



20 November 2014

Ms Ingrid Stitt
Secretary

Australian Municipal, Administrative, Clerical and Services Union, Victorian Private Sector Branch
email: istitt@asupsvic.org

cc: Mr David Eddy, Eddy Partners, email: info@eddypartners.com.au

Dear Ms Stitt,

Australian Municipal, Administrative, Clerical and Services Union, Victorian Private Sector Branch - Financial Report for the year ended 30 June 2014 [FR2014/306]

I acknowledge receipt of the financial report of the Australian Municipal, Administrative, Clerical and Services Union, Victorian Private Sector Branch. The documents were lodged with the Fair Work Commission on 14 November 2014.

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

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

Please note that the financial report for the year ending 30 June 2015 may be subject to an advanced compliance review.

Reporting Requirements

A number of factsheets in relation to the financial reporting process and associated timelines are available on the FWC website. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7942 or via email at rebecca.lee@fwc.gov.au.

Yours sincerely,

Rebecca Lee
Regulatory Compliance Branch



A•S•U

14 November 2014

Robert Pfeiffer
Senior Adviser
Regulatory Compliance Branch
Fair Work Commission

Dear Mr Pfeiffer

Re: Financial Statements for the Year Ending 30 June 2014 – Australian Municipal, Administrative, Clerical and Services Union -Victorian Private Sector Branch [FR2014/306]

In accordance with our obligations under the Fair Work (Registered Organisations) Act 2009 please find the following reports for the Australian Municipal, Administrative, Clerical and Services Union, Victorian Private Sector Branch:

1. Statement of Financial Position
2. Committee of Management Statement
3. Operating Report
4. Independent Auditor's Report
5. Designated Officers Certificate

The above reports have been emailed today to orgs@fwc.gov.au for your convenience.

Yours sincerely,

Ingrid Stitt
BRANCH SECRETARY

Australian Services Union

Victorian Private Sector Branch
ABN 15 278 369 860

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PO Box 447 Carlton South 3053
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Email: info@asupsvic.org Website: www.asuvic.org

Branch Secretary Ingrid Stitt
Assistant Secretary David Leydon

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
FOR YEAR ENDED 30TH JUNE 2014**

I, **Ingrid Stitt** being the Secretary of the Australian Services Union – Victorian Private Sector Branch certify:

- that the documents lodged herewith are copies of the full report for the Australian Services Union – Victorian Private Sector Branch for the year ended 30th June 2014 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 19th day of September 2014; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 14th day of November 2014 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: 

Name of prescribed designated officer: INGRID STITT

Title of prescribed designated officer: BRANCH SECRETARY

Dated: 14 / 11 / 14

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2014**

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**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2014**

The Committee of Management presents its report on the operation of the Branch for the financial year ended 30 June 2014.

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 2014 were:

- to uphold the rights of organized labour, to improve, protect and foster the best interests of members and to subscribe to and/or co-operate with a policy of improving the cultural and living standards of members;
- to watch over, improve, foster and protect the interests of members; and to obtain and maintain for members reasonable hours of work and fair wages and industrial conditions.

Operating Result

The operating result of the Branch for the year ended 30th June 2014 was a surplus of \$98,615 [2013: \$185,687]. No provision for tax was necessary as the Branch is considered exempt.

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 & employees who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

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>Name of Entity / Scheme:</u>	<u>Position:</u>
Vicki Rogers	L.I.S. Pty Limited	Legal Industry Superannuation Scheme	Director

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2014**

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

The following officers and/or employees of the Branch are directors of companies or members of boards -

<u>Officer/Employee:</u>	<u>Company/Board:</u>	<u>Principal Activity:</u>	<u>Criteria:</u>
Ingrid Stitt	Business Skills Victoria	Advice provider for training demand	Nominated by Branch
Lindsay Hesketh	Island Hotels Ltd	Hotel operation	Private company

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 sec. 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the Branch under sec. 244 of the Fair Work (Registered Organisations) Act 2009 was 5,583.

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 10.73;

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:

Name:	Position:	Period:
Vicki Rogers	Branch President	1/7/2013 to 30/6/2014
Enza Peers	Branch Vice President	1/7/2013 to 30/6/2014
Ingrid Stitt	Branch Secretary	1/7/2013 to 30/6/2014
David Leydon	Assistant Branch Secretary	1/7/2013 to 30/6/2014
Alan Hall	Committee Member	1/7/2013 to 30/6/2014
Lindsay Hesketh	Committee Member	1/7/2013 to 30/6/2014
Steve McInerney	Committee Member	1/7/2013 to 30/6/2014
Amanda Dando	Committee Member	1/7/2013 to 30/6/2014
Robyn Bull	Committee Member	1/7/2013 to 30/6/2014
Carita Kazakoff	Committee Member	1/7/2013 to 30/6/2014

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2014**

Disclosure statements – Remuneration and non-cash benefits of highest paid officers

The two highest paid officers of the Branch for the disclosure period ended 30th June 2014 and the amounts of relevant remuneration paid to them and the value or form of non-cash benefits received by them is as set out in the table below:

Name of officer	Actual amount of relevant remuneration	Value of or form of non-cash benefits
Ingrid Stitt	\$ 120,413	\$ 1,044
David Leydon	\$ 109,080	\$ 2,829


Disclosure statements – Officers’ material personal interests

No officer of the Branch has disclosed any material personal interests that they or a relative of theirs has in a matter that relates to the affairs of the Branch in the year ended 30th June 2014.

Disclosure by Branch of payments to related parties or declared persons

The Branch has made total payments to the following related parties of the Branch in the year ended 30th June 2014:

Related Party	Officer	Total of payments made
Matt Norrey	No	\$ 100,848
Sophie Hall	No	\$ 64,599

Signature of designated officer: 

Name and title of designated officer: INGRID STITT
BRANCH SECRETARY

Dated: 16/9/14

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

On the 16th September 2014 the Committee of Management of the Australian Services Union – Victorian Private Sector Branch passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 30th June 2014:

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 the reporting guidelines of the General Manager;
- (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 GPRF 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; and
 - (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; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act, it has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

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

Signature of designated officer: 

Name and title of designated officer: INGRID STITT
BRANCH SECRETARY

Dated: 16/9/14

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
Revenue			
Membership subscriptions		1,864,449	1,819,474
Interest		50,875	54,149
Other revenue	3	101,718	140,383
Total revenue		2,017,042	2,014,006
Expenses			
Employee expenses	4	1,017,609	1,009,804
Capitation fees	4	141,253	139,292
Affiliation fees	4	54,267	53,146
Administration expenses	4	653,395	514,760
Grants or donations	4	1,865	12,585
Depreciation and amortisation	4	26,589	14,484
Legal costs	4	1,339	66,216
Audit fees		16,220	15,750
Net losses from sale of assets		5,890	2,282
Total expenses		1,918,427	1,828,319
Profit (loss) for the year		98,615	185,687
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss		-	-
Total comprehensive income for the year		98,615	185,687

The accompanying notes form part of the financial statements.

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

	Notes	2014 \$	2013 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	557,914	393,077
Trade and other receivables	6	14,963	45,319
Financial assets	7	998,454	958,209
Other current assets	8	12,226	20,702
Total current assets		1,583,557	1,417,307
Non-Current Assets			
Plant and equipment	9	133,290	40,912
Total non-financial assets		133,290	40,912
Total assets		1,716,847	1,458,219
LIABILITIES			
Current Liabilities			
Trade and other payables	10	136,960	98,720
Borrowings	11	18,225	-
Provisions	12	237,041	204,701
Total current liabilities		392,226	303,421
Non-Current Liabilities			
Borrowings	11	63,787	-
Provisions	12	19,066	11,645
Total non-current liabilities		82,853	11,645
Total liabilities		475,079	315,066
Net assets		1,241,768	1,143,153
EQUITY			
Accumulated Funds		1,241,768	1,143,153
Total equity		1,241,768	1,143,153

The accompanying notes form part of the financial statements.

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014**

	Retained earnings	Total equity
	\$	\$
Balance as at 1 July 2012	957,466	957,466
Profit for the year	185,687	185,687
Balance as at 30 June 2013	<u>1,143,153</u>	<u>1,143,153</u>
Balance as at 1 July 2013	1,143,153	1,143,153
Profit for the year	98,615	98,615
Balance as at 30 June 2014	<u>1,241,768</u>	<u>1,241,768</u>

The accompanying notes form part of the financial statements.

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	14B	2,255	3,229
Receipts from members		1,864,200	1,824,852
Interest		50,699	53,581
Other		130,590	152,650
Cash used			
Payments to Employees & Suppliers		(1,528,269)	(1,645,176)
Payment to other reporting units/controlled entity(s)	14B	(271,547)	(227,106)
Net cash from (used by) operating activities	14A	247,928	162,030
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	-
Cash used			
Purchase of plant and equipment		(33,734)	(8,211)
Purchase of bank bills		(40,245)	(44,759)
Net cash from (used by) investing activities		(73,979)	(52,970)
FINANCING ACTIVITIES			
Cash received			
Other		-	-
Cash used			
Repayment of borrowings	14B	(9,112)	-
Net cash from (used by) financing activities		(9,112)	-
Net increase (decrease) in cash held		164,837	109,060
Cash & cash equivalents at the beginning of the reporting period		393,077	284,017
Cash & cash equivalents at the end of the reporting period	5	557,914	393,077

The accompanying notes form part of the financial statements.

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

1. Summary of significant accounting policies

1a Basis of preparation of the financial statements

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

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1b Comparative amounts

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

1c Significant accounting judgements and estimates

The preparation of financial statements requires the Branch 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.

1d New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

The accounting policies adopted are consistent with those of the previous financial year.

Future Australian Accounting Standards Requirements

There were no new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on Australian Services Union – Victorian Private Sector Branch

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

1e Revenue

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

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

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

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

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

1f Gains

Sale of assets

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

1g Capitation fees and levies

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

1h Employee benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and long service leave which will be settled after one year have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at their expected present value of the estimated future cash outflows to be made for those entitlements.

Contributions made by the Union to employee superannuation funds are charged as expenses when incurred.

1i Leases

Lease payments for operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged as expenses in the period in which they are incurred.

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

1j 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 consolidated statement of financial position.

1k Financial instruments

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

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

1l Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Held-to-maturity investments

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

Loan and receivables

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

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

1l Financial assets (continued)

Effective interest method

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

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

Impairment of financial assets

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

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

Derecognition of financial assets

The Union 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.

1m Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Derecognition of financial liabilities

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

1n Plant and equipment

Plant and equipment are brought to account at cost less, where applicable, any accumulated depreciation or amortisation.

Depreciation

The depreciable amount of plant and equipment is depreciated on either a straight line or diminishing value basis over their useful lives commencing from the time the asset is held ready for use.

The depreciation rates used for each class of asset are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Computer Equipment	15 – 66.67%
Motor Vehicles	18.75% - 25%
Office Furniture and Equipment	7.5% - 45%
Leasehold Improvements	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss in the statement of comprehensive income.

1o Taxation

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

Revenues, expenses and assets are recognised net of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables, in the statement of financial position are shown inclusive of GST.

2. Events after the reporting period

There were no events that occurred after 30 June 2014, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Australian Services Union – Victorian Private Sector Branch.

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
3. Other Revenue		
Directors Fees Received	42,336	59,240
Sundry Income	59,382	81,143
	101,718	140,383
4. Expenses		
	2014	2013
	\$	\$
Employee expenses		
Holders of office:		
Wages and salaries	200,482	212,096
Superannuation	29,781	25,770
Leave and other entitlements	11,174	2,568
Separation and redundancies	-	-
Other employee expenses	1,934	2,258
Subtotal employee expenses holders of office	243,371	242,692
Employees other than office holders:		
Wages and salaries	627,226	648,659
Superannuation	93,042	84,976
Leave and other entitlements	28,587	6,967
Separation and redundancies	16,684	19,085
Other employee expenses	8,699	7,425
Subtotal employee expenses employees other than office holders	774,238	767,112
Total employee expenses	1,017,609	1,009,804
Capitation fees		
ASU National Office	141,253	139,292
Total capitation fees	141,253	139,292

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

4. Expenses (continued)

	2014	2013
	\$	\$
Affiliation fees		
Australian Labor Party	27,337	27,425
Victorian Trades Hall Council	24,595	23,673
Bendigo Trades & Labour Council	150	200
Geelong Trades & Labour Council	1,376	1,352
Gippsland Trades & Labour Council	204	153
South West Trades & Labour Council	205	343
Australia Asia Worker Links	400	-
Total affiliation fees	<u>54,267</u>	<u>53,146</u>
Administration expenses		
Consideration to employers for payroll deductions	2,751	3,388
Industry Division Levy – ASU National Office	19,064	19,064
Campaign Levy – ACTU	9,418	9,418
Campaign Levy – VTHC	10,000	19,064
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	29,801	11,242
Other	582,361	452,584
Penalties - via RO Act or RO Regulations	-	-
Total administration expenses	<u>653,395</u>	<u>514,760</u>
Donations		
Total paid that were \$1,000 or less	1,865	2,585
Total paid that exceeded \$1,000	-	10,000
Total donations	<u>1,865</u>	<u>12,585</u>
Depreciation and amortisation		
Depreciation		
Computer Equipment	10,363	6,368
Motor Vehicles	4,137	5,354
Office Furniture and Equipment	2,977	2,762
Total depreciation	<u>17,477</u>	<u>14,484</u>
Amortisation		
Leasehold Improvements	9,112	-
Total amortisation	<u>9,112</u>	<u>-</u>
Total depreciation and amortisation	<u>26,589</u>	<u>14,484</u>

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

4. Expenses (continued)

	2014	2013
	\$	\$
Legal costs		
Other legal matters	1,339	66,216
Total legal costs	<u>1,339</u>	<u>66,216</u>
Remuneration of auditors		
Financial statement audit services	15,750	15,300
Other services	1,620	1,550
Total remuneration of auditors	<u>17,370</u>	<u>16,850</u>

Other services include the audit of the political membership return and completion of fringe benefits tax return.

5. Cash and cash equivalents

Cash on hand	177	103
Cash at bank	557,737	392,974
Total cash and cash equivalents	<u>557,914</u>	<u>393,077</u>

6. Trade and other receivables

Receivables from other reporting units

ASU National Office	-	280
Total receivables from other reporting units	<u>-</u>	<u>280</u>

Other receivables:

Other trade receivables	14,963	45,039
Total other receivables	<u>14,963</u>	<u>45,039</u>
Total trade and other receivables	<u>14,963</u>	<u>45,319</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.

7. Financial assets

Held to Maturity investments		
- Term Deposits	998,454	958,209
Total current financial assets	<u>998,454</u>	<u>958,209</u>

Term Deposit is held with Members Equity Bank with an interest rate of 3.85% (2013: 4.20%)
AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

8. Other current assets

	2014	2013
	\$	\$
Movie tickets on hand	8,429	16,583
Prepayments	1,827	2,325
Interest receivable	1,970	1,794
Total other current assets	12,226	20,702

9. Plant and Equipment

	2014	2013
	\$	\$
Computer Equipment		
At Cost	89,164	74,779
Less Accumulated Depreciation	(68,172)	(64,788)
Net Computer Equipment	20,992	9,991
Motor Vehicles		
At Cost	49,195	49,195
Less Accumulated Depreciation	(34,694)	(30,557)
Net Motor Vehicles	14,501	18,638
Office Furniture & Equipment		
At Cost	27,669	76,720
Less Accumulated Depreciation	(11,884)	(64,437)
Net Office Furniture & Equipment	15,785	12,283
Leasehold Improvements		
At Cost	91,124	-
Less Accumulated Amortisation	(9,112)	-
Net Leasehold Improvements	82,012	-
Total plant and equipment	133,290	40,912

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

9. Plant and Equipment (continued)

Movements in Carrying Amounts

	Computer Equipment \$	Motor Vehicles \$	Office F&E \$	Leasehold Improve \$	Total \$
Balance at beginning of year	9,991	18,638	12,283	-	40,912
Additions	21,476	-	12,257	91,124	124,857
Depreciation expense	(10,363)	(4,137)	(2,977)	(9,112)	(26,589)
Disposals	(112)	-	(5,778)	-	(5,890)
Carrying amount at end of year	20,992	14,501	15,785	82,012	133,290

10. Trade and other payables

	2014 \$	2013 \$
Trade creditors and accruals	118,717	66,841
GST Payable	971	31,368
Consideration to employers for payroll deductions	-	-
Legal Fees Payable	-	-
Subtotal trade and other payables	119,688	98,209
Payables to other reporting units		
ASU–Victorian & Tasmanian Authorities & Services Branch	5,428	-
ASU National Office	11,844	511
Subtotal payables to other reporting unit[s]	17,272	511
Total trade and other payables	136,960	98,720

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

11. Borrowings

	2014	2013
	\$	\$
<u>Current</u>		
ASU–Victorian & Tasmanian Authorities & Services Branch	18,225	-
Total current borrowings	18,225	-
<u>Non-Current</u>		
ASU–Victorian & Tasmanian Authorities & Services Branch	63,787	-
Total non-current borrowings	63,787	-

As part of its tenancy agreement the ASU-Victorian & Tasmanian Authorities & Services Branch agreed to an interest free loan to the Branch for the cost of fitout for its new premises. This loan is to be repaid over a 60 month term.

12. Provisions

	2014	2013
	\$	\$
Employee provisions - Current		
Office Holders:		
Annual leave	37,180	33,155
Long service leave	61,215	54,067
Separations and redundancies	-	-
Other	-	-
	98,395	87,222
Employees other than office holders:		
Annual leave	55,106	50,806
Long service leave	83,540	66,673
Separations and redundancies	-	-
Other	-	-
	138,646	117,479
Total employee provisions - current	237,041	204,701

**AUSTRALIAN SERVICES UNION
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

12. Provisions (continued)

	2014	2013
	\$	\$
Employee provisions – Non-Current		
Office Holders:		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
	<hr/>	<hr/>
	-	-
Employees other than office holders:		
Annual leave	-	-
Long service leave	19,066	11,645
Separations and redundancies	-	-
Other	-	-
	<hr/>	<hr/>
	19,066	11,645
	<hr/>	<hr/>
Total employee provisions – non-current	19,066	11,645
	<hr/> <hr/>	<hr/> <hr/>

13. Contingent liabilities

The members of the Committee of Management are unaware of any contingent liability, the effect of which may be material in relation to the financial statements.

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

14. Cash flow information

14A: Cash flow reconciliation

	2014	2013
	\$	\$
Reconciliation of surplus(deficit) to net cash from operating activities:		
Surplus/(deficit) for the year	98,615	185,687
Adjustments for non-cash items		
Depreciation/amortisation	26,589	14,484
Loss on disposal of assets	5,890	2,282
Changes in assets/liabilities		
(Increase)/decrease in trade and receivables	30,356	(17,087)
(Increase)/decrease in other assets	8,475	(9,233)
Increase/(decrease) in trade and other payables	38,244	(23,637)
Increase/(decrease) in employee provisions	39,759	9,534
Net cash from (used by) operating activities	247,928	162,030

14B: Cash flow information

Cash inflows		
ASU – National Office	2,255	1,627
ASU – Central & Southern QLD Branch	-	900
ASU – NSW & ACT Services Branch	-	702
Total cash inflows	2,255	3,229
Cash outflows		
ASU – National Office	218,797	226,806
ASU – Victorian & Tasmanian Authorities & Services Branch	61,862	-
ASU – NSW & ACT Services Branch	-	300
Total cash outflows	280,659	227,106

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

15. Related party disclosures

15A: Related party transactions for the reporting period

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

	2014	2013
	\$	\$
<u>Revenue received includes the following:</u>		
ASU National Office		
Other revenue	500	1,628
Administration expenses recovered	1,501	254
	<u>2,001</u>	<u>1,882</u>
ASU Central & Southern QLD Branch		
Administration expenses recovered	-	900
ASU NSW & ACT Services Branch		
Administration expenses recovered	-	702
<u>Expenses paid includes the following:</u>		
ASU National Office		
Industry Division Levy	19,064	19,064
Payroll Tax	47,928	48,615
Capitation Fees	141,253	139,292
Administration Expenses	21,307	20,344
	<u>229,552</u>	<u>227,315</u>
ASU NSW & ACT Services Branch		
Administration expenses	-	300
ASU Victorian & Tasmanian Authorities & Services Branch		
Rent & Outgoings	48,654	-
<u>Amounts owed by -</u>		
ASU National Office	-	280
<u>Amounts owed to -</u>		
ASU Victorian & Tasmanian Authorities & Services Branch	5,428	-
ASU National Office	11,844	511
	<u>17,272</u>	<u>511</u>

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

15. Related party disclosures (continued)

15A: Related party transactions for the reporting period

	2014	2013
	\$	\$
Loans from -		
ASU Victorian & Tasmanian Authorities & Services Branch	91,124	-

As part of its tenancy agreement the ASU-Victorian & Tasmanian Authorities & Services Branch agreed to an interest free loan to the Branch for the cost of fitout for its new premises. This loan is to be repaid over a 60 month term.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2014, the ASU Victorian Private Sector Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2013: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

15B: Key management personnel remuneration for the reporting period

	2014	2013
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	203,585	215,588
Annual leave accrued	4,025	655
Total short-term employee benefits	207,610	216,243
Post-employment benefits:		
Superannuation	29,781	25,770
Total post-employment benefits	29,781	25,770
Other long-term benefits:		
Long-service leave	7,149	1,912
Total other long-term benefits	7,149	1,912
Termination benefits	-	-
Total	244,540	243,925

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VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

15. Related party disclosures (continued)

15C: Transactions with key management personnel and their close family members

Matt Norrey

Spouse of Ingrid Stitt

Employed as a Lead Organiser by Branch

Total payments made \$100,848

Sophie Hall

Daughter of Alan Hall

Employed as Admin Officer by Branch

Total payments made \$64,599

16. Financial instruments

The Union's activities expose it to the primary financial risks of liquidity, credit and interest rate risk. The Union'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 Union.

Liquidity Risk

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

Credit Risk

Credit risk is the risk of financial loss to the Union if a member or counterparty to a financial instrument fails to meet its contractual obligations. The Union has exposure to credit risk through its receivables, investment in term deposits and deposits with banks. Credit risk for the Union is \$14,963 (2013: \$45,039) arising from total receivables (see note 6), \$998,454 (2013: \$958,209) arising from term deposits (see note 7), and \$557,737 (2013: \$392,974) arising from cash with banks (see note 5).

Interest Rate Risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. The Union's interest rate risk arises from cash at bank and term deposits and at 30 June 2014 is \$1,556,191 (2013: \$1,351,003).

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

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 General Manager:

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



Eddy Partners Accountants

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF AUSTRALIAN SERVICES UNION VICTORIAN PRIVATE SECTOR BRANCH

We have audited the accompanying general purpose financial report of the Australian Services Union – Victorian Private Sector Branch for the year ended 30th June 2014 comprising Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement, Notes to and Forming Part of the Financial Statements and Committee of Management Statement.

Committee of Management’s Responsibility for the Financial Report

The Union’s Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the Committee determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

Partners:

David J. Eddy CPA
Stephen J. Eedy CPA
Suzanne J. Eddy CPA



Liability limited by a scheme approved
under Professional Standards Legislation.



EddyPartners
Accountants

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Audit Opinion

In our opinion we have concluded that management's use of the going concern basis of accounting in the preparation of the Union's financial report is appropriate.

In our opinion the financial report presents fairly, in all material respects, the financial position as at 30 June 2014 and of its financial performance and cash flows for the year then ended and is in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009.

Signed at Melbourne, this 16th day of September 2014.

Eddy Partners
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EDDY PARTNERS,
Certified Practising Accountants.

David James Eddy, CPA
Registered Company Auditor.
Holder of a Current Public Practice Certificate