



20 January 2021

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

Sent via email: info@asupsvic.org
CC: david@eddypartners.com.au

Dear Matthew Norrey,

Australian Municipal, Administrative, Clerical and Services Union, Victorian Private Sector Branch

Financial Report for the year ended 30 June 2020 – (FR2020/208)

I acknowledge receipt of the financial report for the year ended 30 June 2020 for the Australian Municipal, Administrative, Clerical and Services Union, Victorian Private Sector Branch (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 16 December 2020.

The financial report has now been filed.

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

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

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

New Accounting Standards – disclosure requirements

With the introduction of the new Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities*, an entity has the option to transition to these new standards via either the full retrospective method or the modified retrospective method.

From the information disclosed within the general purpose financial report (**GPFR**), it is not clear which method the reporting unit has used to transition to AASB 15 and AASB 1058.

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

It appears that no such disclosure has been made.

Please note that in future years the reporting unit's GPFR must include all relevant and required financial disclosures in accordance with AASB 15 and AASB 1058.

Reporting Requirements

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

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

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

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Kylie Ngo', with a long horizontal stroke underneath.

Kylie Ngo
Registered Organisations Commission

AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
FOR YEAR ENDED 30th JUNE 2020

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 2020 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 17 day of November 2020; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 10th day of DECEMBER 2020 in accordance with 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: 11 DECEMBER 2020

AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

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	42
Independent Audit Report	43

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2020**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 2020.

Categories of expenditures	2020 \$	2019 \$
Remuneration and other employment-related costs and expenses - employees	1,545,795	1,353,950
Advertising	0	0
Operating costs	608,635	730,108
Donations to political parties	0	15,000
Legal costs	15,000	2,726

Signature of designated officer: 

Name and title of designated officer: MATT NORLEY BRANCH SECRETARY

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

The Committee of Management presents its report on the operation of the Branch for the financial year ended 30 June 2020.

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

The principal activities of the Branch during the financial year ended 30 June 2020 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 2020 was a surplus of \$299,207 [2019: Surplus \$280,280]. 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 2020**

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>
Carita Kazakoff	L.I.S. Pty Limited	Legal Industry Superannuation Scheme	Director	July 2019- June 2020
Imogen Sturni	L.I.S. Pty Limited	Legal Industry Superannuation Scheme	Director	July 2019- June 2020

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 5,780.

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 11.63;

AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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:
David Leydon	Branch President	1/7/2019 to 30/6/2020
Amanda Dando	Branch Vice President	1/7/2019 to 30/6/2020
Matthew Norrey	Branch Secretary	1/7/2019 to 30/6/2020
Imogen Sturni	Assistant Branch Secretary	1/7/2019 to 30/6/2020
Steve McInerney	Committee Member	1/7/2019 to 30/6/2020
Carita Kazakoff	Committee Member	1/7/2019 to 30/6/2020
Denis Leetham	Committee Member	1/7/2019 to 30/6/2020
Kate Weaver	Committee Member	1/7/2019 to 30/6/2020
Sarah Rogan	Committee Member	1/7/2019 to 30/6/2020
Madeleine O'Brien	Committee Member	1/7/2019 to 30/6/2020

Signature of designated officer: 

Name and title of designated officer: Matthew Norrey

Dated: 17th November 2020

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020**

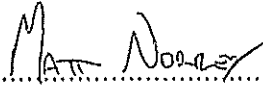
On the 17th November 2020 the Committee of Management of the Australian Services Union – Victorian Private Sector Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30th June 2020:

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: 

Dated: 17 November 2020

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
Revenue from members			
Membership subscriptions		2,433,936	2,287,879
Other sales of goods or services to members		-	-
Total revenue		2,433,936	2,287,879
Other Income			
Net gains from sale of assets		760	-
Interest		23,906	34,629
Other revenue	3	175,855	90,396
Total Other Income		200,521	125,025
Total Income		2,634,457	2,412,904
Expenses			
Employee expenses	4	1,545,795	1,353,950
Capitation fees	4	131,250	128,124
Affiliation fees	4	71,099	68,889
Administration expenses	4	388,216	516,027
Grants or donations	4	12,710	16,950
Depreciation and amortisation	4	152,679	27,914
Legal costs	4	15,000	2,726
Audit fees		18,070	17,720
Net losses from sale of assets		431	324
Impairment losses		-	-
Total expenses		2,335,250	2,132,624
Profit (loss) for the year		299,207	280,280
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss		-	-
Total comprehensive income for the year		299,207	280,280

The accompanying notes form part of the financial statements.

AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Notes	2020 \$	2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	588,820	472,609
Trade and other receivables	6	14,703	28,081
Financial assets	7	1,400,000	1,300,000
Other current assets	8	9,212	7,054
Total current assets		2,012,735	1,807,744
Non-Current Assets			
Plant and equipment	9	196,253	42,526
Right-of-use assets	10	374,007	-
Total non-current assets		570,260	42,526
Total assets		2,582,995	1,850,270
LIABILITIES			
Current Liabilities			
Trade and other payables	11	155,822	122,179
Lease Liabilities	10	90,699	-
Provisions	12	414,763	395,382
Total current liabilities		661,284	517,561
Non-Current Liabilities			
Lease Liabilities	10	288,752	-
Provisions	12	14,195	13,152
Total non-current liabilities		302,947	13,152
Total liabilities		964,231	530,713
Net assets		1,618,764	1,319,557
EQUITY			
Accumulated Funds		1,618,764	1,319,557
Total equity		1,618,764	1,319,557

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 2020

	Retained earnings	Total equity
	\$	\$
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>
Balance as at 1 July 2019	1,319,557	1,319,557
Profit/(loss) for the year	299,207	299,207
Balance as at 30 June 2020	<u>1,618,764</u>	<u>1,618,764</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 2020

	Note	2020 \$	2019 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	14B	490	-
Receipts from members		2,438,398	2,286,874
Interest		25,551	40,961
Other		204,894	93,761
Cash used			
Payments to Employees & Suppliers		(1,885,592)	(1,840,503)
Payment to other reporting units/controlled entity(s)	14B	(291,666)	(346,347)
Net cash from (used by) operating activities	14A	492,075	234,746
INVESTING ACTIVITIES			
Cash received			
Proceeds from redemption of investments		-	259,066
Proceeds from sale of motor vehicles		14,545	-
Cash used			
Purchase of plant and equipment, motor vehicles		(227,121)	(14,209)
Purchase of bank bills		(100,000)	(181,315)
Net cash from (used by) investing activities		(312,576)	63,542
FINANCING ACTIVITIES			
Cash received			
Other		-	-
Cash used			
Repayment of borrowings	14B	-	(9,113)
Repayment of lease liabilities	14B	(63,288)	-
Net cash from (used by) financing activities		(63,288)	(9,113)
Net increase (decrease) in cash held		116,211	289,175
Cash & cash equivalents at the beginning of the reporting period		472,609	183,434
Cash & cash equivalents at the end of the reporting period	5	588,820	472,609

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 2020

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 except for the following standards and amendments, which have been adopted for the first time this financial year:

- AASB 15 Revenue from Contracts with Customers, which replaces AASB 118 Revenue, and AASB 1058 Income of Not-for-Profit-Entities, which replaces in the income recognition requirements of AASB 1004 Contributions. The applications of these standards are discussed further below.

AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1d New Australian Accounting Standards (continued)

Adoption of New Australian Accounting Standard Requirements

- AASB 16 Leases and amending standards, which replaces AASB 117 Leases. The application of this standard is discussed further below.

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

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

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

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

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

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

1d New Australian Accounting Standards (continued)

Adoption of New Australian Accounting Standard Requirements

Impact on adoption of AASB 16 Leases

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

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

The Branch has adopted AASB 16 using the modified retrospective method of transition, with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Branch elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 July 2019.

Instead, the Branch applied the standard only to contracts that were previously identified as leases applying AASB 117 and Interpretation 4 at the date of initial application.

The Branch has lease contracts for building premises. Before the adoption of AASB 16, the Branch classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of AASB 16, the Branch applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 1i Leases for the accounting policy beginning 1 July 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Branch.

Leases previously classified as finance leases

The Branch did not have leases previously classified as finance leases.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1d New Australian Accounting Standards (continued)

Adoption of New Australian Accounting Standard Requirements

Impact on adoption of AASB 16 Leases

Leases previously accounted for as operating leases

The Branch recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Branch also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at 1 July 2019:

- Right-of -use assets of \$467,508 were recognised and presented separately in the statement of financial position. This includes the lease assets recognised previously under finance leases of \$Nil that were reclassified from property, plant and equipment.
- Additional lease liabilities of \$467,508 (included in lease liabilities) were recognised.
- Prepayments of \$Nil and trade and other payables of \$Nil related to previous operating leases were derecognised.
- The net effect of these adjustments had been adjusted to retained earnings \$Nil

AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1d New Australian Accounting Standards (continued)

Adoption of New Australian Accounting Standard Requirements

Impact on adoption of AASB 16 Leases

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

Operating lease commitments disclosed as at 30 June 2019	\$530,668
Discounted using the [reporting unit's] weighted average incremental borrowing rate	\$ 0
Add: Finance lease liabilities recognised as at 30 June 2019	\$ 0
(Less): Short-term leases recognised on a straight-line basis as an expense	\$ 63,160
(Less): Low-value leases recognised on a straight-line basis as an expense	\$ 0
Add/(less): Adjustments as a result of a different treatment of extension and termination options	\$ 0
Add/(less): Adjustments relating to changes in the index or rate	\$ 0
Lease liability recognised as at 1 July 2019	\$467,508

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 Branch include:

AASB 2020-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1e Revenue

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

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

Revenue from contracts with customers

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

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

Membership subscriptions

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

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

If there is more than one distinct good or service promised in the membership subscription, the Branch allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the Branch charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the Branch recognises revenue at the amount of the transaction price that was allocated to that performance obligation. For member subscriptions paid annually in advance, the Branch has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

1e Revenue (continued)

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

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 2020

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

The Branch assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Branch as a lessee

The Branch applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Branch recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Branch recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2020	2019
Land & buildings	40 years	40 years
Plant and equipment	4 to 40 years	4 to 40 years

If ownership of the leased asset transfers to the Branch at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1i Leases (continued)

Lease liabilities

At the commencement date of the lease, the Branch recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Branch and payments of penalties for terminating the lease, if the lease term reflects the Branch exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Branch uses the incremental borrowing rate if the implicit lease rate is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Branch's short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption to leases that are below \$1,000 value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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.

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

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.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

11 Financial assets (continued)

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.

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.

1l Financial assets (continued)

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.

(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 2020

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 2020**

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 2020, 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 2020

	2020	2019
	\$	\$
3. Other Revenue		
Directors Fees Received	84,481	67,255
Gain on Revaluation of Investments	-	897
Government Cash Flow Boost	50,000	-
Distributions Received	-	241
Building Lease Waiver Received	24,769	-
Sundry Income	16,605	22,003
	<u>175,855</u>	<u>90,396</u>
4. Expenses		
	2020	2019
	\$	\$
Employee expenses		
Holders of office:		
Wages and salaries	407,348	333,996
Superannuation	62,107	50,281
Leave and other entitlements	(26,933)	121,670
Separation and redundancies	-	38,989
Other employee expenses	35,145	32,754
Subtotal employee expenses holders of office	<u>477,667</u>	<u>577,690</u>
Employees other than office holders:		
Wages and salaries	816,736	692,883
Superannuation	131,319	111,813
Leave and other entitlements	47,356	(164,683)
Separation and redundancies	3,403	66,408
Other employee expenses	69,314	69,839
Subtotal employee expenses employees other than office holders	<u>1,068,128</u>	<u>776,260</u>
Total employee expenses	<u>1,545,795</u>	<u>1,353,950</u>
Capitation fees		
ASU National Office	131,250	128,124
Total capitation fees	<u>131,250</u>	<u>128,124</u>

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

4. Expenses (continued)

	<i>2020</i>	<i>2019</i>
	\$	\$
Affiliation fees		
Australian Labor Party	32,548	30,058
Victorian Trades Hall Council	34,523	34,523
Ballarat Trades & Labour Council	240	240
Bendigo Trades & Labour Council	200	200
Geelong Trades & Labour Council	1,552	1,528
Gippsland Trades & Labour Council	247	247
South West Trades & Labour Council	273	273
North East Trades & Labour Council	120	120
Australia Asia Worker Links	800	800
Australia Palestine Advocacy Network	400	400
First Nations Workers Alliance	-	500
AFTINET	196	-
Total affiliation fees	<u>71,099</u>	<u>68,889</u>
Administration expenses		
Consideration to employers for payroll deductions	1,113	1,274
Industry Division Levy – ASU National Office	19,064	19,067
Campaign Levy – ACTU	-	14,366
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	33,642	50,625
Rent and outgoings expenses	26,690	100,612
Communications expenses	31,458	36,108
Motor vehicle expenses	75,394	120,371
Printing, Stationery & Postage	9,010	13,264
Other	191,845	160,340
Total administration expenses	<u>388,216</u>	<u>516,027</u>
Donations		
Total paid that were \$1,000 or less	210	500
Total paid that exceeded \$1,000	12,500	16,450
Total donations	<u>12,710</u>	<u>16,950</u>

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

4. Expenses (continued)

	2020	2019
	\$	\$
Depreciation and amortisation		
Depreciation		
Computer Equipment	17,638	11,319
Motor Vehicles	35,017	4,605
Office Furniture and Equipment	5,313	2,878
Right-of-use asset	93,501	-
Total depreciation	<u>151,469</u>	<u>18,802</u>
Amortisation		
Leasehold Improvements	1,210	9,112
Total amortisation	<u>1,210</u>	<u>9,112</u>
Total depreciation and amortisation	<u>152,679</u>	<u>27,914</u>
Legal costs		
Litigation	12,091	-
Other legal matters	2,909	2,726
Total legal costs	<u>15,000</u>	<u>2,726</u>
Remuneration of auditors		
Financial statement audit services	17,500	17,250
Other services	1,840	1,920
Total remuneration of auditors	<u>19,340</u>	<u>19,170</u>

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

5. Cash and cash equivalents

Cash on hand	200	191
Cash at bank	588,620	472,418
Total cash and cash equivalents	<u>588,820</u>	<u>472,609</u>

AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

6. Trade and other receivables

	2020	2019
	\$	\$
Receivables from other reporting units		
ASU National Office	-	-
Total receivables from other reporting units	<u>-</u>	<u>-</u>
Other receivables:		
Other trade receivables	14,703	28,081
Total other receivables	<u>14,703</u>	<u>28,081</u>
Total trade and other receivables	<u>14,703</u>	<u>28,081</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	1,400,000	1,300,000
Total current financial assets	<u>1,400,000</u>	<u>1,300,000</u>

Term Deposit is held with Members Equity Bank with an interest rate of 1.30% (2019: 2.40%)

8. Other current assets

Deposits paid	-	2,000
Prepayments	6,669	866
Interest receivable	2,543	4,188
Total other current assets	<u>9,212</u>	<u>7,054</u>

AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

9. Plant and Equipment

	2020	2019
	\$	\$
Computer Equipment		
At Cost	117,368	103,604
Less Accumulated Depreciation	(92,503)	(90,923)
Net Computer Equipment	<u>24,865</u>	<u>12,681</u>
Motor Vehicles		
At Cost	185,396	24,727
Less Accumulated Depreciation	(34,989)	(10,914)
Net Motor Vehicles	<u>150,407</u>	<u>13,813</u>
Office Furniture & Equipment		
At Cost	41,021	36,186
Less Accumulated Depreciation	(25,123)	(20,154)
Net Office Furniture & Equipment	<u>15,898</u>	<u>16,032</u>
Leasehold Improvements		
At Cost	97,417	91,124
Less Accumulated Amortisation	(92,334)	(91,124)
Net Leasehold Improvements	<u>5,083</u>	<u>-</u>
Total plant and equipment	<u>196,253</u>	<u>42,526</u>

Movements in Carrying Amounts

2020	Computer Equipment \$	Motor Vehicles \$	Office F&E \$	Leasehold Improve \$	Total \$
Balance at beginning of year	12,681	13,813	16,032	-	42,526
Additions	30,122	185,396	5,310	6,293	227,121
Depreciation expense	(17,638)	(35,017)	(5,313)	(1,210)	(59,178)
Disposals	(300)	(13,785)	(131)	-	(14,216)
Carrying amount at end of year	<u>24,865</u>	<u>150,407</u>	<u>15,898</u>	<u>5,083</u>	<u>196,253</u>

AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

9. Plant and Equipment (continued)

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	12,681	13,813	16,032	-	42,526

10. Leases

2020	2019
\$	\$

Australian Services Union Victorian Private Sector Branch as a lessee

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Land & Buildings	Total
	\$	\$
Balance 30 June 2018	-	-
Additions	-	-
Depreciation expense	-	-
Impairment	-	-
Disposal	-	-
Balance 30 June 2019	-	-
Balance 1 July 2019	-	-
Adoption of AASB 16 Leases	467,508	467,508
Additions	-	-
Depreciation expense	(93,501)	(93,501)
Impairment	-	-
Disposal	-	-
Balance 30 June 2020	374,007	374,007

AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

10. Leases (continued)

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	2020 \$	2019 \$
As at 1 July	-	-
Adoption of AASB 16 Leases	467,508	-
Additions	-	-
Payments	(63,288)	-
Payments	(24,769)	-
As at 30 June 2020	379,451	-
Current	90,699	-
Non-current	288,752	-

The maturity analysis of lease liabilities is disclosed in Note 16

	2020 \$	2019 \$
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	93,501	-
Expense relating to short-term leases	23,570	-
Total amount recognised in profit or loss	117,071	-

No variable lease payments are recognised by the Reporting Unit.

AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

11. Trade and other payables

	2020	2019
	\$	\$
Trade creditors and accruals	98,481	108,581
GST Payable	52,366	6,274
Legal Fees Payable – Litigation	-	-
Legal Fees Payable – Other Legal Matters	-	-
Subtotal trade and other payables	150,847	114,855
Payables to other reporting units		
ASU–Victorian & Tasmanian Authorities & Services Branch	2,131	1,885
ASU National Office	2,844	5,439
Subtotal payables to other reporting unit[s]	4,975	7,324
Total trade and other payables	155,822	122,179

AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

12. Provisions

	2020	2019
	\$	\$
Employee provisions - Current		
Office Holders:		
Annual leave	63,497	94,733
Long service leave	159,334	155,031
Separations and redundancies	-	-
Other	-	-
	<u>222,831</u>	<u>249,764</u>
Employees other than office holders:		
Annual leave	114,986	88,895
Long service leave	76,946	56,723
Separations and redundancies	-	-
Other	-	-
	<u>191,932</u>	<u>145,618</u>
Total employee provisions - current	<u>414,763</u>	<u>395,382</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	14,195	13,152
Separations and redundancies	-	-
Other	-	-
	<u>14,195</u>	<u>13,152</u>
Total employee provisions – non-current	<u>14,195</u>	<u>13,152</u>

AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 13 Contingent Liabilities, Assets and Commitments

	2020	2019
	\$	\$

Note 13A: Commitments and Contingencies

Capital commitments

At 30 June 2020 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.

14. Cash flow information

14A: Cash flow reconciliation

	2020	2019
	\$	\$
Reconciliation of surplus(deficit) to net cash from operating activities:		
Surplus/(deficit) for the year	299,207	280,280
Adjustments for non-cash items		
Depreciation/amortisation	152,679	27,914
Loss on disposal of assets	431	324
Profit on disposal of assets	(760)	-
Building Lease Waiver	(24,769)	-
Managed funds income and expenses reinvested	-	(3,530)
Unrealised gain in value of investments	-	(897)
Changes in assets/liabilities		
(Increase)/decrease in trade and receivables	13,378	1,261
(Increase)/decrease in other assets	(2,158)	6,204
Increase/(decrease) in trade and other payables	33,643	(33,795)
Increase/(decrease) in employee provisions	20,424	(43,015)
Net cash from (used by) operating activities	492,075	234,746

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

14. Cash flow information

14B: Cash flow information

	2020	2019
	\$	\$
Cash inflows		
ASU – National Office	490	-
ASU – Victorian & Tasmanian Authorities & Services Branch	-	-
Total cash inflows	490	-
Cash outflows		
ASU – National Office	252,751	244,468
ASU – Victorian & Tasmanian Authorities & Services Branch	99,406	110,992
ASU – Western Australia Branch	2,797	-
Total cash outflows	354,954	355,460

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.

2020	2019
\$	\$

Revenue received includes the following:

ASU National Office		
Administration Expenses Recovered	445	-

Expenses paid includes the following:

ASU National Office		
Industry Division Levy	19,064	19,067
Payroll Tax	68,844	65,939
Capitation Fees	131,250	128,124
ACTU Campaign Levy	-	14,366
Administration Expenses	14,548	4,541
	233,706	232,037

**AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

15. Related party disclosures

15A: Related party transactions for the reporting period

	2020	2019
	\$	\$
<u>Expenses paid includes the following:</u>		
ASU Victorian & Tasmanian Authorities & Services Branch		
Rent & Outgoings	28,319	101,464
Administration Expenses	-	-
	<u>28,319</u>	<u>101,464</u>
 ASU Western Australia Branch		
Administration Expenses	2,543	-
	<u>2,543</u>	<u>-</u>
 <u>Amounts owed by -</u>		
ASU National Office	-	-
	<u>-</u>	<u>-</u>
 <u>Amounts owed to -</u>		
ASU Victorian & Tasmanian Authorities & Services Branch	381,582	1,885
ASU National Office	2,844	5,439
	<u>384,426</u>	<u>7,324</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 2020, 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 (2019: \$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 2020**

15. Related party disclosures (continued)

15B: Key management personnel remuneration for the reporting period

	2020	2019
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	419,630	400,925
Annual leave accrued	(31,236)	31,791
Total short-term employee benefits	<u>388,394</u>	<u>432,716</u>
Post-employment benefits:		
Superannuation	62,107	58,248
Total post-employment benefits	<u>62,107</u>	<u>58,248</u>
Other long-term benefits:		
Long-service leave accrued	4,303	23,892
Total other long-term benefits	<u>4,303</u>	<u>23,892</u>
Termination benefits	-	38,989
Total	<u>454,804</u>	<u>553,845</u>

16. Financial risk management

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.

AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

16. 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 :

	2020	2019
	\$	\$
Cash at bank		
AA- Rating	541,529	350,989
BBB Rating	47,091	121,429
Term Deposits		
BBB Rating	1,400,000	1,300,000

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:

	2020	2019
	\$	\$
Effect on results:		
Increase of interest rates by 1%	19,886	17,724
Decrease of interest rates by 1%	(19,886)	(17,724)

AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

16. Financial risk management (continued)

Maturity profile of financial instruments

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

2020	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	1.13	588,620	-	-	-	588,620
Deposits at bank	1.85	-	1,400,000	-	-	1,400,000
Other Receivables		-	-	-	14,703	14,703
		588,620	1,400,000	-	14,903	2,003,523
Financial Liabilities						
Trade & other payables		-	-	-	155,822	155,822
Lease Liabilities		-	90,699	288,752	-	379,451
		-	90,699	288,752	155,822	535,273
Net Financial Assets		588,620	1,309,301	(288,752)	(140,919)	1,468,250
2019						
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

AUSTRALIAN SERVICES UNION
VICTORIAN PRIVATE SECTOR BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

17. 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 –

30 th June 2020	Level 1	Level 2	Level 3	Total
Assets	\$	\$	\$	\$
Available-for-sale financial assets	-	-	-	-
30 th June 2019	Level 1	Level 2	Level 3	Total
Assets	\$	\$	\$	\$
Available-for-sale financial assets	-	-	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

18. Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or 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 2020.

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 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: 17.11.2020



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 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30th June 2020, 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 2020, 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. Gedy 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 13105,
Lax 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





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 (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. Eedy 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 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)

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 November 2020

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

