



12 November 2019

Mr Matthew Norrey
Secretary, Victorian Private Sector Branch
Australian Municipal, Administrative, Clerical and Services Union

Dear Mr Norrey

Re: – Australian Municipal, Administrative, Clerical and Services Union, Victorian Private Sector Branch - financial report for year ending 30 June 2019 (FR2019/222)

I refer to the financial report of the Victorian Private Sector Branch. The documents were lodged with the Registered Organisations Commission (**ROC**) on 25 October 2019.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming 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 2020 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. However I make the following comment to assist you when you next prepare a financial report.

Nil activity disclosure

The officer's declaration statement included a nil activity disclosure in respect of a balance within the general fund [RG17(d)]. Having regard to the definition of "general fund" in the glossary on page 11 of the reporting guidelines it would appear that the balance of total equity of \$1,319,557 is the balance of the general fund and no nil activity disclosure applies.

Reporting Requirements

The ROC website provides several 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 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

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

Yours faithfully

Stephen Kellett
Financial Reporting
Registered Organisations Commission

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
FOR YEAR ENDED 30th JUNE 2019**

I, **Matthew Norrey**, 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 2019 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 *17th* day of *September* 2019; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on *15th* day of *October* 2019 in accordance with s.286 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:



Name of prescribed designated officer: *MATT NORREY*

Title of prescribed designated officer: *BRANCH SECRETARY*

Date: *25/10/2019*

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2019**

Contents

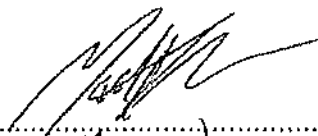
Report required under Subsection 255(2A)	2
Operating Report	3
Committee of Management Statement	6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Cash Flow Statement	10
Notes to and Forming Part of the Financial Statements	11
Officer Declaration Statement	37
Independent Audit Report	38

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2019**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 2019.

Categories of expenditures	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses - employees	1,353,950	1,515,939
Advertising	0	0
Operating costs	730,108	716,387
Donations to political parties	15,000	11,350
Legal costs	2,726	2,676

Signature of designated officer: 

Name and title of designated officer: MATT NORREY BRANCH SECRETARY

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

The Committee of Management presents its report on the operation of the Branch for the financial year ended 30 June 2019.

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 2019 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 2019 was a surplus of \$280,280 [2018: Deficit (\$147,625)]. 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.

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

Officers, employees and 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, employees and/or members of the Branch are directors of companies that are trustees of superannuation funds where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation –

<u>Officer/Employee:</u>	<u>Trustee Company:</u>	<u>Name of Entity / Scheme:</u>	<u>Position:</u>	<u>Period Held:</u>
Vicki Rogers	L.I.S. Pty Limited	Legal Industry Superannuation Scheme	Director	July 2018-March 2019
Carita Kazakoff	L.I.S. Pty Limited	Legal Industry Superannuation Scheme	Director	July 2018-June 2019
Imogen Sturni	L.I.S. Pty Limited	Legal Industry Superannuation Scheme	Director	April 2019-June 2019

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>
Terry O'Loughlin	Business Skills Victoria	Advice provider for training demand	Nominated by Branch

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 5,940.

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 11.26;

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

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	1/7/2018 to 16/10/2018
David Leydon	Branch President	16/10/2018 to 30/6/2019
Amanda Dando	Branch Vice President	1/7/2018 to 30/6/2019
Ingrid Stitt	Branch Secretary	1/7/2018 to 16/10/2018
Matthew Norrey	Branch Secretary	16/10/2018 to 30/6/2019
David Leydon	Assistant Branch Secretary	1/7/2018 to 16/10/2018
Imogen Sturni	Assistant Branch Secretary	16/10/2018 to 30/6/2019
Steve McInerney	Committee Member	1/7/2018 to 30/6/2019
Carita Kazakoff	Committee Member	1/7/2018 to 30/6/2019
Denis Leetham	Committee Member	1/7/2018 to 30/6/2019
Jackie Gadsby	Committee Member	1/7/2018 to 16/10/2018
Rozanne Martinez	Committee Member	1/7/2018 to 18/9/2018
Linda Ruben	Committee Member	1/7/2018 to 28/4/2019
Vicki Rogers	Committee Member	16/10/2018 to 28/4/2019
Kate Weaver	Committee Member	18/9/2018 to 30/6/2019
Sarah Rogan	Committee Member	29/4/2019 to 30/6/2019
Madeleine O'Brien	Committee Member	29/4/2019 to 30/6/2019

Signature of designated officer: 

Name and title of designated officer: MATT NORREY BRANCH SECRETARY

Dated: 17 SEPTEMBER 2019

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

On the 17th September 2019 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 (GPFR) for the year ended 30th June 2019:

The Committee of Management declares that in its opinion:

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

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

Signature of designated officer: 

Name and title of designated officer: MATT NORREY BRANCH SECRETARY

Dated: 17 September 2019

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

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

	Note	2019 \$	2018 \$
Revenue			
Membership subscriptions		2,287,879	2,060,939
Interest		34,629	30,965
Other revenue	3	90,396	50,051
Total revenue		2,412,904	2,141,955
Expenses			
Employee expenses	4	1,353,950	1,515,939
Capitation fees	4	128,124	127,642
Affiliation fees	4	68,889	67,399
Administration expenses	4	516,027	505,821
Grants or donations	4	16,950	15,650
Depreciation and amortisation	4	27,914	36,211
Legal costs	4	2,726	2,676
Audit fees		17,720	17,470
Net losses from sale of assets		324	772
Impairment losses		-	-
Total expenses		2,132,624	2,289,580
Profit (loss) for the year		280,280	(147,625)
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss		-	-
Total comprehensive income for the year		280,280	(147,625)

The accompanying notes form part of the financial statements.

AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Notes	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	472,609	183,434
Trade and other receivables	6	28,081	29,342
Financial assets	7	1,300,000	1,118,685
Other current assets	8	7,054	13,258
Total current assets		1,807,744	1,344,719
Non-Current Assets			
Plant and equipment	9	42,526	58,071
Other Investments	10	-	254,639
Total non-current assets		42,526	312,710
Total assets		1,850,270	1,657,429
LIABILITIES			
Current Liabilities			
Trade and other payables	11	122,179	157,490
Borrowings	12	-	9,113
Provisions	13	395,382	429,224
Total current liabilities		517,561	595,827
Non-Current Liabilities			
Provisions	13	13,152	22,325
Total non-current liabilities		13,152	22,325
Total liabilities		530,713	618,152
Net assets		1,319,557	1,039,277
EQUITY			
Accumulated Funds		1,319,557	1,039,277
Total equity		1,319,557	1,039,277

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 2019**

	Retained earnings	Total equity
	\$	\$
Balance as at 1 July 2017	1,186,902	1,186,902
Profit/(loss) for the year	(147,625)	(147,625)
Balance as at 30 June 2018	<u>1,039,277</u>	<u>1,039,277</u>
Balance as at 1 July 2018	1,039,277	1,039,277
Profit/(loss) for the year	280,280	280,280
Balance as at 30 June 2019	<u>1,319,557</u>	<u>1,319,557</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 2019**

	Note	2019 \$	2018 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	15B	-	1,166
Receipts from members		2,286,874	2,062,105
Interest		40,961	31,002
Other		93,761	57,233
Cash used			
Payments to Employees & Suppliers		(1,840,503)	(1,888,554)
Payment to other reporting units/controlled entity(s)	15B	(346,347)	(319,933)
Net cash from (used by) operating activities	15A	234,746	(56,981)
INVESTING ACTIVITIES			
Cash received			
Proceeds from redemption of investments		259,066	-
Cash used			
Purchase of plant and equipment		(14,209)	(15,538)
Purchase of investments		-	(10,346)
Purchase of bank bills		(181,315)	(29,411)
Net cash from (used by) investing activities		63,542	(55,295)
FINANCING ACTIVITIES			
Cash received			
Other		-	-
Cash used			
Repayment of borrowings	15B	(9,113)	(18,225)
Net cash from (used by) financing activities		(9,113)	(18,225)
Net increase (decrease) in cash held		289,175	(130,501)
Cash & cash equivalents at the beginning of the reporting period		183,434	313,935
Cash & cash equivalents at the end of the reporting period	5	472,609	183,434

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 2019**

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 other 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

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

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

1d New Australian Accounting Standards (continued)

Future Australian Accounting Standards Requirements

AASB 16 Leases (AASB 16)

AASB 16 was issued in January 2016 and it replaces AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation-115 Operating Leases-Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

For NFP entities, AASB 16 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 16. The Union plans to adopt AASB 16 on the required effective date 1 July 2019 using the modified retrospective method.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under AASB 16 is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

During the financial year ended 30 June 2019, the Union performed a preliminary assessment of AASB 16.

Apart from the above, 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 2019**

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.

Investment revenue is recognised in the period in which it is earned.

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

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

Liabilities for short-term employee benefits which are expected to be settled within twelve months of the end of the 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 including related on costs.

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.

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

1h Employee benefits (continued)

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

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.

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.

1l Financial assets

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Union's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Union 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.

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

11 Financial assets (continued)

Initial recognition and measurement

The Union'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 Union commits to purchase or sell the asset.

Subsequent measurement

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

(Other) financial assets at amortised cost

(Other) financial assets at fair value through other comprehensive income

Investments in equity instruments designated at fair value through other comprehensive income

(Other) financial assets at fair value through profit or loss

(Other) financial assets designated at fair value through profit or loss

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

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

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

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

11 Financial assets (continued)

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Union 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 Union has transferred substantially all the risks and rewards of the asset, or
 - b) the Union has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Union 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 Union continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

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

Impairment

(i) Trade receivables

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

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

1i Financial assets (continued)

Impairment

(ii) Debt instruments other than trade receivables

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

ECLs are recognised in two stages:

Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).

Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Union considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Union may also consider a financial asset to be in default when internal or external information indicates that the Union is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

1m Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

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

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

1m Financial liabilities (continued)

Subsequent measurement

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

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

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

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

Derecognition

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

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 – 100%
Motor Vehicles	25%
Office Furniture and Equipment	7.5% - 100%
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.

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

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 2019, 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 2019**

	<i>2019</i>	<i>2018</i>
	\$	\$
3. Other Revenue		
Directors Fees Received	67,255	28,072
Gain on Revaluation of Investments	897	1,032
Distributions Received	241	7,169
Sundry Income	22,003	13,778
	<u>90,396</u>	<u>50,051</u>
4. Expenses		
	<i>2019</i>	<i>2018</i>
	\$	\$
Employee expenses		
Holders of office:		
Wages and salaries	333,996	245,703
Superannuation	50,281	36,531
Leave and other entitlements	121,670	299
Separation and redundancies	38,989	-
Other employee expenses	32,754	23,138
Subtotal employee expenses holders of office	<u>577,690</u>	<u>305,671</u>
Employees other than office holders:		
Wages and salaries	692,883	928,172
Superannuation	111,813	143,869
Leave and other entitlements	(164,683)	53,438
Separation and redundancies	66,408	-
Other employee expenses	69,839	84,789
Subtotal employee expenses employees other than office holders	<u>776,260</u>	<u>1,210,268</u>
Total employee expenses	<u>1,353,950</u>	<u>1,515,939</u>
Capitation fees		
ASU National Office	128,124	127,642
Total capitation fees	<u>128,124</u>	<u>127,642</u>

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

4. Expenses (continued)

	2019	2018
	\$	\$
Affiliation fees		
Australian Labor Party	30,058	29,005
Victorian Trades Hall Council	34,523	33,886
Ballarat Trades & Labour Council	240	240
Bendigo Trades & Labour Council	200	200
Geelong Trades & Labour Council	1,528	1,496
Gippsland Trades & Labour Council	247	247
South West Trades & Labour Council	273	205
North East Trades & Labour Council	120	120
Australia Asia Worker Links	800	1,800
Australia Palestine Advocacy Network	400	400
First Nations Workers Alliance	500	-
Total affiliation fees	68,889	67,399
Administration expenses		
Consideration to employers for payroll deductions	1,274	1,767
Industry Division Levy – ASU National Office	19,067	19,084
Campaign Levy – ACTU	14,366	14,365
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	50,625	12,873
Rent and outgoings expenses	100,612	99,071
Communications expenses	36,108	37,104
Motor vehicle expenses	120,371	126,346
Printing, Stationery & Postage	13,264	10,878
Other	160,340	184,353
Total administration expenses	516,027	505,821
Donations		
Total paid that were \$1,000 or less	500	3,050
Total paid that exceeded \$1,000	16,450	12,600
Total donations	16,950	15,650

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

4. Expenses (continued)

	2019	2018
	\$	\$
Depreciation and amortisation		
Depreciation		
Computer Equipment	11,319	10,101
Motor Vehicles	4,605	6,140
Office Furniture and Equipment	2,878	1,745
Total depreciation	<u>18,802</u>	<u>17,986</u>
Amortisation		
Leasehold Improvements	9,112	18,225
Total amortisation	<u>9,112</u>	<u>18,225</u>
Total depreciation and amortisation	<u>27,914</u>	<u>36,211</u>
 Legal costs		
Litigation	-	1,592
Other legal matters	2,726	1,084
Total legal costs	<u>2,726</u>	<u>2,676</u>
 Remuneration of auditors		
Financial statement audit services	17,250	17,000
Other services	1,920	1,670
Total remuneration of auditors	<u>19,170</u>	<u>18,670</u>

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

5. Cash and cash equivalents

Cash on hand	191	200
Cash at bank	472,418	183,234
Total cash and cash equivalents	<u>472,609</u>	<u>183,434</u>

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

6. Trade and other receivables

	2019	2018
	\$	\$
Receivables from other reporting units		
ASU National Office	-	-
Total receivables from other reporting units	-	-
Other receivables:		
Other trade receivables	28,081	29,342
Total other receivables	28,081	29,342
Total trade and other receivables	28,081	29,342

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	1,300,000	1,118,685
Total current financial assets	1,300,000	1,118,685

Term Deposit is held with Members Equity Bank with an interest rate of 2.40% (2018: 2.62%)

8. Other current assets

Deposits paid	2,000	-
Prepayments	866	2,417
Interest receivable	4,188	10,841
Total other current assets	7,054	13,258

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

9. Plant and Equipment

	<i>2019</i>	<i>2018</i>
	\$	\$
Computer Equipment		
At Cost	103,604	103,833
Less Accumulated Depreciation	<u>(90,923)</u>	<u>(84,365)</u>
Net Computer Equipment	<u>12,681</u>	<u>19,468</u>
Motor Vehicles		
At Cost	24,727	24,727
Less Accumulated Depreciation	<u>(10,914)</u>	<u>(6,309)</u>
Net Motor Vehicles	<u>13,813</u>	<u>18,418</u>
Office Furniture & Equipment		
At Cost	36,186	29,913
Less Accumulated Depreciation	<u>(20,154)</u>	<u>(18,840)</u>
Net Office Furniture & Equipment	<u>16,032</u>	<u>11,073</u>
Leasehold Improvements		
At Cost	91,124	91,124
Less Accumulated Amortisation	<u>(91,124)</u>	<u>(82,012)</u>
Net Leasehold Improvements	<u>-</u>	<u>9,112</u>
Total plant and equipment	<u>42,526</u>	<u>58,071</u>

Movements in Carrying Amounts

2019	Computer Equipment \$	Motor Vehicles \$	Office F&E \$	Leasehold Improve \$	Total \$
Balance at beginning of year	19,468	18,418	11,073	9,112	58,071
Additions	4,598	-	8,095	-	12,693
Depreciation expense	(11,319)	(4,605)	(2,878)	(9,112)	(27,914)
Disposals	(66)	-	(258)	-	(324)
Carrying amount at end of year	<u>12,681</u>	<u>13,813</u>	<u>16,032</u>	<u>-</u>	<u>42,526</u>

AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

9. Plant and Equipment (continued)

Movements in Carrying Amounts

2018	Computer Equipment \$	Motor Vehicles \$	Office F&E \$	Leasehold Improve \$	Total \$
Balance at beginning of year	13,609	24,558	12,496	27,337	78,000
Additions	16,732	-	322	-	17,054
Depreciation expense	(10,101)	(6,140)	(1,745)	(18,225)	(36,211)
Disposals	(772)	-	-	-	(772)
Carrying amount at end of year	19,468	18,418	11,073	9,112	58,071

10. Other Investments

	2019 \$	2018 \$
Industry Fund Services Portfolio – At Fair Value	-	254,639
Total investment	-	254,639
<u>Movement in Fair Value – Industry Fund Services</u>		
Opening Balance	254,639	243,261
Net (Disposals)/Additions	(255,536)	10,346
Fair value adjustment	897	1,032
Closing Balance	-	254,639

The equity investments were managed on behalf of the ASU – Victorian Private Sector Branch by Industry Fund Services Limited. The equity investments were disposed in October 2018.

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

11. Trade and other payables

	2019	2018
	\$	\$
Trade creditors and accruals	108,581	132,539
GST Payable	6,274	4,854
Legal Fees Payable – Litigation	-	-
Legal Fees Payable – Other Legal Matters	-	-
Subtotal trade and other payables	114,855	137,393
Payables to other reporting units		
ASU–Victorian & Tasmanian Authorities & Services Branch	1,885	2,227
ASU National Office	5,439	17,870
Subtotal payables to other reporting unit[s]	7,324	20,097
Total trade and other payables	122,179	157,490

12. Borrowings

	2019	2018
	\$	\$
<u>Current</u>		
ASU–Victorian & Tasmanian Authorities & Services Branch	-	9,113
Total current borrowings	-	9,113
<u>Non-Current</u>		
ASU–Victorian & Tasmanian Authorities & Services Branch	-	-
Total non-current borrowings	-	-

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 fit out for its new premises. This loan was repaid over a 60 month term.

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

13. Provisions

	2019	2018
	\$	\$
Employee provisions - Current		
Office Holders:		
Annual leave	94,733	26,656
Long service leave	155,031	101,438
Separations and redundancies	-	-
Other	-	-
	<u>249,764</u>	<u>128,094</u>
Employees other than office holders:		
Annual leave	88,895	141,400
Long service leave	56,723	159,730
Separations and redundancies	-	-
Other	-	-
	<u>145,618</u>	<u>301,130</u>
Total employee provisions - current	<u>395,382</u>	<u>429,224</u>
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	13,152	22,325
Separations and redundancies	-	-
Other	-	-
	<u>13,152</u>	<u>22,325</u>
Total employee provisions – non-current	<u>13,152</u>	<u>22,325</u>

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

Note 14 Contingent Liabilities, Assets and Commitments

	2019	2018
	\$	\$

Note 14A: Commitments and Contingencies

Operating lease commitments—as lessee

5 year lease of office premises expiring 1/7/2024; motor vehicle leases with 36 month terms.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are:

Within one year	125,416	145,911
After one year but not more than five years	405,252	406,525
More than five years	-	45,983
	530,668	598,419

Capital commitments

At 30 June 2019 the Union has no significant capital commitments.

Other contingent assets or liabilities

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

15. Cash flow information

15A: Cash flow reconciliation

	2019	2018
	\$	\$

Reconciliation of surplus(deficit) to net cash from operating activities:

Surplus/(deficit) for the year	280,280	(147,625)
--------------------------------	---------	-----------

Adjustments for non-cash items

Depreciation/amortisation	27,914	36,211
Loss on disposal of assets	324	772
Unrealised gain in value of investments	(897)	(1,032)
Managed funds income and expenses reinvested	(3,530)	-

Changes in assets/liabilities

(Increase)/decrease in trade and receivables	1,261	5,742
(Increase)/decrease in other assets	6,204	4,185
Increase/(decrease) in trade and other payables	(33,795)	(8,971)
Increase/(decrease) in employee provisions	(43,015)	53,737
Net cash from (used by) operating activities	234,746	(56,981)

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

15. Cash flow information

15B: Cash flow information

	2019	2018
	\$	\$
Cash inflows		
ASU – National Office	-	1,166
ASU – Victorian & Tasmanian Authorities & Services Branch	-	-
Total cash inflows	<u>-</u>	<u>1,166</u>
Cash outflows		
ASU – National Office	244,468	217,543
ASU – Victorian & Tasmanian Authorities & Services Branch	110,992	120,615
Total cash outflows	<u>355,460</u>	<u>338,158</u>

16. Related party disclosures

16A: 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.

2019	2018
\$	\$

Revenue received includes the following:

ASU National Office		
Other revenue	-	1,056

Expenses paid includes the following:

ASU National Office		
Industry Division Levy	19,067	19,064
Payroll Tax	65,939	68,835
Capitation Fees	128,124	127,642
ACTU Campaign Levy	14,366	14,365
Administration Expenses	4,541	5,307
	<u>232,037</u>	<u>235,213</u>

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

16. Related party disclosures

16A: Related party transactions for the reporting period

	2019	2018
	\$	\$
ASU Victorian & Tasmanian Authorities & Services Branch		
Rent & Outgoings	101,464	100,050
Administration Expenses	-	433
	<u>101,464</u>	<u>100,483</u>
<u>Amounts owed by -</u>		
ASU National Office	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<u>Amounts owed to -</u>		
ASU Victorian & Tasmanian Authorities & Services Branch	1,885	2,227
ASU National Office	5,439	17,870
	<u>7,324</u>	<u>20,097</u>

Terms and conditions of transactions with related parties

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

AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

16. Related party disclosures (continued)

16B: Key management personnel remuneration for the reporting period

	2019	2018
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	400,925	252,273
Annual leave accrued	31,791	1,450
Total short-term employee benefits	<u>432,716</u>	<u>253,723</u>
Post-employment benefits:		
Superannuation	58,248	36,531
Total post-employment benefits	<u>58,248</u>	<u>36,531</u>
Other long-term benefits:		
Long-service leave accrued	23,892	(1,151)
Total other long-term benefits	<u>23,892</u>	<u>(1,151)</u>
Termination benefits	38,989	-
Total	<u>553,845</u>	<u>289,103</u>

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

17. Financial risk management

The Union's activities expose it to the primary financial risks of market, 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.

Market Risk

The Union is exposed to equity securities price risk. This arises from investments held by the Union and classified on the statement of financial position either as available-for-sale or at fair value through profit or loss.

The table below summarises the impact of increases/(decreases) of the unit prices on the Union's equity. The analysis is based on the assumption that the unit prices had increased/(decreased) by 10% (2018 – 10%) with all other variables held constant and all the Union's equity instruments moved according to the historical correlation with the unit prices.

	2019	2018
	\$	\$
Effect on equity:		
Increase of unit prices by 10%	-	25,464
Decrease of unit prices by 10%	-	(25,464)

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.

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

17. Financial risk management (continued)

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. Credit risk arises from cash and cash equivalents, receivables and deposits with banks and financial institutions.

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 Union has no significant concentrations of credit risk.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. The credit quality of financial assets can be assessed by reference to external credit ratings as follows :

	2019	2018
	\$	\$
Cash at bank		
AA- Rating	350,989	145,498
BBB Rating	121,429	37,736
Term Deposits		
BBB Rating	1,300,000	1,118,685

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 Union'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:

	2019	2018
	\$	\$
Effect on results:		
Increase of interest rates by 1%	17,724	13,019
Decrease of interest rates by 1%	(17,724)	(13,019)

AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

17. Financial risk management (continued)

Maturity profile of financial instruments

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

2019	Weighted Average Interest Rate	Floating Interest Rate	1 year or less	1 to 5 years	Non Interest Bearing	Total
	%	\$	\$	\$	\$	\$
Financial Assets						
Cash on hand		-	-	-	191	191
Cash at bank	1.63	472,418	-	-	-	472,418
Deposits at bank	2.61	-	1,300,000	-	-	1,300,000
Other Receivables		-	-	-	28,081	28,081
		472,418	1,300,000	-	28,272	1,800,690
Financial Liabilities						
Trade & other payables		-	-	-	122,179	122,179
Net Financial Assets		472,418	1,300,000	-	(93,907)	1,678,511

2018	Weighted Average Interest Rate	Floating Interest Rate	1 year or less	1 to 5 years	Non Interest Bearing	Total
	%	\$	\$	\$	\$	\$
Financial Assets						
Cash on hand		-	-	-	200	200
Cash at bank	1.75	183,234	-	-	-	183,234
Deposits at bank	2.66	-	1,118,685	-	-	1,118,685
Other Receivables		-	-	-	29,342	29,342
		183,234	1,118,685	-	29,542	1,331,461
Financial Liabilities						
Trade & other payables		-	-	-	157,490	157,490
Loans from branches		-	-	-	9,113	9,113
Net Financial Assets		183,234	1,118,685	-	(137,061)	1,164,858

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

18. Fair value measurement

AASB 13: Fair Value Measurement requires the disclosure of fair value information according to the relevant level in the fair value hierarchy as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial assets available-for-sale is based on quoted market prices at the end of the reporting period.

The table below shows the assigned level for each asset and liability held at fair value –

30th June 2019	Level 1	Level 2	Level 3	Total
Assets	\$	\$	\$	\$
Available-for-sale financial assets	-	-	-	-
30th June 2018	Level 1	Level 2	Level 3	Total
Assets	\$	\$	\$	\$
Available-for-sale financial assets	254,639	-	-	254,639

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

19. 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).

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

OFFICER DECLARATION STATEMENT

I, Matthew Norrey, being the Branch Secretary of the Australian Services Union – Victorian Private Sector Branch, declare that the following activities did not occur during the reporting period ending 30th June 2019.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:



Dated:

17.9.19



Eddy Partners Accountants

Eddy Partners
Accountants and Auditors
ABN 87 382 183 920
Level 8,
501 LaTrobe Street,
Melbourne, Victoria 3000,
PO Box 13105,
Law Courts,
Melbourne, Victoria 8010.
Telephone: (03) 9602 5177
Facsimile: (03) 9602 5766
e-mail: info@eddypartners.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN SERVICES UNION VICTORIAN PRIVATE SECTOR BRANCH

Report on the Audit of the Financial Report

Opinion

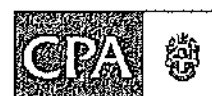
We have audited the financial report of Australian Services Union – Victorian Private Sector Branch, which comprises the statement of financial position as at 30th June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30th June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

In our opinion, the accompanying financial report:

- a) presents fairly, in all material aspects, the financial position of Australian Services Union – Victorian Private Sector Branch as at 30th June 2019, and its financial performance and its cash flows for the year ended on that date; and:
- b) complies with the Australian Accounting Standards; and
- c) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We declare that the Committee of Management's use of the going concern basis in the preparation of the financial statements of the Union is appropriate.

Partners:
David J. Eddy CPA
Stephen J. Eddy CPA
Suzanne J. Eddy CPA





Eddy Partners Accountants

Eddy Partners
Accountants and Auditors
ABN 87 382 183 920
Level 8,
501 LaTrobe Street,
Melbourne, Victoria 3000.
PO Box 13 105,
Law Courts,
Melbourne, Victoria 8010.
Telephone: (03) 9602 5177
Facsimile: (03) 9602 5766
e-mail: info@eddypartners.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN SERVICES UNION VICTORIAN PRIVATE SECTOR BRANCH (Continued)

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

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

Independence

We are independent of the Union 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.

Information Other than the Financial Report and Auditor's Report Thereon

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

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

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

Partners:
David J. Eddy CPA
Stephen J. Eddy CPA
Suzanne J. Eddy CPA





EddyPartners Accountants

Eddy Partners
Accountants and Auditors
ABN 87 382 183 920
Level B,
501 LaTrobe Street,
Melbourne, Victoria 3000.
PO Box 13105,
Law Courts,
Melbourne, Victoria 8010.
Telephone: (03) 9602 5177
Facsimile: (03) 9602 5766
e-mail: info@eddypartners.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN SERVICES UNION VICTORIAN PRIVATE SECTOR BRANCH (Continued)

Information Other than the Financial Report and Auditor's Report Thereon

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

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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.

Partners:
David J. Eddy CPA
Stephen J. Eddy CPA
Suzanne J. Eddy CPA





Eddy Partners Accountants

Eddy Partners
Accountants and Auditors
ABN 87 382 103 920
Level 8,
501 LaTrobe Street,
Melbourne, Victoria 3000.
PO Box 13105,
Livy Courts,
Melbourne, Victoria 8010.
Telephone: (03) 9602 5177
Facsimile: (03) 9602 5766
e-mail: info@eddypartners.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN SERVICES UNION VICTORIAN PRIVATE SECTOR BRANCH (Continued)

Auditor's Responsibilities for the Audit of the Financial Report (continued)

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 Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union'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 Union 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.

Partners:
David J. Eddy CPA
Stephen J. Eddy CPA
Suzanne J. Eddy CPA





EddyPartners Accountants

Eddy Partners
Accountants and Auditors
ABN 87 382 183 920
Level 8,
501 LaTrobe Street,
Melbourne, Victoria 3000.
PO Box 13105,
Law Courts,
Melbourne, Victoria 8010.
Telephone: (03) 9602 5177
Facsimile: (03) 9602 5766
e-mail: info@eddypartners.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN SERVICES UNION VICTORIAN PRIVATE SECTOR BRANCH (Continued)

Auditor's Responsibilities for the Audit of the Financial Report (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Union to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Union audit. We remain solely responsible for our audit opinion.

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

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

EDDY PARTNERS ACCOUNTANTS & AUDITORS

David James Eddy, CPA - Partner
Approved auditor (AA2017/89)

Melbourne

Date: 17th September 2019.

Partners:
David J. Eddy CPA
Stephen J. Cedy CPA
Suzanne J. Eddy CPA



