



1 February 2021

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

Sent via email: ldarmanin@asuvictas.com.au
CC: lkelly@asuvictas.com.au
peter.shields@sawarddawson.com.au

Dear Lisa Darmanin,

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

Financial Report for the year ended 30 June 2020 – (FR2020/212)

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

The financial report has now been filed.

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

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

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

Difference in figure reporting in loans, grants and donations statement and financial report

A loans, grants and donations statement for the reporting unit was lodged with the ROC under subsection 237(1) of the RO Act on 18 November 2020. A figure for donations that exceeded \$1,000 was also disclosed in the financial report, however this figure for donations is different to the total of the figures disclosed in the loans, grants and donations statement.

The reporting unit has advised the ROC on 20 January 2021 that the financial report erroneously includes a donation of \$1,000 in the total figure of donations paid that exceeded \$1,000.

Please ensure in next year's financial report that the comparative figure of donation expenses paid that exceeded \$1,000 is adjusted accordingly.

AASB 15 - Disaggregation of revenue from contracts with customers

Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers* paragraph 114 requires an entity to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

It appears that no such disclosure has been made.

Please note that in future years the reporting unit's general purpose financial report must include all relevant and required financial disclosures in accordance with AASB 15.

Reporting Requirements

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

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

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

Yours sincerely,



Kylie Ngo
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 2020

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 20 November 2020; and
- that the full report was presented to a meeting of the Branch Executive of the Australian Municipal, Administrative, Clerical and Services Union, Victorian and Tasmanian Authorities and Services Branch on 7 December 2020 in accordance with s.266(3) 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: 14 December 2020



ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Financial Statements

For the Year Ended 30 June 2020

ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

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ASU Victorian and Tasmanian Authorities & Services Branch

ABN: 76 569 632 753

Operating Report

For the Year Ended 30 June 2020

The Committee of Management presents its operating report on the Reporting Unit for the year ended 30 June 2020.

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 2020 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>
Lisa Darmanin	Vision Super Pty Ltd	Vision Super	Deputy Chair 1/7/2019- 30/6/2020
Diane Smith	Vision Super Pty Ltd	Vision Super	Director 1/7/2019-30/6/2020

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 24,198 (2019: 23,789)

ASU Victorian and Tasmanian Authorities & Services Branch

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Operating Report

For the Year Ended 30 June 2020

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 70 (2019: 67).

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>
<u>Full time Officers</u>		
Lisa Darmanin	Branch Secretary	1/7/2019 to 30/6/2020
Raymond (Billy) King	Branch Executive President	1/7/2019 to 30/6/2020
Michelle Jackson	Deputy Secretary	1/7/2019 to 30/6/2020
Melissa Wainwright	Assistant Secretary	1/7/2019 to 30/6/2020
Leon Wiegard	Assistant Secretary	1/7/2019 to 30/6/2020
<u>Honorary Officers</u>		
Barry Gough	Branch President	1/7/2019 to 30/6/2020
Jan Wrigley	Branch Senior Vice President	1/7/2019 to 30/6/2020
Wendy Phillips	Branch Vice President (Women)	1/7/2019 to 30/06/2020
Bianca Long	Branch Executive Member (Youth)	1/7/2019 to 30/6/2020
<u>Committee Members</u>		
Dale Borthwick	Committee Member	1/7/2019 to 30/6/2020
Piergiorgio Moro	Committee Member	1/7/2019 to 30/6/2020
Maree Renden	Committee Member	1/7/2019 to 30/6/2020
Thomas Hillebrand	Committee Member	1/7/2019 to 30/6/2020
Diane Smith	Committee Member	1/7/2019 to 30/6/2020
Andrew Bayes	Committee Member	1/7/2019 to 30/6/2020
Brad Pierce	Committee Member	1/7/2019 to 30/6/2020

ASU Victorian and Tasmanian Authorities & Services Branch

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Operating Report

For the Year Ended 30 June 2020

<u>Name</u>	<u>Position</u>	<u>Period</u>
Kristy Meikle	Committee Member	1/7/2019 to 30/6/2020
Gary Browne	Committee Member	1/7/2019 to 30/6/2020
Simon Davis	Committee Member	1/7/2019 to 30/6/2020
Susan Bratby	Committee Member	1/7/2019 to 30/6/2020
Dawn Stuart	Committee Member	1/7/2019 to 30/6/2020
Libby Jamieson	Committee Member	1/7/2019 to 30/6/2020
Penny Flynn	Committee Member	1/7/2019 to 30/6/2020

Signature of designated officer:



Name and title of designated officer:

LISA DARMANN, Branch Secretary

Dated:

17 November 2020

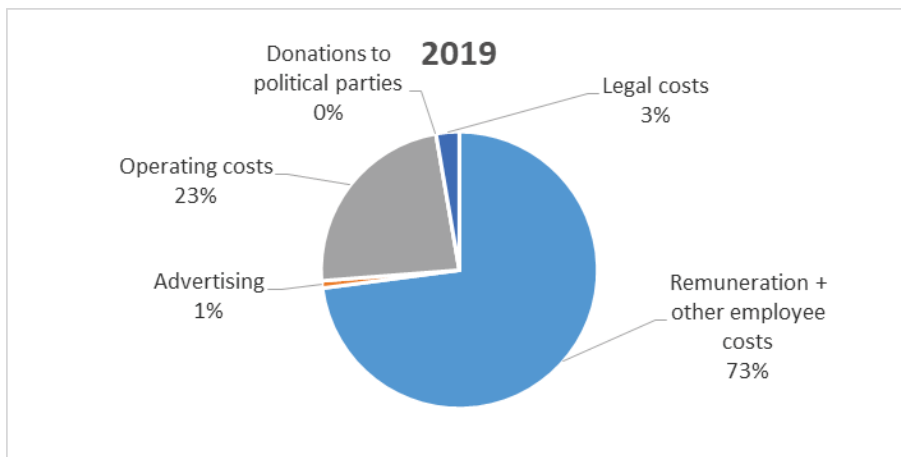
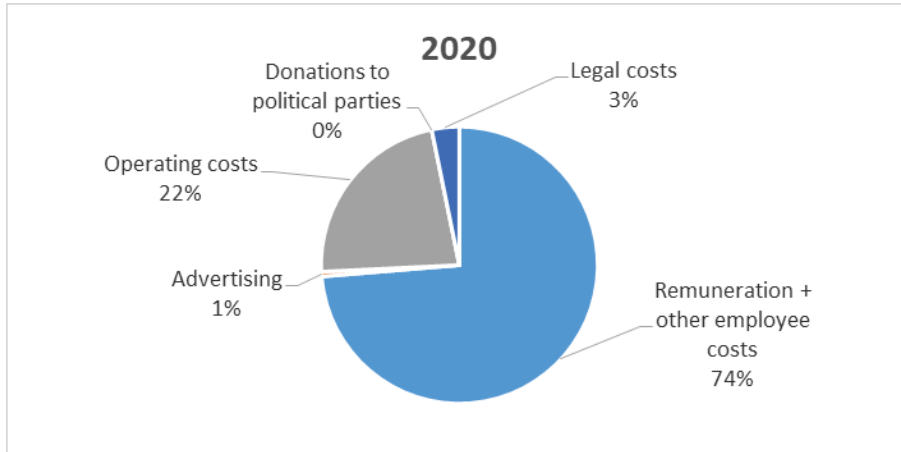
ASU Victorian and Tasmanian Authorities & Services Branch

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Expenditure Report Required under Section 255(2A)

For the Year Ended 30 June 2020

The Branch Secretary presents the expenditure report as required under subsection 255(2A) on the Branch for the year ended 30 June 2020.



*Excluded expenses include levies, movement in fair value of financial assets, depreciation & impairment, grants and donations

Branch Secretary

Lisa Darmanin

Date:

17 November 2020

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 2020

		2020	2019
	Note	\$	\$
Member subscriptions		11,734,017	11,755,791
Interest revenue		54,390	79,090
Other revenue	4	430,763	552,138
Total Revenue		12,219,170	12,387,019
Employee benefits expense	5(a)	(8,567,379)	(8,772,920)
Capitation fees	5(b)	(618,342)	(602,962)
Affiliation fees	5(c)	(286,188)	(295,098)
Operational expenses	5(d)	(915,122)	(1,082,205)
Donations	5(e)	(60,194)	(3,050)
Depreciation	5(g)	(337,219)	(376,365)
Legal fees	5(h)	(374,314)	(325,603)
Communications expenses		(154,194)	(148,112)
Travel expenses		(78,812)	(121,955)
Motor vehicle expenses		(333,918)	(408,604)
Occupancy expenses		(302,239)	(292,153)
Loss on fixed asset disposal		10,250	(7,140)
Total Expenses		(12,017,671)	(12,436,167)
Surplus/(Deficit) for the year		201,499	(49,148)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		201,499	(49,148)

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 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	4,345,665	3,625,773
Trade and other receivables	7	221,642	160,388
Other current assets	8	8,127	283,241
TOTAL CURRENT ASSETS		<u>4,575,434</u>	<u>4,069,402</u>
NON-CURRENT ASSETS			
Other financial assets	10	2,167,431	2,280,029
Property, plant and equipment	9	4,734,087	4,687,241
TOTAL NON-CURRENT ASSETS		<u>6,901,518</u>	<u>6,967,270</u>
TOTAL ASSETS		<u>11,476,952</u>	<u>11,036,672</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	519,855	542,867
Short-term provisions	12(a)	2,196,922	1,986,874
Income in advance		19,461	-
TOTAL CURRENT LIABILITIES		<u>2,736,238</u>	<u>2,529,741</u>
NON-CURRENT LIABILITIES			
Long-term provisions	12(b)	63,903	31,619
TOTAL NON-CURRENT LIABILITIES		<u>63,903</u>	<u>31,619</u>
TOTAL LIABILITIES		<u>2,800,141</u>	<u>2,561,360</u>
NET ASSETS		<u>8,676,811</u>	<u>8,475,312</u>
EQUITY			
Member's Defence Fund		112,621	-
Retained earnings		8,564,190	8,475,312
TOTAL EQUITY		<u>8,676,811</u>	<u>8,475,312</u>

The accompanying notes form part of these financial statements.

ASU Victorian and Tasmanian Authorities & Services Branch

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Statement of Changes in Equity

For the Year Ended 30 June 2020

2020

	Retained earnings	Member's Defence Fund	Grants reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2019	8,475,312	-	-	8,475,312
Surplus for the year	201,499	-	-	201,499
Transfer to/from reserves	(112,621)	112,621	-	-
Balance at 30 June 2020	8,564,190	112,621	-	8,676,811

2019

	Retained earnings	Member's Defence Fund	Grants reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2018	8,248,014	-	276,446	8,524,460
Deficit for the year	(49,148)	-	-	(49,148)
Transfers to retained earnings from grants reserves	276,446	-	(276,446)	-
Balance at 30 June 2019	8,475,312	-	-	8,475,312

The accompanying notes form part of these financial statements.

ASU Victorian and Tasmanian Authorities & Services Branch

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Statement of Cash Flows For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members and other customers	13,047,057	13,289,063
Receipts from other reporting units	267,604	208,482
Interest received	53,650	84,822
Investment distribution received	72,288	101,297
Payments to employees and suppliers	(11,276,424)	(12,476,494)
Payments to other reporting units	(1,150,099)	(1,458,094)
Net cash provided by/(used in) operating activities	14 <u>1,014,076</u>	<u>(250,924)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	100,451	125,828
Purchase of plant and equipment	(474,266)	(352,776)
Purchase of investments	(74,373)	(116,467)
Proceeds from sale of investments	154,004	377,501
Net cash provided by/(used in) investing activities	<u>(294,184)</u>	<u>34,086</u>
Net increase/(decrease) in cash and cash equivalents held	719,892	(216,838)
Cash and cash equivalents at beginning of year	3,625,773	3,842,611
Cash and cash equivalents at end of financial year	6 <u>4,345,665</u>	<u>3,625,773</u>

The accompanying notes form part of these financial statements.

ASU Victorian and Tasmanian Authorities & Services Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2020

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.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

The organisation enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

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

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

Membership subscriptions

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

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

ASU Victorian and Tasmanian Authorities & Services Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(a) Revenue and other income

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

For member subscriptions paid annually in advance, the [reporting unit] has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the organisation at their standalone selling price, the organisation accounts for those sales as a separate contract with a customer.

Capitation fees

Where the organisation arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the organisation recognises the capitation fees promised under that arrangement when or as it transfers the goods or services.

In circumstances where the criteria for a contract with a customer are not met, the organisation will recognise capitation fees as income upon receipt (as specified in the income recognition policy below).

Levies

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as the organisation transfers the goods or services.

In circumstances where the criteria for a contract with a customer are not met, the organisation will recognise levies as income upon receipt (as specified in the income recognition policy below).

Income of the organisation as a Not-for-Profit Entity

Consideration is received by the organisation to enable the entity to further its objectives. The organisation recognises each of these amounts of consideration as income when the consideration is received (which is when the organisation obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the organisation's recognition of the cash contribution does not give to any related liabilities.

ASU Victorian and Tasmanian Authorities & Services Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(a) Revenue and other income

During the year, the organisation received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- donations and voluntary contribution from members (including whip arounds); and
- government grants.

Rental income

Leases in which the organisation as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Interest income

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

Other revenue

Other revenue is recognised when the right to receive the revenue has been established.

All revenue stated is net of the amounts 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

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

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

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

ASU Victorian and Tasmanian Authorities & Services Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(b) Employee benefits

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

(c) Leases

At inception of a contract, the reporting unit assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The reporting unit has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The reporting unit has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Right-of-use Asset

At the lease commencement, the reporting unit recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the reporting unit believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease Liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the reporting unit's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the reporting unit's assessment of lease term.

ASU Victorian and Tasmanian Authorities & Services Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(c) Leases

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The reporting unit has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The reporting unit recognises the payments associated with these leases as an expense 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

Initial recognition and measurement

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

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

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

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

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

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.

ASU Victorian and Tasmanian Authorities & Services Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(e) Financial instruments

Subsequent measurement

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

- financial assets at amortised cost
- financial assets at fair value through other comprehensive income
- financial assets at fair value through profit or loss
- financial assets designated at fair value through profit or loss

Financial assets at amortised cost

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

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

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

The reporting unit's financial assets at amortised cost includes trade receivables and term deposits.

Financial assets at fair value through profit or loss

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

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

ASU Victorian and Tasmanian Authorities & Services Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(e) Financial instruments

De-recognition

A financial asset is derecognised when:

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

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

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

Offsetting

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

Impairment of financial assets - Trade receivables

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

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

(f) Impairment of non-financial assets

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

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Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(f) Impairment of non-financial assets

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

(g) 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 and building, is depreciated on a reducing balance 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.

ASU Victorian and Tasmanian Authorities & Services Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(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

The reporting unit has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the reporting unit.

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

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

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

ASU Victorian and Tasmanian Authorities & Services Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(j) Adoption of new and revised accounting standards

(i) Adoption of new Australian Accounting Standards requirements

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

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

The reporting unit adopted AASB 15 and AASB 1058 using the modified retrospective method of adoption, with the date of initial application of 1 July 2019. The reporting unit has not made any adjustment to opening retained earnings at the date of initial application, i.e., 1 July 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income recognition.

The adoption of AASB 15 and AASB 1058 did not have a material impact on the reporting unit's financial statements

Impact on adoption of AASB 16 Leases

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

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

The reporting unit does not have lease contracts, hence the change in accounting policy has no impact on the reporting unit.

ASU Victorian and Tasmanian Authorities & Services Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2020

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 debtors historical credit loss experience, adjusted for forward-looking factors specific to the debtors and economic environment.

ASU Victorian and Tasmanian Authorities & Services Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2020

4 Other Revenue

	2020	2019
	\$	\$
Other Revenue		
- Rental income from ASU Victorian Private Sector Branch	63,288	79,113
- Rental income from other non-reporting units	25,671	20,930
- Government grants	-	159,945
- Sponsorship income	80,160	14,637
- Net movement in fair value in financial assets	(32,967)	26,314
- Sundry income	103,323	68,981
- Dividends and distributions received	72,288	101,297
- Super board director fees received	119,000	80,921
- Capitation fees	-	-
- Levies	-	-
- Donations received	-	-
- Financial support from other reporting units	-	-
- Revenue derived from undertaking recovery of wages activity	-	-
	<u>430,763</u>	<u>552,138</u>

5 Expenses

(a) Employee benefits

Office holders

Wages & Salaries	619,728	299,544
Superannuation contributions	92,797	44,223
Leave entitlements	117,575	80,609
Separation and redundancies	-	-
Other employee expenses	40,988	20,652

Subtotal employee expenses - Holders of Office

<u>871,088</u>	<u>445,028</u>
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Employees (including contract staff) other than office holders

Wages and salaries	4,889,668	5,214,796
Superannuation contributions	749,304	801,537
Leave entitlements	1,695,184	1,623,236
Separation and redundancies	-	301,852
Other employee expenses	362,135	386,471

Subtotal employee expense - employees other than office holders

<u>7,696,291</u>	<u>8,327,892</u>
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Total employee benefits

<u>8,567,379</u>	<u>8,772,920</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 2020

5 Expenses

(b) Capitation fees

	2020	2019
	\$	\$
ASU National Office	618,342	602,962
Total capitation fees	618,342	602,962

(c) Affiliation fees

Victorian Trades Hall Council	114,872	139,929
Unions Tasmania	13,210	-
Regional Trades & Labour Councils	26,979	22,025
Australian Labor Party	131,127	133,144
Total affiliation fees	286,188	295,098

(d) Operating expenses

Consideration to employers for payroll deductions	603	636
Industry Division Levy - ASU National Office (i)	1,301	1,301
ACTU campaign contribution (ii)	-	66,020
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	171,779	257,566
Administration expenses	722,282	742,618
Low-value lease expense	19,157	14,064
Penalties - via RO Act or RO Regulations	-	-
Total operating expenses	915,122	1,082,205

(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	1,467	1,050
Total paid that exceeded \$1,000	58,727	2,000
Total donations	60,194	3,050

ASU Victorian and Tasmanian Authorities & Services Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2020

5 Expenses

(f) Grants

	2020	2019
	\$	\$
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants	-	-

(g) Depreciation

Motor Vehicles	191,317	226,644
Buildings	104,779	104,782
Furniture and equipment	41,123	44,939
Total depreciation	337,219	376,365

(h) Legal costs

Litigation	295,199	234,730
Other legal matters	79,115	90,873
Total legal costs	374,314	325,603

(i) Remuneration of auditors

Financial statement audit services	23,000	22,300
Other services	44,087	17,200
Total remuneration of auditors	67,087	39,500

6 Cash and Cash Equivalents

Cash on hand	1,000	879
Bank balances	1,841,936	1,162,108
Short-term deposits	2,502,729	2,462,786
Total cash and cash equivalents	4,345,665	3,625,773

ASU Victorian and Tasmanian Authorities & Services Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2020

7 Trade and Other Receivables

	2020	2019
	\$	\$
CURRENT		
Receivables from other reporting units		
ASU National Office	68,865	83,237
	<u>68,865</u>	<u>83,237</u>
Other receivables		
Other trade receivables	152,777	89,526
	<u>152,777</u>	<u>89,526</u>
Less provision for doubtful debt		
Non-reporting units	-	(12,375)
	<u>-</u>	<u>(12,375)</u>
Less allowance for expected credit losses		
Total current trade and other receivables	<u><u>221,642</u></u>	<u><u>160,388</u></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.

8 Other Assets

CURRENT		
Prepayments	1,447	277,101
Interest receivable	6,680	5,940
Rental bond	-	200
	<u>-</u>	<u>200</u>
Total other assets	<u><u>8,127</u></u>	<u><u>283,241</u></u>

ASU Victorian and Tasmanian Authorities & Services Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2020

9 Property, plant and equipment

	2020	2019
	\$	\$
Land & Buildings - Queensberry Street		
At cost	3,817,105	3,817,105
Building improvement	348,719	274,148
Accumulated depreciation	(972,183)	(869,903)
Total land and buildings - Queensberry Street	<u>3,193,641</u>	<u>3,221,350</u>
Land & Buildings - Macquarie Street		
At cost	570,000	570,000
Accumulated depreciation	(17,849)	(15,350)
Total land and buildings - Macquarie Street	<u>552,151</u>	<u>554,650</u>
Furniture, fixtures and fittings		
At cost	1,209,444	1,176,656
Accumulated depreciation	(1,020,657)	(1,011,748)
Total furniture, fixtures and fittings	<u>188,787</u>	<u>164,908</u>
Motor vehicles		
At cost	1,478,634	1,548,572
Accumulated depreciation	(679,126)	(802,239)
Total motor vehicles	<u>799,508</u>	<u>746,333</u>
Total property, plant and equipment	<u><u>4,734,087</u></u>	<u><u>4,687,241</u></u>

ASU Victorian and Tasmanian Authorities & Services Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2020

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
	\$	\$	\$	\$
Year ended 30 June 2020				
Balance at the beginning of year	3,776,000	164,908	746,333	4,687,241
Additions	74,571	65,002	334,693	474,266
Disposals	-	-	(90,201)	(90,201)
Depreciation expense	(104,779)	(41,123)	(191,317)	(337,219)
Balance at the end of the year	3,745,792	188,787	799,508	4,734,087

	Land & Buildings	Furniture and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Year ended 30 June 2019				
Balance at the beginning of year	3,880,782	190,108	772,908	4,843,798
Additions	-	19,739	331,679	351,418
Disposals	-	-	(131,610)	(131,610)
Depreciation expense	(104,782)	(44,939)	(226,644)	(376,365)
Balance at the end of the year	3,776,000	164,908	746,333	4,687,241

Land & Buildings - 116 124 Queensberry Street, Carlton South

Office premises at 116-124 Queensberry Street Carlton is partly-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(g), 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 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 2020

10 Financial Assets

	2020	2019
	\$	\$
Fair value through profit or loss financial assets		
Managed fund - Industry Fund Services	2,165,554	2,278,152
Listed shares - MyState Limited	1,877	1,877
Total investment	<u>2,167,431</u>	<u>2,280,029</u>

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	336,698	248,675
GST payable	155,308	270,095
Consideration to employers for payroll deductions	41	31
Legal fee payable - Litigation	18,640	7,405
Legal fee payable - Other legal matters	9,168	10,557
Subtotal trade and other payables	<u>519,855</u>	536,763
Payable to other reporting units		
ASU National Office	-	6,104
Subtotal payables to other reporting units	<u>-</u>	<u>6,104</u>
	<u>519,855</u>	<u>542,867</u>

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 2020

12 Provisions

(a) Employee provisions - Current

	2020	2019
	\$	\$
Office holders		
Annual leave	130,051	55,177
Long service leave	314,769	149,867
Separations and redundancies	-	-
Other	-	-
	<u>444,820</u>	<u>205,044</u>
Employees other than office holders		
Annual leave	971,665	915,051
Long service leave	780,437	866,779
Separations and redundancies	-	-
Other	-	-
	<u>1,752,102</u>	<u>1,781,830</u>
Total employee provisions - Current	<u>2,196,922</u>	<u>1,986,874</u>

(b) Employee provisions - non-current

Office holders		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
	<u>-</u>	<u>-</u>
Employees other than office holders		
Annual leave	-	-
Long service leave	63,903	31,619
Separations and redundancies	-	-
Other	-	-
	<u>63,903</u>	<u>31,619</u>
Total employee provisions - non-current	<u>63,903</u>	<u>31,619</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2020

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 lessor

- no later than one year	101,266	98,316
- between one year and five years	266,246	477,019
	<u>367,512</u>	<u>575,335</u>

5 years lease of office premise expiring 1 January 2022.

(b) Capital commitments

At 30 June 2020 the reporting unit has no significant capital commitments.

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:

	2020	2019
	\$	\$
Surplus/(Deficit) for the year	201,499	(49,148)
Non-cash flows in result:		
- depreciation	337,219	376,365
- net (gain)/loss on disposal of property, plant and equipment	(10,250)	7,140
- provision for doubtful debts	(12,375)	-
- fair value movements on investments	32,967	(26,314)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(49,419)	17,293
- (increase)/decrease in other assets	275,654	(229,705)
- increase/(decrease) in trade and other payables	(23,012)	(214,066)
- increase/(decrease) in other liabilities	19,461	-
- increase/(decrease) in employee benefits	242,332	(132,489)
Cashflows from operations	<u>1,014,076</u>	<u>(250,924)</u>

ASU Victorian and Tasmanian Authorities & Services Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2020

14 Cash Flow Information

(b) Cash flow information

Cash inflows

ASU - National office	176,241	99,645
ASU - Victorian Private Sector Branch	91,363	108,837
Total cash inflows	267,604	208,482

Cash outflows

ASU - National Office	1,150,099	1,457,297
ASU - SA & NT Branch	-	797
Total cash outflows	1,150,099	1,458,094

ASU Victorian and Tasmanian Authorities & Services Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2020

15 Related Parties

(a) Related party transactions for the reporting period

	2020	2019
	\$	\$
Revenue received includes the following:		
ASU National Office		
Office and administration expenses recovered	115,551	95,202
ASU Victorian Private Sector Branch		
Office rental	63,288	79,113
Office and administration expenses recovered	28,075	29,506
	<u>91,363</u>	<u>108,619</u>
Vision Super		
Sponsorship revenue	43,614	-
Board Directors fees	119,000	80,921
	<u>162,614</u>	<u>80,921</u>
HESTA Super		
Sponsorship revenue	6,818	6,818
	<u>6,818</u>	<u>6,818</u>
Expenses paid include the following:		
ASU National Office		
Industry division levy	1,301	1,301
Payroll tax	385,717	411,602
Capitation fees	618,342	602,962
Administration expenses	71,419	56,774
ACTU campaign contribution	-	66,020
	<u>1,076,779</u>	<u>1,138,659</u>
ASU SA & NT Branch		
Administration expense	-	797
	<u>-</u>	<u>797</u>

ASU Victorian and Tasmanian Authorities & Services Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2020

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.

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

	2020	2019
	\$	\$
Short-term employee benefits	737,303	380,153
Post-employment benefits	92,797	44,223
Termination benefits	-	-
Total key-management personnel remuneration	830,100	424,376

ASU Victorian and Tasmanian Authorities & Services Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2020

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 \$344,210 (2019: \$399,141).

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

- Lisa Darmanin - Luke Cherry; and
- Billy King - Brittany King.

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 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.

ASU Victorian and Tasmanian Authorities & Services Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2020

16 Financial Risk Management

(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

	2020	2019
	\$	\$
Effect on results		
Increase of interest rate by 1%	65,121	59,049
Decrease of interest rate by 1%	(65,121)	(59,049)

17 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.

Member's Defence Fund

The Member's Defence Fund consists of a portion of contribution received from membership fees set aside to be used for, but not limited to, the following:

- as a strike fund;
- legal costs incurred as a result of industrial action; and
- costs incurred as result of media and industrial campaigns.

The fund is held in cash at bank and not invested in any assets.

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Notes to the Financial Statements

For the Year Ended 30 June 2020

18 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).

19 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).

ASU Victorian and Tasmanian Authorities & Services Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2020

19 Other Information

Other Disclosure Requirements

Other than the disclosures made in this financial report, no activity occurred during the year (nor in the previous year) in relation to the following specific items required to be disclosed under the Reporting Guidelines issues under s.253 of the *Fair Work (Registered Organisations) Act 2009*;

- Receivables nor payables from another reporting unit;
- Administration of financial affairs by another entity;
- Acquisition of assets and liabilities as part of a business combination;
- Acquisition of assets and liabilities under specific sections;
- Having a fund or account for compulsory levies, voluntary contributions or required by the rules of the company; and
- Making a payment to a former related party of the reporting unit.
- Transferring to or withdrawing from a fund (other than the grants reserves), account, asset or controlled entity.

20 Contingent liabilities

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.

21 Events Occurring After the Reporting Date

Subsequent to balance date, there has been the continuing impact of the global outbreak of Coronavirus disease (COVID-19) that has caused a significant impact to the global economy. There are no adjusting entries to the financial statements as at 30 June 2020 and management believes there the outbreak is unlikely to have an impact on the future financial performance and position. The financial assets reported are based on the market value as at 30 June 2020. Investment markets volatility has continued to occur as a result of the economic impacts of the pandemic. Management do not believe that the impact of COVID-19 will impact the ability of the organisation to continue as a going concern.

22 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

ASU Victorian and Tasmanian Authorities & Services Branch

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Statement by the Committee of Management


On the 16 Nov 2020 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 2020:

The Committee of Management declares that in its opinion:

- (c) the financial statements and notes comply with the Australian Accounting Standards;
- (d) 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);
- (e) 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;
- (f) 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
- (g) 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 Fair Work (Registered Organisations) Act 2009;
 - 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 Fair Work Commission under Section 273 of the RO Act, there has been compliance

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

Branch Secretary



Lisa Darmanin

Dated

17 November 2020

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 2020, 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, subsection 255(2A) report 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 2020, 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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

ASU Victorian and Tasmanian Authorities & Services Branch

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

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 requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009, 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 Peter Shields is a registered auditor under the RO Act.

Saward Dawson

Saward Dawson

Peter Shields

Peter Shields

Partner

Registration Number: A2017/112

Blackburn VIC

Dated this17..... day ofNovember.....2020