



FAIR WORK
AUSTRALIA

17 February 2011

Mr Wayne Wood
Secretary

Australian Municipal, Administrative, Clerical and Services Union, Western Australian Branch

email: branch.secretary@asuwa.org

Dear Mr Wood

Re: Financial Report for the Australian Municipal, Administrative, Clerical and Services Union, Western Australian Branch for year ended 30 June 2010 – FR2010/2731

I acknowledge receipt of the designated officer's certificate in reply to correspondence of 28 January 2011 lodged with Fair Work Australia on 9 February 2011.

The financial report has now been filed.

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

Timing of Financial Documents - Lodgement of documents with Fair Work Australia

[Section 268](#) of the Act requires the Australian Municipal, Administrative, Clerical and Services Union, Western Australian Branch (the Branch) to lodge its financial documents with Fair Work Australia (FWA) within 14 days of the date of the Committee of Management Meeting at which they were presented (that is, 12 November 2010). The documents were not lodged with FWA until 30 December 2010. In future years please ensure that financial reports are lodged with FWA within 14 days of the Committee of Management Meeting.

Notes to the financial statements

Note 21 of the notes to the financial statements contained an extract from section 272 of the previous legislation. To ensure that the correct reference is used in the future could the Branch delete the words 'a Registrar' and insert 'the General Manager'.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

Kevin Donnellan

Tribunal Services and Organisations

Fair Work Australia

Email: kevin.donnellan@fwa.gov.au

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Western Australian Branch

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Branch Secretary
Wayne Wood

Assistant Branch Secretary
Pat Branson

23rd December 2010



The Registrar
Fair Work Australia
GPO Box 1994
MELBOURNE VIC 3001

Dear Registrar

Please find attached the General Purpose Financial Report for the Australian Municipal, Administrative, Clerical and Services Union, Western Australian Branch, for the financial year ended 30th June 2010.

If I can be of any further assistance, please do not hesitate to contact me on either (08) 9427 7733 or 0412 947 052.

Yours sincerely

Wayne Wood
BRANCH SECRETARY

cc. Paul Slape, ASU National Secretary



ACCS



ASU / ME



ENERGY / IT



LOCAL GOVT



SACS



TRANSPORT

**AUSTRALIAN SERVICES UNION
(WESTERN AUSTRALIAN BRANCH)**

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2010**

AUSTRALIAN SERVICES UNION
(WESTERN AUSTRALIAN BRANCH)

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE AUSTRALIAN SERVICES UNION
WESTERN AUSTRALIAN BRANCH**

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Report on the Financial Report

We have audited the accompanying financial report of the Australian Services Union, Western Australian Branch, which comprises the statement of financial position as at 30 June 2010 and the statement of comprehensive income, statement of changes in members' fund and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Committee of Management Statement, for the year ended 30 June 2010.

Committee's Responsibility for the Financial Report

The Committee of Management of the Union is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee, as well as evaluating the overall presentation of the financial report.

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

Independence

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

**HEWITT
TURNER &
GELEVITIS**



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CONSULTANTS**

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Wealth Creation
Asset Protection
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Accounting Services
Management Consultancy*

PRINCIPALS

*Timothy Turner
B.BUS (ACC), FCPA,
FTIA
Registered Company Auditor*

*Vick Gelevitis
B.BUS (ACC), FCPA,
N1AA, FTIA*

*Darryl Rodrigues
B.Sc, B.BUS (ACC), CPA*

Hewitt Turner & Gelevitis
is a CPA Practice



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE AUSTRALIAN SERVICES UNION
WESTERN AUSTRALIAN BRANCH (continued)**

Audit Opinion

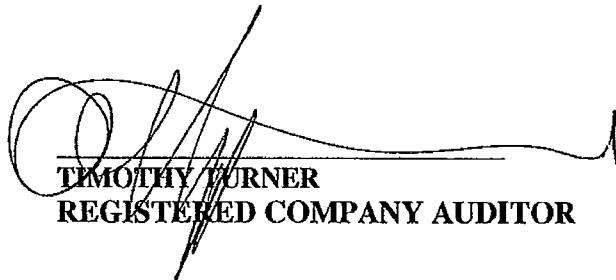
In our opinion, the general purpose financial report of the Australian Services Union, Western Australian Branch, is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by the Fair Work (Registered Organisations) Act 2009.

Signed at *Perth*, this *9th* day of *September* 2010.

**HEWITT
TURNER &
GELEVITIS**



**HEWITT TURNER & GELEVITIS
AUDIT ASSURANCE DIVISION**



**TIMOTHY TURNER
REGISTERED COMPANY AUDITOR**

**AUSTRALIAN SERVICES UNION
(WESTERN AUSTRALIAN BRANCH)**

STATEMENT REGARDING RECOVERY OF WAGES

Based on representations made to us by our client and our audit work undertaken for the year ended 30 June 2010, it appears that there were no recovery of wages activity for the Australian Services Union, Western Australian Branch, for the year then ended.

Signed at *Perth*, this *9th* day of *September*, 2010.

**HEWITT
TURNER &
GELEVITIS**



**TIMOTHY TURNER
REGISTERED COMPANY AUDITOR**



AUSTRALIAN SERVICES UNION

(WESTERN AUSTRALIAN BRANCH)

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2010

Your committee members submit the financial report of the Australian Services Union, Western Australian Branch, for the financial year ended 30 June 2010.

Review of the Union's Principal Activities

The principal activities of the Australian Services Union, Western Australian Branch, during the financial year were the provision of industrial, professional and managerial services to the members, consistent with the object and rules of the Union and in particular, protecting and improving the interests of members.

Significant Changes in Nature of Principal Activities

There were no significant changes in the nature of the Union's principal activities during the financial year.

Results of Principal Activities

The Australian Services Union, Western Australian Branch Unions principal activities resulted in a profit for the financial year of \$79,550 (2009: \$176,946 profit).

The principal activity of the Australian Services Union Western Australia Branch during the financial year was the provision of industrial services to members. These industrial services included but were not limited to:

- Advice and assistance to members relating to the terms and conditions of their employment and in relation to occupational health and safety.
- Assistance with the resolution of membership grievances within the workplace and, where necessary, through industrial tribunals at both the State and Federal level.
- Establishment and maintenance of industrial awards setting minimum terms and conditions of employment for members.
- Representing members in bargaining at the workplace level and the negotiation of enterprise agreements covering members and other employees lodged for approval in state and federal industrial tribunals.
- Representing members unfairly dismissed or otherwise adversely affected in their employment.
- Providing advice to members about trends and developments in industrial legislation affecting their employment rights.

In particular, over the reporting period, the Branch was involved in:

- The establishment of modern federal awards covering members.
- On going discussions and activities relating to the future of the WA industrial relations system.
- Enterprise bargaining, for example at Western Power.

AUSTRALIAN SERVICES UNION
(WESTERN AUSTRALIAN BRANCH)

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2010
(continued)

Results of Principal Activities (continued)

Other than the normal evolution of industrial activities in response to changing industrial relations environments, including changing legislation, there have been no significant changes to the activities of the Branch during the reporting period.

The results of the Branch's activities over the reporting period have been positive for members. The Branch has been involved in resolving workplace issues for many members, including in formal dispute resolution processes. The Branch has engaged with members in numerous enterprise bargaining campaigns resulting in the making of new enterprise agreements delivering protection of existing terms and conditions and improving those terms and conditions where possible, including through increased wages and salaries. The Branch has been involved in the federal award modernisation process and has worked to ensure that the terms and conditions of members to be employed under modern awards were no less favourable than under the pre-existing awards.

Significant Changes in the Union's Financial Affairs

No matters or circumstances arose during the reporting year, which significantly affected the financial affairs of the Union.

The Rights of Members to Resign

Rule 32 of the Australian Services Union Rules states as follows:

- a) A member may resign membership of the Union by written notice addressed and delivered to the Branch Secretary.
- b) A notice of resignation takes effect:
 - (i) where the member ceases to be eligible for membership of the Union:
 - 1. on the day on which the notice is received; or
 - 2. the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;whichever is the later; or
 - (ii) in any other case:
 - 1. at the end of 2 weeks after the notice is received; or
 - 2. on the day specified in the notice;whichever is the later.

AUSTRALIAN SERVICES UNION

(WESTERN AUSTRALIAN BRANCH)

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2010 (continued)

The Rights of Members to Resign (continued)

- c) Notice of resignation shall be addressed to the Branch Secretary and delivered to that officer.
- d) Any member resigning shall be liable for the payment of all subscriptions, fines and levies owing to the Union under these Rules at the date of leaving, and such monies may be sued for and recovered in the name of the Union.
- e) Any subscription paid by a member in respect of a period beyond the end of the quarter in which the member's notice of resignation expires shall be remitted to the member if so requested and a member who pays annual subscription by instalments shall not be liable to pay any instalment for any period after the end of the quarter in which the member's notice of resignation expires and a member who resigns where the member ceased to be eligible to become a member of the Union as hereinbefore mentioned shall be entitled to the same remission.
- f) A notice delivered to the Branch Secretary shall be taken to have been received by the Union when it was delivered.
- g) A notice of resignation that has been received by the Union is not invalid because it was not addressed and delivered to the Branch Secretary.
- h) A resignation from membership of the Union is valid, even if not affected in accordance with sub-clauses a. to g. of this Rule, if the member is informed in writing by or on behalf of the Union, that the resignation has been accepted.
- i) A member on leaving the Union after compliance with this Rule shall be entitled, on written application to the Secretary of the member's Branch, to a clearance certificate in the prescribed form.

Trustee or Director of Trustee Company of Superannuation Entity or Exempt Public Sector Superannuation Scheme

The following officers of the Union held reserved positions in the following entities during the year:

Jeffrey Williams, Branch President, is a Director of the Trustee Company of Westscheme Superannuation;

Kevin Sim, Branch Councillor is a Director of the trustee Company of WA Local Government Superannuation Plan.

AUSTRALIAN SERVICES UNION

(WESTERN AUSTRALIAN BRANCH)

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2010

(Continued)

Prescribed Information Required under the Fair Work (Registered Organisations) Act 2009.

- a) the number of persons that were recorded in the register of members on 30 June 2010 was 5,351 (2009: 5,320);
- b) the number of persons who were employees of the reporting unit on 30 June 2010 was 17 (2009: 15), where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis;
- c) the names of each person who has been a member of the committee of management of the Union at any time during the reporting period, and the period for which he or she held such a position is as follows:

Name	Title of Officer
Jeffrey Williams	Branch President
Patricia Richardson	Deputy Branch President
Wayne Wood	Branch Secretary
Pat Branson	Assistant Branch Secretary
Nigel Rainford	Branch Treasurer
Kate Davies	Branch Vice President (Women)
Carolyn Wall	Branch Executive Councillor
Angela Hartwig	Branch Executive Councillor
Carlo Genovese	Branch Executive Councillor
Mudji Neilsen	Branch Executive Councillor
Darcy Buckle	Branch Executive Councillor
Paul O'Neill	Branch Executive Councillor
Stephen Arnold	Branch Executive Councillor
Mark Attwood	Branch Executive Councillor
Sanna Andrew	Branch Executive Councillor
Keith Armstrong	Branch Executive Councillor

AUSTRALIAN SERVICES UNION

(WESTERN AUSTRALIAN BRANCH)

**OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2010
(Continued)**

Prescribed Information Required under the Fair Work (Registered Organisations) Act 2009 (continued)

Changes to the Composition of the Committee of Management during the financial year

Diana Campbell	Branch Executive Councillor (Resigned 4 May 2010)
Keith Armstrong	Branch Executive Councillor (Appointed 4 May 2010)
Angela Hartwig	Deputy Branch President (Resigned 23 February 2010)
Angela Hartwig	Branch Executive Councillor (Appointed 23 February 2010)
Patricia Richardson	Branch Treasurer (Resigned 23 February 2010)
Patricia Richardson	Deputy Branch President (Appointed 23 February 2010)
Nigel Rainford	Branch Executive Councillor (Resigned 23 February 2010)
Nigel Rainford	Branch Treasurer (Appointed 23 February 2010)
Carolyn Wall	Branch Vice President (Woman) (Resigned 23 February 2010)
Carolyn Wall	Branch Executive Councillor (Appointed 23 February 2010)
Kate Davies	Branch Executive Councillor (Resigned 23 February 2010)
Kate Davies	Branch Vice President (Woman) (Appointed 23 February 2010)

Wayne Wood
Name

Branch Secretary
Title

Wayne Wood
Signature

7/9/10
Date

AUSTRALIAN SERVICES UNION

(WESTERN AUSTRALIAN BRANCH)

COMMITTEE OF MANAGEMENT STATEMENT

On 31st August 2010 the Branch Executive Council of The Western Australian Branch of *Australian Services Union* passed the following resolution in relation to the *General Purpose Financial Report (GPFR)* of the reporting unit for the financial year ended 30 June 2010:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (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;
- (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 *Fair Work (Registered Organisations) Act 2009*; and
 - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) no information has been sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the *Fair Work (Registered Organisations) Act 2009* during the period; and
 - (vi) no orders have been made by the Commission for inspection of financial records under section 273 of the *Fair Work (Registered Organisations) Act 2009* during the period.

For Committee of Management: *Nigel Rainford*

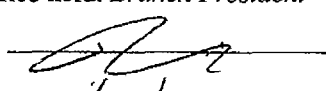
Title of Office held: *Branch Treasurer*

Signature: 

Date:

For Committee of Management: *Jeffrey Williams*

Title of Office held: *Branch President*

Signature: 

Date:

9/9/10

AUSTRALIAN SERVICES UNION

(WESTERN AUSTRALIAN BRANCH)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010**

	NOTE	2010 \$	2009 \$
REVENUE	2	2,204,631	2,038,522
Administration Expenditure	3	(179,338)	(199,921)
Staffing Costs	4	(1,547,831)	(1,375,975)
Organising Expenses		(114,575)	(124,867)
Other Expenses	5	(283,337)	(160,813)
TOTAL EXPENDITURE		<u>2,125,081</u>	<u>1,861,576</u>
PROFIT/(LOSS) FOR THE YEAR		79,550	176,946
OTHER COMPREHENSIVE INCOME			
Net gain on revaluation of land and buildings		<u>-</u>	<u>649,593</u>
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>649,593</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTED TO MEMBERS OF THE UNION		<u>79,550</u>	<u>826,539</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN SERVICES UNION**(WESTERN AUSTRALIAN BRANCH)****STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010**

	NOTE	2010 \$	2009 \$
MEMBERS' FUNDS			
Retained Earnings		945,581	866,031
Asset Revaluation Reserve		1,178,636	1,178,636
TOTAL MEMBERS' FUNDS		2,124,217	2,044,667
CURRENT ASSETS			
Cash & Cash Equivalents	6	962,157	837,726
Trade & Other Receivables	7	6,438	18,404
TOTAL CURRENT ASSETS		968,595	856,130
NON-CURRENT ASSETS			
Property, Plant and Equipment	8	1,527,331	1,517,021
TOTAL NON-CURRENT ASSETS		1,527,331	1,517,021
TOTAL ASSETS		2,495,926	2,373,151
CURRENT LIABILITIES			
Trade & Other Payables	9	184,762	197,389
Provisions	10	186,947	131,095
TOTAL CURRENT LIABILITIES		371,709	328,484
TOTAL LIABILITIES		371,709	328,484
NET ASSETS		2,124,217	2,044,667

The accompanying notes form part of these financial statements.

AUSTRALIAN SERVICES UNION

(WESTERN AUSTRALIAN BRANCH)

**STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE YEAR ENDED 30 JUNE 2010**

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
BALANCE AS AT 1 JULY 2008	689,085	529,043	1,218,128
Profit attributable to members	176,946	-	176,946
Other comprehensive income			
- Net gain on revaluation of land and buildings	-	649,593	649,593
Total comprehensive income for the year	176,946	649,593	826,539
BALANCE AS AT 30 JUNE 2009	866,031	1,178,636	2,044,667
Profit attributable to members	79,550	-	79,550
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	79,550	-	79,550
BALANCE AS AT 30 JUNE 2010	945,581	1,178,636	2,124,217

The accompanying notes form part of these financial statements.

AUSTRALIAN SERVICES UNION

(WESTERN AUSTRALIAN BRANCH)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010**

	NOTE	2010 \$	2009 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members and others		2,185,641	2,011,252
Interest received		58,972	48,415
Payments to suppliers & employees		<u>(2,047,411)</u>	<u>(1,893,007)</u>
NET CASH INFLOWS FROM OPERATING ACTIVITIES	11	<u>197,202</u>	<u>166,660</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant & Equipment		30,408	7,727
Payments for Property, Plant & Equipment		<u>(103,179)</u>	<u>(43,916)</u>
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES		<u>(72,771)</u>	<u>(36,189)</u>
NET INCREASE IN CASH HELD		124,431	130,471
CASH AT BEGINNING OF THE FINANCIAL YEAR		<u>837,726</u>	<u>707,255</u>
CASH AT THE END OF THE FINANCIAL YEAR	6	<u>962,157</u>	<u>837,726</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN SERVICES UNION

(WESTERN AUSTRALIAN BRANCH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is for the Australian Services Union, Western Australia Branch, an organisation registered under the Fair Work (Registered Organisations) Act 2009. In accordance with this Act, the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the State Branch are not subject to the Corporations Act 2001.

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report:

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (AASBs), (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Fair Work (Registered Organisations) Act 2009*.

The financial report of the Union complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars, which is the Union's functional currency.

Accounting Policies

a) Property, plant and equipment

Each class of property, plant & equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Freehold land and buildings are shown at their fair value (being an amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction) based on periodic, but at least triennial valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

AUSTRALIAN SERVICES UNION

(WESTERN AUSTRALIAN BRANCH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Property, plant and equipment (continued)

The depreciable amount of buildings and building improvements are calculated on a straight-line basis over the useful lives of the assets to the Union. The depreciation rates vary between 2.5% and 22.52%pa.

Office Equipment and Furniture are measured at cost less depreciation and impairment losses depreciated on a diminishing value method at a rate of 20% pa. Motor vehicles are depreciated on a diminishing value method at a rate of 18.75% and 25% pa.

The carrying amount of property, plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount. The recoverable amount is determined as the depreciable replacement cost of the asset.

Increases in the carrying amount arising on revaluation of land & buildings are credited to a revaluation reserve in members' equity. Decreases that effect previous increases of the same class of asset are charged against fair value reserves in equity, all other decreases are charged to the income statement.

The gain or loss on disposal of all fixed assets, including revalued assets, is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal and is included in operating profit before income tax of the company in the year of disposal. Any realised revaluation increment relating to the disposed asset which is included in the asset revaluation reserve is transferred to the accumulation account.

b) Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to Balance Sheet date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled. Other employee benefits payable later than one year have been measured at the net present value.

Contributions are made by the Union, to employees' superannuation funds and are charged as expenses when incurred.

c) Income Tax

No provision for income tax is necessary as "Trade Unions" are exempt from income tax under Section 50-15 of the Income Tax Assessment Act (1997).

AUSTRALIAN SERVICES UNION

(WESTERN AUSTRALIAN BRANCH)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Cash

For the purposes of the Cash Flow Statement, cash includes cash on hand and deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

e) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Members' contribution revenue is recognised upon the delivery of the service to the members.

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

f) Goods & Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount 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 balance sheet are shown inclusive of GST.

AUSTRALIAN SERVICES UNION

(WESTERN AUSTRALIAN BRANCH)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Trade date accounting is adopted for financial assets that are delivered within timeframes established by market place convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the profit or loss.

Classification and Subsequent Measurement

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Union's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed determinable payments.

AUSTRALIAN SERVICES UNION

(WESTERN AUSTRALIAN BRANCH)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial Instruments (continued)

(iv) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(v) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Union assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

h) Impairment of Assets

At each reporting date, the Union reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where the future economic benefits of the asset are not primarily dependent upon the assets ability to generate net cash inflows and then the Union would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the Union estimates the recoverable amount of the cash generating unit to which the class of assets belong.

i) Comparative Figures

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

AUSTRALIAN SERVICES UNION

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010 (Continued)

j) Critical Accounting Estimates and Judgements Policy

The Union evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtain both externally and within the Union.

Key Estimates - Impairment

The Union assesses impairment at each reporting date by evaluating conditions specific to the Union that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Judgements – Provision for Impairment

A provision of \$407 has been made based on a review of outstanding Union Dues as at 30 June 2010 (2009: \$2,019).

k) Adoption of New and Revised Accounting Standards

During the current year the Union adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of the Union.

AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Union's financial statements:

Disclosure impact

Terminology changes – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity – The revised AASB 101 requires all changes in equity arising from transactions with members to be presented separately from non-member changes in equity. Member changes in equity are to be presented in the statement of changes in equity, with non-member changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that member's changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income – The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

AUSTRALIAN SERVICES UNION

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (Continued)**

k) Adoption of New and Revised Accounting Standards (cont'd)

The Union's financial statements now contain a statement of comprehensive income.

Other comprehensive income – The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

l) New Accounting Standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Union has decided not to early adopt. A discussion of those future requirements and their impact on the Union is as follows:-

- AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128,131,132,136,139,1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and amend the classification and measurement of financial assets. The Union has not yet determined any potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
 - simplifying the requirements for embedded derivatives;
 - removing the tainting rules associated with held-to-maturity assets;
 - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
 - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
 - requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.
- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities, and clarifies the definition of a 'related party' to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the Union.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (continued)**

1) New Accounting Standards for application in future periods (continued)

- AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5,8,101,117,118,136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These Standards detail numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Union.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (continued)**

1) New Accounting Standards for application in future periods (continued)

- AASB 2009-12: Amendments to Australian Accounting Standards – [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segments disclosures. The amendments are not expected to impact the Union.

- AASB 2009-13: Amendments to Australia Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).

This Standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This Standard is not expected to impact the Union.

- AASB 2009-14: Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual periods commencing on or after 1 January 2011).

This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

- AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing from 1 July 2010).

This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably, in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Union.

The Union does not anticipate early adoption of any of the above Australian Accounting Standards.

AUSTRALIAN SERVICES UNION

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (continued)**

NOTE 2: REVENUE

	2010	2009
	\$	\$
Interest Received	58,972	48,415
Members Subscriptions	2,122,363	1,960,018
Sundry Income	14,488	21,959
Staff Contributions to Motor Vehicles	3,404	3,333
Profit on sale of Fixed Assets	5,404	4,797
TOTAL REVENUE	<u>2,204,631</u>	<u>2,038,522</u>

NOTE 3: ADMINISTRATION EXPENDITURE

	2010	2009
	\$	\$
Capitation to National Office	128,210	116,742
Affiliation Fees – Unions WA	19,222	19,109
BCOM Honoraria	4,805	4,821
Legal Fees & Retainer	24,215	56,376
Airline Levy to National Office	2,886	2,873
TOTAL	<u>179,338</u>	<u>199,921</u>

AUSTRALIAN SERVICES UNION

(WESTERN AUSTRALIAN BRANCH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010 (Continued)

NOTE 4: STAFFING COSTS

	2010	2009
	\$	\$
Recruitment	8,315	10,113
Fringe Benefits Tax	1,734	2,071
Payroll Tax	34,346	29,212
Superannuation	164,098	145,148
Annual Leave and RDO Provision	31,519	(13,063)
Long Service Leave Provision	24,333	(16,524)
Salaries and Allowances – Staff	1,014,974	962,112
Salaries and Allowances – Officials	202,350	190,796
Recoup of Employee Costs	(5,059)	-
Insurance - Workers Compensation	11,080	11,941
Staff Training & Amenities	7,434	9,074
Staff Allowances, Travel & Accommodation	51,447	43,655
Temporary Work	1,260	1,440
TOTAL	1,547,831	1,375,975

NOTE 5: OTHER EXPENSES

	2010	2009
	\$	\$
Remuneration of the auditor		
- Auditing or reviewing the financial report	6,500	7,004
Depreciation		
- Buildings & Improvements	19,573	7,919
- Office Furniture & Equipment	21,826	25,382
- Motor Vehicle	22,814	21,334
Doubtful Debts Expense	(1,465)	208
Loss on Sale of Asset	3,651	1,865
Provision for Contingency	-	(107,481)
IT Expenses	47,711	31,333

AUSTRALIAN SERVICES UNION

(WESTERN AUSTRALIAN BRANCH)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (Continued)**

NOTE 6 - CASH & CASH EQUIVALENTS	2010	2009
	\$	\$
CBA Cheque Account	11,239	26,717
Petty Cash Float	400	400
Bendigo – Term Deposit	680,493	638,067
Adelaide Bank – Money Market	743	-
Members Equity – 24 hr Call	269,282	172,542
TOTAL CASH & CASH EQUIVALENTS	<u>962,157</u>	<u>837,726</u>

NOTE 7 - TRADE & OTHER RECEIVABLES	Note	2010	2009
		\$	\$
Subscriptions in Arrears		3,622	12,715
Less Provision for Impairment of Receivables	7 (i)	(407)	(2,019)
Other Debtors		3,223	7,708
TOTAL TRADE & OTHER RECEIVABLES		<u>6,438</u>	<u>18,404</u>

- (i) **Provision for Impairment of Receivables**
Current receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual receivable is impaired. These amounts have been included in Other Expenses.

Movement in the Provision of Impairment of Receivables is as follows:

2010	Opening Balance	Net Movement	Closing Balance
Current Trade Receivables	2,019	(1,612)	407
2009	Opening Balance	Net Movement	Closing Balance
Current Trade Receivables	1,790	229	2,019

There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

AUSTRALIAN SERVICES UNION

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (Continued)**

NOTE 8 - PROPERTY, PLANT, EQUIPMENT & MOTOR VEHICLES

	2010	2009
	\$	\$
LAND AND BUILDINGS		
Land – 102 East Pde, East Perth – at independent valuation	690,000	690,000
Buildings and Improvements – at independent valuation	699,593	699,593
Buildings and Improvements – at cost	18,343	10,407
Less: Accumulated depreciation	<u>(42,714)</u>	<u>(23,140)</u>
	<u>675,222</u>	<u>686,860</u>
TOTAL LAND AND BUILDINGS	1,365,222	1,376,860
Motor Vehicles – at cost	148,292	155,636
Less: Accumulated depreciation	<u>(36,198)</u>	<u>(60,726)</u>
	<u>112,094</u>	<u>94,910</u>
Office Furniture – at cost	18,890	18,890
Less: Accumulated depreciation	<u>(15,887)</u>	<u>(14,599)</u>
	<u>3,003</u>	<u>4,291</u>
Office Equipment – at cost	204,255	287,511
Less: Accumulated depreciation	<u>(157,243)</u>	<u>(246,551)</u>
	<u>47,012</u>	<u>40,960</u>
TOTAL PLANT & EQUIPMENT	162,109	140,161
TOTAL PROPERTY, PLANT & EQUIPMENT	<u>1,527,331</u>	<u>1,517,021</u>

The land and buildings were re-valued at 30 June 2009 by independent valuation conducted by Valuers Valuations WA on 11 August 2009. The valuation has been prepared in accordance with the Australian Property Institute's Standard Report content. The revaluation surplus was credited to an asset revaluation reserve in members' equity.

AUSTRALIAN SERVICES UNION

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (Continued)**

NOTE 8 - PROPERTY, PLANT, EQUIPMENT & MOTOR VEHICLES (Continued)

MOVEMENTS IN CARRYING AMOUNTS

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

Year ended 30 June 2010

	Freehold Land	Buildings	Office Furniture	Office Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
Balance at the beginning of the year	690,000	686,860	4,291	40,960	94,910	1,517,021
Additions	-	7,935	-	30,241	65,003	103,179
Disposals	-	-	-	(3,653)	(25,005)	(28,658)
Revaluation increments/ (decrements)	-	-	-	-	-	-
Depreciation expense	-	(19,573)	(1,288)	(20,536)	(22,814)	(64,211)
Carrying amount at the end of the year	690,000	675,222	3,003	47,012	112,094	1,527,331

Year ended 30 June 2009

	Freehold Land	Buildings	Office Furniture	Office Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
Balance at the beginning of the year	440,000	303,716	18,890	287,809	149,942	1,200,357
Additions	-	6,690	-	3,641	41,541	51,872
Disposals	-	-	-	(3,939)	(35,847)	(39,786)
Revaluation increments/ (decrements)	250,000	399,594	-	-	-	649,594
Depreciation expense	-	(23,140)	(14,599)	(246,551)	(60,726)	(345,016)
Carrying amount at the end of the year	690,000	686,860	4,291	40,960	94,910	1,517,021

AUSTRALIAN SERVICES UNION

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (Continued)**

NOTE 9 - TRADE & OTHER PAYABLES	2010	2009
	\$	\$
Income received in advance	26,404	-
Group Taxes	20,856	18,340
Trade Creditors	61,032	96,422
Accruals	34,148	44,300
Staff Assistance Fund	10,000	10,000
Net GST Payable	23,628	19,633
Workers Compensation Assistance Fund	8,694	8,694
TOTAL TRADE & OTHER PAYABLES	<u>184,762</u>	<u>197,389</u>

NOTE 10 - PROVISIONS	Note	2010	2009
		\$	\$
<u>CURRENT</u>			
Provision for Long Service Leave		69,185	44,852
Provision for Annual Leave & Rostered Days Off		107,762	76,243
Provision for Sick Leave		10,000	10,000
TOTAL		<u>186,947</u>	<u>131,095</u>

Movements in Provisions – Office Holders

	LSL	AL / RDO	Sick Leave	Total
Opening Balance at 1 July 2009	0	15,371	800	16,171
Provision for the year	18,263	3,725	-	21,988
Closing Balance at 30 June 2010	<u>18,263</u>	<u>19,096</u>	<u>800</u>	<u>38,159</u>

Movements in Provisions – Other Employees

	LSL	AL / RDO	Sick Leave	Total
Opening Balance at 1 July 2009	44,852	60,872	9,200	114,924
Provision for the year	6,070	27,794	-	33,864
Closing Balance at 30 June 2010	<u>50,922</u>	<u>88,666</u>	<u>9,200</u>	<u>148,788</u>

TOTAL CLOSING BALANCE OF PROVISION AT 30 JUNE 2010	<u>69,185</u>	<u>107,762</u>	<u>10,000</u>	<u>186,947</u>
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AUSTRALIAN SERVICES UNION

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (continued)**

**NOTE 11 - RECONCILIATION OF NET CASH PROVIDED BY OPERATING
ACTIVITIES TO OPERATING SURPLUS**

	2010	2009
	\$	\$
Operating Surplus for the year	79,550	176,945
<u>Non cash flows in Operating surplus</u>		
Depreciation	64,213	54,635
(Profit) from sale of fixed assets	(5,404)	(2,931)
Loss from sale of fixed assets	3,651	-
 <u>Changes in Assets and Liabilities</u>		
Increase/(decrease) in provision for annual leave & RDOs	31,521	(13,063)
Increase/(decrease) in provision for contingencies	-	(107,481)
Increase/(decrease) in provision for long service leave	24,332	(16,524)
Increase/(decrease) in provision for Impairment of Receivables	(1,612)	229
Increase/(decrease) in sundry creditors and accruals	(43,026)	56,909
(Increase)/decrease in other debtors	4,485	(4,514)
(Increase)/decrease in Subscriptions in Arrears	9,093	15,621
(Increase)/decrease in GST credit	(3,647)	(5,489)
Increase/(decrease) in GST payable	7,642	2,248
(Increase)/decrease in Prepayments	-	10,075
Increase/(decrease) in income received in advance	26,404	-
 NET CASH PROVIDED BY OPERATING ACTIVITIES	197,202	166,660

CASH FLOWS BETWEEN OTHER BRANCHES/OFFICES OF THE UNION

	2010	2010
	Payments Made	Payments Received
	\$	\$
ASU National Office	-	21,724
ASU - National Office - Airline Division	1,788	-
ASU National Office	151,054	-
ASU NSW & ACT Sves Branch	775	-
ASU SACS Equal Rem Case	2,273	-
TOTAL	155,890	21,724

AUSTRALIAN SERVICES UNION

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010 (continued)

NOTE 12 - RESERVES

The asset revaluation reserve records revaluations of property, plant and equipment.

NOTE 13 - FINANCIAL INSTRUMENTS

a) Financial Risk Management

The entity's financial instruments consist mainly of cash held with the bank, deposits with banks, short-term investments and accounts receivable and payable.

The main purpose of non-derivative financial instruments is to raise finance for the entity.

The entity does not have any derivative instruments as at 30 June 2010.

Financial Risks

The main risks the union is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

i. Foreign Currency Risk

The union is not exposed to fluctuations in foreign currencies.

ii. Liquidity Risk

The union manages liquidity risk by monitoring forecast cash flows.

iii. Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provision for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

iv. Price Risk

The union is not exposed to any material commodity price risk.

AUSTRALIAN SERVICES UNION

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (continued)**

NOTE 13 - FINANCIAL INSTRUMENTS (continued)

b) Interest Rate Risk

The union's exposure to interest rate risk, which is the risk that the value of the financial instrument will fluctuate due to changes in market interest rates, and the effective interest rates on those financial assets and financial liabilities is as follows:

30 June 2010	Floating Interest Rate	Fixed Interest	Non- Interest Bearing	Total
Financial Assets				
Cash & Cash Equivalents	961,757	-	400	962,157
Trade & Other Receivables		-	3,223	3,223
	961,757	-	3,623	965,380
Weighted average interest rate	5.04%	-		
Financial Liabilities				
Trade & Sundry Payables		-	95,180	95,180
NET FINANCIAL ASSETS / (LIABILITIES)	961,757	-	(91,557)	870,200
30 June 2009	Floating Interest Rate	Fixed Interest	Non- Interest Bearing	Total
Financial Assets				
Cash & Cash Equivalents	837,326	-	400	837,726
Trade & Other Receivables	-	-	7,707	7,708
	837,326	-	8,107	845,432
Weighted average interest rate	4.62%	-		
Financial Liabilities				
Trade & Sundry Payables		-	140,722	140,722
NET FINANCIAL ASSETS / (LIABILITIES)	837,326	-	148,829	986,154

Trade Payables are expected to be settled within six months.

c) Net Fair Values

The assets and liabilities as disclosed in the balance sheet and notes to the financial statements approximate their carrying values.

No financial assets and liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of the financial assets and liabilities are disclosed in the balance sheet and in the notes to and forming part of the accounts.

AUSTRALIAN SERVICES UNION

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (continued)**

NOTE 13 - FINANCIAL INSTRUMENTS (continued)

d) Financing Arrangements

Unrestricted access was available at balance date to the following:

Bank Overdraft Facility	30 June 2010	30 June 2009
	\$	\$
Lines of Credit		
Bank Overdraft - facility	<u>- NIL -</u>	<u>- NIL -</u>

e) Trade and Other Receivables

The credit risk for counterparties included in trade and other receivables at 30 June 2010 is detailed below:

Trade and other receivables	2010	2009
	\$	\$
Credit risk (continued)		
AA rated counterparties	-	-
B rated counterparties	3,223	7,708
Counterparties not rated	3,215	10,696
Total	<u>6,438</u>	<u>18,404</u>

Credit risk for derivative financial instruments arises from the potential failure by counter-parties to the contract to meet their obligations.

The union does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the union.

f) Interest Rate Sensitivity Analysis

As 30 June 2010, the effect on loss and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Higher / (Lower)	Higher / (Lower)
	2010	2009
	\$	\$
Change in profit		
- Increase in interest rate by 2%	19,235	16,747
- Decrease in interest rate by 2%	(19,235)	(16,747)
Change in Members' Funds		
- Increase in interest rate by 2%	19,235	16,747
- Decrease in interest rate by 2%	(19,235)	(16,747)

The movements in profit are due to higher / lower interest revenue from cash balances.

AUSTRALIAN SERVICES UNION

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010 (continued)

NOTE 14 - RELATED PARTY TRANSACTIONS

a) Names of officers

The following persons have held office in the Union during the year:

Name	Title of Officer
Jeffrey Williams	Branch President
Angela Hartwig	Deputy Branch President (Resigned)
Patricia Richardson	Deputy Branch President (Appointed)
Wayne Wood	Branch Secretary
Pat Branson	Assistant Branch Secretary
Patricia Richardson	Branch Treasurer (Resigned)
Nigel Rainford	Branch Treasurer (Appointed)
Carolyn Wall	Branch Vice President (Woman) (Resigned)
Kate Davis	Branch Vice President (Woman) (Appointed)
Carolyn Wall	Branch Executive Councillor (Appointed)
Angela Hartwig	Branch Executive Councillor (Appointed)
Carlo Genovese	Branch Executive Councillor
Mudji Nielsen	Branch Executive Councillor
Darcy Buckle	Branch Executive Councillor
Paul O'Neill	Branch Executive Councillor
Nigel Rainford	Branch Executive Councillor (Resigned)
Stephen Arnold	Branch Executive Councillor
Mark Attwood	Branch Executive Councillor
Sanna Andrew	Branch Executive Councillor
Kate Davies	Branch Executive Councillor (Resigned)
Keith Armstrong	Branch Executive Councillor (Appointed)
Diana Campbell	Branch Executive Councillor (Resigned)

b) Key Management Personnel Remuneration

	Short Term Benefits	Post Employment	Other Term Benefits	Long Term Benefits	Termination Benefits	Total
2010						
Total						
Compensation	216,790	28,329	18,263	-	-	263,382
2009						
Total						
Compensation	205,265	14,813	-	-	-	220,078

c) Other transactions

There were no other transactions between the officers and the Union other than those relating to their membership in the Union and the reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those, which it is reasonable to expect, would have been adopted by parties at arm's length.

AUSTRALIAN SERVICES UNION

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (continued)**

NOTE 15 – CAPITAL COMMITMENTS

At the date of signing this report there are no known outstanding capital commitments.

NOTE 16 - CONTINGENT LIABILITIES

Litigation

The Union agreed to meet a plaintiff's legal costs in a case heard by the Federal Court. Cost orders were made against the plaintiffs. At the date of the report, the defendant has not sought to recover its legal costs from the plaintiff. Accordingly it is not practicable to estimate the potential liability, if any, at this stage.

NOTE 17 – GEOGRAPHICAL LOCATIONS

The Union operates from 102 East Parade, East Perth in the State of Western Australia.

NOTE 18 – EMPLOYEE NUMBERS

	30/06/10 Number	30/06/09 Number
Number of employees at the end of financial year	<u>17</u>	<u>15</u>

NOTE 19 - POST BALANCE DATE EVENTS

No matter has arisen since the end of the financial year which warrants disclosure in these financial statements.

NOTE 20 - CAPITAL MANAGEMENT

Management control the capital of the Union to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised. The Committee of Management ensures that the overall risk management strategy is in line with this objective.

Risk Management Policies are approved and reviewed by the Committee of Management on a regular basis. There include credit risk policies and future cash flow requirements.

The Union's capital consists of financial liabilities, supported by financial assets.

The Committee of Management effectively manage the Union's capital by assessing the Union's financial risk and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by the Committee of Management to control the capital of the Union since prior year. The strategy of the Union is to ensure that sufficient cash is on hand to meet trade and sundry payables.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (continued)

NOTE 21 - INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272, which read as follows:

- 272(1) *A member of a reporting unit, or a Registrar 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;*
- 272(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 be not less than 14 days after the application is given to the reporting unit;*
- 272(3) *A reporting unit must comply with an application made under subsection (1).*

***** END OF NOTES TO FINANCIAL STATEMENTS *****