u>165,487</u>
<b>HESTA Super</b>		
Sponsorship revenue	6,591	5,000
Board Directors fees	10,165	44,381
	<u>16,756</u>	<u>49,381</u>
<b>Expenses paid include the following:</b>		
<b>ASU National Office</b>		
Industry division levy	1,301	1,301
Payroll tax	374,690	363,691
Capitation fees	635,122	635,122
Administration expenses	57,362	29,370
ACTU campaign contribution	66,020	-
	<u>1,134,495</u>	<u>1,029,484</u>
<b>ASU NSW &amp; ACT (Services) Branch</b>		
Administration expense	-	311
	<u>-</u>	<u>311</u>

# ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 15 Related Parties

#### (a) Related party transactions for the reporting period

Terms and conditions of transactions with related parties:

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 2018, ASU Victorian and Tasmanian Authorities & Services Branch has a provision for doubtful debt of \$109,000 plus GST for Vision Super sponsorship revenue as this receivable is in dispute.

Except for the above, ASU Victorian and Tasmanian Authorities & Services Branch has not recorded any other impairment of receivables relating to amounts owed by related parties and declared person or body. 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.

#### (b) Key management personnel remuneration for the reporting period

	2018	2017
	\$	\$
Short-term employee benefits	386,795	389,303
Post-employment benefits	48,338	53,717
Other long-term benefits	13,083	64,832
Termination benefits	-	-
<b>Total key-management personnel remuneration</b>	<b>448,216</b>	<b>507,852</b>

# ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 15 Related Parties

#### (c) Transactions with key management personnel and their close family members

##### 1. Close family members of key management personnel employed by the reporting unit

The reporting unit has employed close family members of the reporting unit's key management personnel. Total salaries and wages paid to these employees during the year was \$462,193 (2017: 402,749).

Key management personnel with close family members employed by the reporting units are as follow:

- Troy Parkinson - Brendan Parkinson and Matthew Parkinson;
- Lisa Darmanin - Luke Cherry;
- Darcy Edgar - Kim Edgar; and
- Billy King - Brittany King.

##### 2. Transactions with entities owned by key management personnel's close family members

The reporting unit has transacted with the following entities owned by key management personnel's close family members:

- **Brian Parkinson Consulting**  
Owned by Brian Parkinson, close family member of Troy Parkinson  
Provided consultancy services to the reporting unit  
Total payment made \$nil (2017: \$17,867)
- **Advance People Property Management Solutions**  
Owned by Louise Savage, close family member of Troy Parkinson  
Provided building maintenance services to the reporting unit  
Total payments made \$3,667 (2017: \$50,074)

# ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 16 Financial Risk Management

The reporting unit's activities expose it to the primary financial risks of market, liquidity, credit and interest rate risk. The reporting unit's overall risk management approach is to identify the risks and implement safeguards which seek to minimise potential adverse effects on the financial performance of the reporting unit.

#### (a) Market risk

The reporting unit is exposed to market risk through its use of financial instruments and specifically to interest rate risk, which result from both its operating and investing activities.

#### (b) Liquidity risk

Liquidity risk is the risk that the reporting unit may not be able to meet its financial obligations as they fall due. The reporting unit has both short term and long term investments which enable sufficient cash to be available to settle obligations as they fall due.

#### (c) Credit risk

Credit risk is the risk of financial loss to the reporting unit if a member or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, receivables, deposits with banks and financial institutions and loans to branches.

There is no concentration of credit risk with respect to current receivables. The maximum exposure to credit risk for receivables at the reporting date is the carrying amount in the statement of financial position.

Cash transactions are limited to high credit quality financial institutions. Currently the investments are held in Australian banks. The reporting unit has no significant concentrations of credit risk.

#### (d) Interest rate risk

Interest rate risk is the risk that a financial instrument's value and future cash flows will fluctuate as a result of changes in market interest rates. The reporting unit's exposure to interest rate risk arises from cash at bank and term deposits.

Sensitivity analysis

As at 30 June the effect on the surplus/(deficit) as a result of changes in interest rates, with all other variables remaining constant would be as follows

	2018	2017
	\$	\$
<b>Effect on results</b>		
Increase of interest rate by 1%	63,565	36,921
Decrease of interest rate by 1%	(63,565)	(36,921)

# ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 16 Financial Risk Management

#### (e) Maturity profile of financial instruments

The maturity profile of financial assets and liabilities held are detailed below:

	Weighted Average Interest Rate	Floating Interest Rate	1 year or less	1 to 5 years	Non Interest Bearing	Total
	%	\$	\$	\$	\$	\$
<b>30 June 2018</b>						
<b>Financial Assets</b>						
Cash on hand	-	-	-	-	856	856
Cash at bank	1.08	1,440,088	-	-	-	1,440,088
Term Deposits	2.57	-	2,401,668	-	-	2,401,668
Other receivables	-	-	-	-	177,681	177,681
Investments	-	2,514,749	-	-	-	2,514,749
	-	3,954,837	2,401,668	-	178,537	6,535,042
<b>Financial liabilities</b>						
Trade & other payables	-	-	-	-	756,933	756,933
<b>Net financial assets</b>	-	3,954,837	2,401,668	-	935,470	7,291,975

# ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 16 Financial Risk Management

#### (e) Maturity profile of financial instruments

The maturity profile of financial assets and liabilities held are detailed below:

	Weighted Average Interest Rate	Floating Interest Rate	1 year or less	1 to 5 years	Non Interest Bearing	Total
	%	\$	\$	\$	\$	%
<b>30 June 2017</b>						
<b>Financial assets</b>						
Cash on hand	\$ -	\$ -	\$ -	\$ -	\$ 842	\$ 842
Cash at bank	2.00	2,637,253	-	-	-	2,637,253
Term Deposits	2.56	-	-	-	-	991,850
Other receivables	-	-	991,850	-	355,850	355,850
Investments	-	2,274,003	-	-	-	2,274,003
	-	4,911,256	991,850	-	356,692	6,259,798
<b>Financial liabilities</b>						
Trade & other payables	-	-	-	-	(598,888)	(598,888)
<b>Net financial assets</b>	\$ -	\$ 4,911,256	\$ 991,850	\$ -	\$ (242,196)	\$ 5,660,910



# ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 17 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 Commissioner

(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).

### 18 Other Information

#### Going Concern

The reporting unit's ability to continue as a going concern is not reliant on financial support from another reporting unit.

#### Financial Support

No financial support has been provided to another reporting unit to ensure that it continues as a going concern.

#### Acquisition of assets and liability under specific sections

The reporting unit did not acquire any asset or a liability during the financial year as a result of:

- An amalgamation under part 2 of Chapter 3, of the RO Act in which the organisation (of which the reporting unit form part) was the amalgamated organisation; or
- A restructure of the branches of the organisation;
- A determination by the General manager under s245(1) of the RO Act of an alternative reporting structure for the organisation; or
- A revocation by the General Manager under s249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1),

#### Acquisition of assets and liability as part of a business combination

If assets and liabilities were acquired during the financial year as part of a business combination, the requirement of the Australian Accounting Standards will be complied with. No such acquisition has occurred during the financial year.

# ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 19 Contingent liabilities

The reporting unit has ongoing legal proceedings with a former employee, who alleges contravention of the General Protections provisions of the Fair Work Act 2009. This former employee is seeking \$351,540 in damages. Ancillary cost is not readily quantifiable as at the date of this report. This matter is before the court and is listed for mediation in early December 2018.

Except for the matter disclosed above, the Committee of Management are unaware of any other contingent asset or liabilities, the effect of which may be material in relation to the financial statements.

### 20 Events Occurring After the Reporting Date

The financial report was authorised for issue on the same date the declaration is made in accordance with a resolution of the Committee of management.

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

### 21 Statutory Information

The registered office and principal place of business of the reporting unit is:

ASU Victorian and Tasmanian Authorities & Services Branch  
116-124 Queensberry Street  
Carlton South  
Victoria

### 22 Reserves

#### Grants Reserve

Grants reserve records unspent grant money that were set aside for the purpose of the grant. Grant is recognised as revenue when the reporting unit obtains control of the grant or the right to receive the grant. As such, recognition of revenue may not be in accordance with the timing of expenditure.

# ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

## Statement by the Committee of Management

On the 27/11/18 the Committee of Management of the Australian Services Union Victorian and Tasmanian Authorities & Services Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2018:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a Branch concerned;
  - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a Branch concerned;
  - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act;
  - iv. the financial records of the Branches considered as reporting units under the organisation 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 by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner;
  - vi. where any order of inspection of the financial records has been made by the Registered Organisations Commission under Section 273 of the RO Act, there has been compliance

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

Branch Secretary .....  .....  
Lisa Darmanin

Dated

27/11/18

## ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

### Independent Audit Report to the members of ASU Victorian and Tasmanian Authorities & Services Branch

#### Audit Report

We have audited the financial report of ASU Victorian and Tasmanian Authorities & Services Branch (reporting unit), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the committee of management.

In our opinion:

- (a) the general purpose financial report of Australian Services Union Victorian and Tasmanian Authorities & Services Branch presents fairly, in all material respects, the financial position as at 30 June 2018, and of its financial performance and its cash flows for the year then ended and is in accordance with:
  - (i) Australian Accounting Standards; and
  - (ii) 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).
- (b) the management's use of the going concern basis of accounting in the preparation of the reporting unit's financial report is appropriate.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibility* section of our report. We are independent of the reporting unit in accordance with the auditor independence requirements of the Corporations Act 2001 and 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 confirm that the independence declaration required by the Australian Accounting Standards (including Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009, which has been given to the committee of managements of the reporting unit, would be in the same terms if given to the committee of managements as at the time of this auditor's report.

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

## ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

### Independent Audit Report to the members of ASU Victorian and Tasmanian Authorities & Services Branch

#### Other Matter

The financial report of the reporting unit for the year ended 30 June 2017 was audited by another auditor, Eddy Partners Accountants & Auditors, who expressed an unmodified opinion on that report on 28 November 2017.

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

#### Committee of Management's Responsibility for the Financial Report

The committee of management of the reporting unit is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the RO Act, and for such internal control as the committee of management determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee of managements are 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 managements either intend to liquidate the reporting unit or to cease operations, or have no realistic alternative but to do so.

## ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

### Independent Audit Report to the members of ASU Victorian and Tasmanian Authorities & Services Branch

#### Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 managements.
- Conclude on the appropriateness of the committee of managements' 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 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 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.

## ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

### Independent Audit Report to the members of ASU Victorian and Tasmanian Authorities & Services Branch

We communicate with the directors 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.

We declare that we are an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practising Certificate.

*Saward Dawson*

Saward Dawson

*Peter Shields*

Peter Shields

Partner

Registration Number: A2017/112

Blackburn VIC

Dated this .....27th..... day of .....November.....2018



7 December 2018

Ms Lisa Darmanin  
Branch Secretary  
Australian Municipal, Administrative, Clerical and Services Union - Victorian and Tasmanian  
Authorities and Services Branch  
Sent via email: [ibu@asuvictas.com.au](mailto:ibu@asuvictas.com.au)

Dear Mr Darmanin,

### **Lodgement of Financial Report - Reminder to lodge**

The Registered Organisations Commission's (the ROC) records disclose that the financial year of the Australian Municipal, Administrative, Clerical and Services Union - Victorian and Tasmanian Authorities and Services Branch (the reporting unit) ended on the 30 June 2018.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the full financial report to be presented to a general meeting of members or a committee of management meeting is six months after the expiry date of its financial year (s.253, s254, s265, s.266, s.268). The full report must be lodged with the ROC within 14 days of that meeting.

The ROC encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the Commissioner instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the Commissioner following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$105,000 per contravention on the organisation and up to \$21,000 per contravention on an officer whose conduct led to the contravention.

We encourage you to lodge the full financial report directly to [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au). That is the official email address for electronic lodgements of material related to registered organisations matters.

Should you seek any clarification in relation to the above, please contact me on (03) 9954 2931 or via email at [Sam.Gallichio@roc.gov.au](mailto:Sam.Gallichio@roc.gov.au).

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Sam Gallichio'.

**Sam Gallichio**  
Registered Organisations Commission





21 September 2018

Ms Lisa Darmanin  
Branch Secretary  
Victorian and Tasmanian Authorities and Services Branch  
Australian Municipal, Administrative, Clerical and Services Union

By Email: [info@asuvictas.com.au](mailto:info@asuvictas.com.au)

Dear Ms Darmanin,

**Re: Lodgement of Financial Report - [FR2018/132]  
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Australian Municipal, Administrative, Clerical and Services Union - Victorian and Tasmanian Authorities and Services Branch (the reporting unit) ended on 30 June 2018. 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 the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, namely on or before 28 September 2018.

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. Currently penalties are up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual and may be 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 its rules) no later than 30 December 2018 (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 (see attached *Loans Grants and Donations* fact sheet FS 009). 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.

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, as set out above, 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 operation with effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (also available 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,



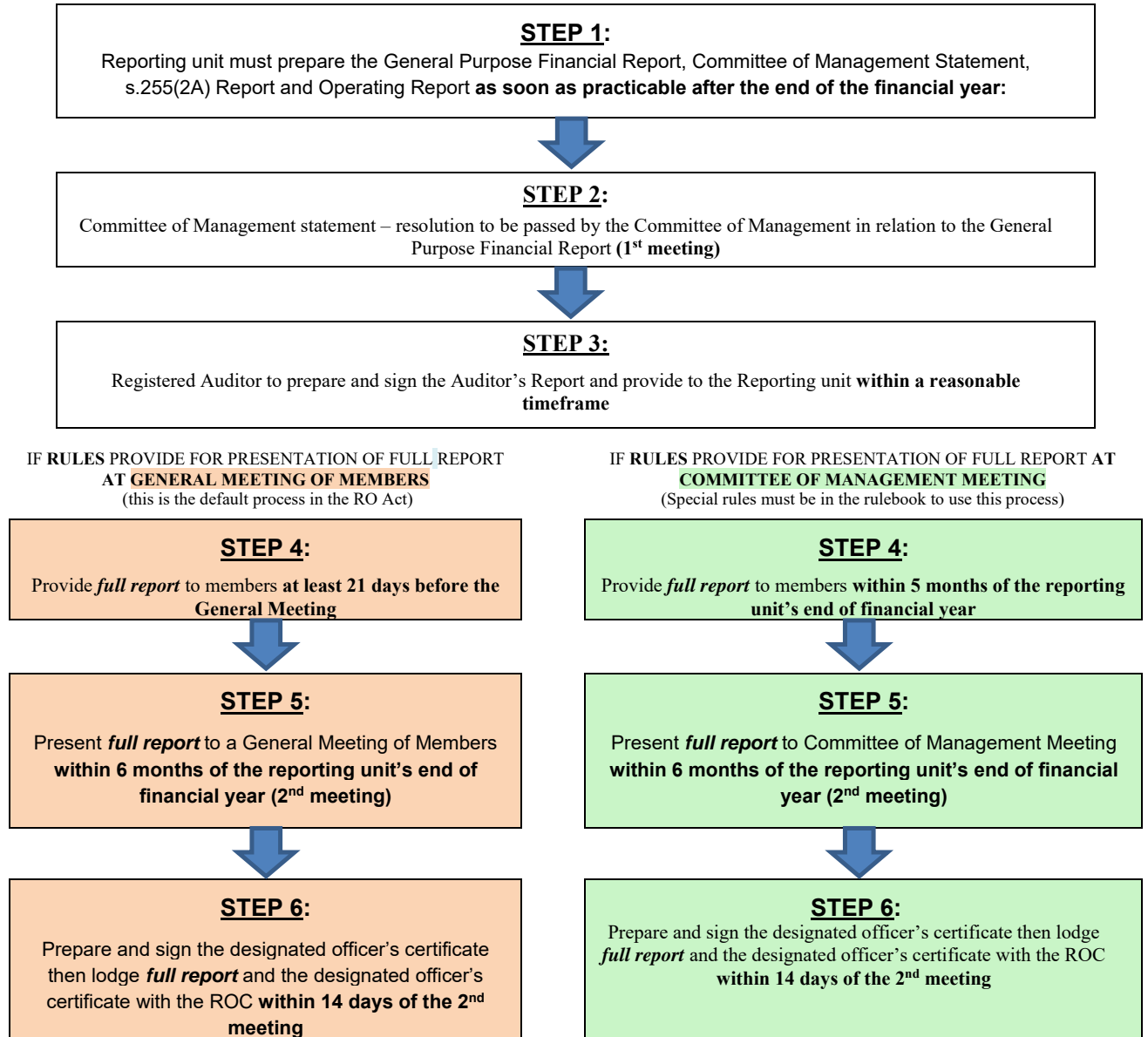
**Sarah Wilkin**  
**Registered Organisations Commission**

# Fact sheet

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

### General Information:

- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).



# Fact sheet

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Australian Government  
Registered Organisations Commission

**FS 009**  
(19 June 2017)

## 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)

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice