



21 January 2015

Mr Wayne Wood
Branch Secretary
Australian Municipal, Administrative, Clerical and Services Union - Western Australian Branch
102 East Parade
EAST PERTH WA 6004

Dear Mr Wood

Australian Municipal, Administrative, Clerical and Services Union Western Australian Branch Financial Report for the year ended 30 June 2014 - [FR2014/251]

I acknowledge receipt of the financial report of the Australian Municipal, Administrative, Clerical and Services Union Western Australian Branch (the Branch). The documents were lodged with the Fair Work Commission (FWC) on 15 December 2014. I also acknowledge supplementary information provided on the 22 January 2015 in relation to the date the financial report was provided to members.

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 2015 may be subject to an advanced compliance review.

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. The FWC will confirm these concerns have been addressed prior to filing next year's report.

Designated Officer's Certificate

Content of Designated Officer's Certificate

Section 268 of the RO Act requires the certificate by the designated officer to certify that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with section 266.

I note that the Designated Officer's Certificate did not provide the date for when the financial report was provided to members. Following a request from the FWC to provide this date on the 21 January 2015, the Branch confirmed on the 22 January 2015 that the financial report was provided to members on the 31 October 2014.

Please ensure that in future year this information is provided in the Designated Officer's Certificate.

Statement of comprehensive income & Statement of financial position

Disclosure of employee expenses to office holders and other employees

The employee expense note to the financial statements has disclosed wages and salaries, superannuation, leave and other entitlements and other employee expenses separately for officer holders and employees, but does not separately disclose separation and redundancies provided for officers and employees.

The Reporting Guidelines require that all employee and office holder expenses be detailed separately (refer to items 16(f) and 16(g)).

Please note that Reporting Guideline 17 states that if the activities identified in item 16 have not occurred in the reporting period, a statement of this effect must be included in the GPFR.

Disclosure of employee provisions to office holders and other employees

The employee provisions note to the financial statements has disclosed annual leave and long service leave separately for office holders and employees, but does not separately disclose separation and redundancies and other employee provisions provided for officers and employees.

The Reporting Guidelines require that all employee and office holder provisions be detailed separately (refer to items 20(c) and 20(d)).

Please note that Reporting Guideline 21 states that if the activities identified in item 20 have not occurred in the reporting period, a statement of this effect must be included in the GPFR.

Reporting Requirements

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

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contact on (03) 8661 7886 or via email at joanne.fenwick@fwc.gov.au.

Yours sincerely



Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

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

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 30 June 2014

I Wayne Wood being the branch secretary of the Australian Services Union (Western Australian Branch) certify:

- that the documents lodged herewith are copies of the full report for the Australian Services Union (Western Australian Branch) for the year ended 30 June 2014 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was presented to a meeting of the committee of management of the Australian Services Union (Western Australian Branch) on 09 December 2014 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:..... *Wayne Wood*

Name of prescribed designated officer: *WAYNE WOOD*

Title of prescribed designated officer: *BRANCH SECRETARY ASUWA*

Dated:..... *10/12/14*



**Australian Services Union
(Western Australian Branch)**

Financial Report

For the year ended 30 June 2014

AUSTRALIAN SERVICES UNION
(WESTERN AUSTRALIAN BRANCH)

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

Report on the Financial Report

We have audited the accompanying financial report of Australian Services Union (Western Australian Branch) (the union), which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the branch committee of management statement.

Branch Committee of Management's Responsibility for the Financial Report

The branch committee of management of the union are responsible for the preparation of the financial report that presents fairly in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the branch committee of management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the branch committee of management also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

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

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 union's preparation of the financial report that gives a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the branch committee of management, 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.

Auditor's Declaration

- (1) In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.
- (2) I, Simon Fermanis declare I am an approved auditor, member of CPA Australia and the Institute of Chartered Accountants in Australia and I hold a current Public Practice Certificate.

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Auditor's Opinion

In our opinion:

- (1) The financial report of Australian Services Union (Western Australian Branch) is in accordance with:
 - (a) the Fair Work (Registered Organisations) Act 2009, including:
 - (i) presenting fairly, in all material respects, the union's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations); and
 - (iii) any other requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.
 - (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.
- (2) The union has kept satisfactory accounting records for the financial year including records of:
 - (i) the sources and nature of the unions income, including membership subscriptions and other income from members; and
 - (ii) the nature of and reasons for the unions expenditure.
- (3) All information and explanations that officers or employees of the union were required to provide have been provided.
- (4) There was no deficiency, failure or shortcoming in any matters referred to in (1) to (3) above.
- (5) The management's use of the going concern basis of accounting in the preparation of the union's financial statements is appropriate.



PKF MACK & CO



SIMON FERMANIS
PARTNER

27 AUGUST 2014
WEST PERTH,
WESTERN AUSTRALIA

STATEMENT OF RECOVERY OF WAGES

Based on representations made to us by the Australian Services Union (Western Australian Branch) and our audit work undertaken for the year ended 30 June 2014, it appears there was no recovery of wages activity for the Australian Services Union (Western Australian Branch) for the year then ended.

PKF Mack & Co

PKF MACK & CO

S. Fermanis

SIMON FERMANIS
PARTNER

27 AUGUST 2014
WEST PERTH,
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AUSTRALIAN SERVICES UNION
(WESTERN AUSTRALIAN BRANCH)

OPERATING REPORT
for the year ended 30 June 2014

The committee presents its report on the reporting unit for the financial year ended 30 June 2014.

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

The principal activities of the 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 financial affairs

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

Right 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.
- 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.

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

OPERATING REPORT (continued)
for the year ended 30 June 2014

- 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.

Number of members

Number of members on the register of members on 30 June 2014 was 5,784
(2013: 5,671)

Number of employees

The number of employees employed by the Union at 30 June 2014 was 21 (2013: 21)

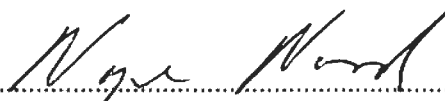
Names of Committee of Management members and period positions held during the financial year

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:

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

OPERATING REPORT (continued)
for the year ended 30 June 2014

Name	Title of Officer
Paul O'Neill	Branch President – full year
Patricia Richardson	Deputy Branch President – full year
Wayne Wood	Branch Secretary – full year
Patricia Branson	Assistant Branch Secretary – Resigned 17/10/13
Jill Hugo	Assistant Branch Secretary Appointed 21/10/13
Nigel Rainford	Branch Treasurer – full year
Angela Hartwig	Branch Vice President (Women) – full year
Robert Bates	Branch Executive Councillor – full year
Stephen Arnold	Branch Executive Councillor – full year
Michael Dentinos	Branch Executive Councillor – full year
Nerida Edgar	Branch Executive Councillor – full year
Gregory Godfrey	Branch Executive Councillor – full year
Sanna Andrew	Branch Executive Councillor – full year
Andrew White	Branch Executive Councillor – full year
Joe Zappavigna	Branch Executive Councillor – full year
William Beatts-Ratray	Branch Executive Councillor – full year
Carolyn Wall	Branch Executive Councillor – full year
Dulcie Donaldson	Branch Executive Councillor – full year

Signature of designated officer:..... 

Name and title of designated officer: WAYNE WOOD BRANCH SECRETARY

Dated: 27 / 8 / 2014

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

**COMMITTEE OF MANAGEMENT STATEMENT
for the year ended 30 June 2014**

On the 26 August 2014 the Branch Executive Council of the Australian Services Union (Western Australian Branch) passed the following resolution in relation to the general purpose financial report for the year ended 30 June 2014:

The Union declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards and International Financial Reporting Standards (IFRS);
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Australian Services Union (Western Australian Branch) for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Australian Services Union (Western Australian Branch) will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the General Purpose Financial Report 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 Australian Services Union (Western Australian Branch) 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 Australian Services Union (Western Australian Branch) have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
 - (iv) no information has been sought in any request by a member of the Australian Services Union (Western Australian Branch) or General Manager duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 during the financial year; and
 - (v) no orders have been made for inspection of financial records by the Fair Work Commission under section 273 of the Fair Work (Registered Organisations) Act 2009, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting year.

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

Signature of designated officer:

Nayne Wood

Name and title of designated officer:

NAYNE WOOD BRANCH SECRETARY

Dated:

27 / 8 / 2014

AUSTRALIAN SERVICES UNION
(WESTERN AUSTRALIAN BRANCH)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2014

	Notes	2014 \$	Restated 2013 \$
Revenue			
Membership subscription		3,042,602	2,708,921
Capitation fees	2	-	-
Levies	2	-	-
Interest		40,280	45,591
Other revenue		59,959	61,826
Total revenue		3,142,841	2,816,338
Other Income			
Grants and/or donations	2	-	-
Total other income		-	-
Total income		3,142,841	2,816,338
Expenses			
Employee expenses	3	2,307,403	2,183,366
Capitation fees	3	154,849	147,323
Affiliation fees	3	40,396	80,489
Operating expenses	3	292,361	260,400
Grants or donations	3	3,795	2,664
Legal costs	3	12,182	22,894
Depreciation		70,840	70,529
Organising expenses		163,897	119,870
Other expenses	3	5,691	6,091
Total expenses		3,051,414	2,893,626
Surplus/(deficit) for the year		91,427	(77,288)
Other comprehensive income		-	-
Total comprehensive income for the year		91,427	(77,288)

The above statement should be read in conjunction with the notes.

AUSTRALIAN SERVICES UNION
(WESTERN AUSTRALIAN BRANCH)

STATEMENT OF FINANCIAL POSITION
as at 30 June 2014

	Notes	2014 \$	Restated 2013 \$	Restated 2012 \$
ASSETS				
Current Assets				
Cash and cash equivalents	4	1,010,947	924,127	860,007
Trade and other receivables	5	53,015	50,736	54,527
Other current assets	6	14,831	16,774	12,022
Total current assets		1,078,793	991,637	926,556
Non-Current Assets				
Land and buildings	7	1,408,752	1,380,095	1,400,000
Plant and equipment	8	189,704	153,377	172,211
Total non-Current assets		1,598,456	1,533,472	1,572,211
Total assets		2,677,249	2,525,109	2,498,767
LIABILITIES				
Current Liabilities				
Trade creditors and accruals	9	164,566	144,812	140,950
Other payables	10	104,091	125,773	68,761
Employee entitlements	11	401,164	377,437	334,681
Total current liabilities		669,821	648,022	544,392
Non-Current Liabilities				
Employee entitlements	11	38,914	-	-
Total non-current liabilities		38,914	-	-
Total liabilities		708,735	648,022	544,392
Net assets		1,968,514	1,877,087	1,954,375
EQUITY				
Asset revaluation reserve	17	1,215,063	1,215,063	1,215,063
Retained earnings		753,451	662,024	739,312
Total equity		1,968,514	1,877,087	1,954,375

The above statement should be read in conjunction with the notes.

AUSTRALIAN SERVICES UNION
(WESTERN AUSTRALIAN BRANCH)

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2014

	Asset revaluation reserve \$	Restated retained earnings \$	Total equity \$
Balance as at 1 July 2012	1,215,063	739,312	1,954,375
Surplus/(deficit) for the year	-	(77,288)	(77,288)
Closing balance as at 30 June 2013	1,215,063	662,024	1,877,087
Surplus/(deficit) for the year	-	91,427	91,427
Closing balance as at 30 June 2014	1,215,063	753,451	1,968,514

The above statement should be read in conjunction with the notes.

AUSTRALIAN SERVICES UNION
(WESTERN AUSTRALIAN BRANCH)

CASH FLOW STATEMENT
for the year ended 30 June 2014

	Notes	2014 \$	2013 \$
OPERATING ACTIVITIES			
Cash received			
Members		3,099,326	2,744,855
Interest		40,280	45,591
Other		78,045	43,396
Cash used			
Employees		(2,254,383)	(2,104,463)
Suppliers		(722,964)	(633,470)
Net cash from (used by) operating activities	12	240,304	95,909
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		3,765	-
Cash used			
Purchase of plant and equipment		(106,190)	(31,789)
Buildings improvements		(51,059)	-
Net cash from (used by) investing activities		(153,484)	(31,789)
Net increase (decrease) in cash held		86,820	64,120
Cash & cash equivalents at the beginning of the financial year		924,127	860,007
Cash & cash equivalents at the end of the financial year	4	1,010,947	924,127

The above statement should be read in conjunction with the notes.

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

RECOVERY OF WAGES ACTIVITY
for the year ended 30 June 2014

	2014	2013
	\$	\$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	-	-
Cash asset's in respect of recovered money at end of year	-	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-
Fund or account operated for recovery of wages	-	-

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

NOTES TO THE FINANCIAL STATEMENTS

Note 1	Summary of Significant Accounting Policies
Note 2	Income
Note 3	Expenses
Note 4	Cash and cash equivalents
Note 5	Trade and other receivables
Note 6	Other current assets
Note 7	Land and buildings
Note 8	Plant and equipment
Note 9	Trade creditors and accruals
Note 10	Other payables
Note 11	Employee entitlements
Note 12	Cashflow reconciliation
Note 13	Contingent assets, liabilities and commitments
Note 14	Key management personnel benefits
Note 15	Remuneration of Auditor
Note 16	Financial instruments
Note 17	Fair value measurement
Note 18	Restatement of comparatives
Note 19	Subsequent events
Note 20	Section 272 Fair Work (Registered organisations) Act 2009

AUSTRALIAN SERVICES UNION
(WESTERN AUSTRALIAN BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note 1 Summary of significant accounting policies

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 year and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Union is a not-for-profit entity. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

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. The financial statements are presented in Australian dollars.

a) Comparative amounts

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

b) Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Employee provisions

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Estimation of useful lives of assets

The Union determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

AUSTRALIAN SERVICES UNION
(WESTERN AUSTRALIAN BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note 1 Summary of significant accounting policies (continued)

c) New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

The accounting policies adopted are consistent with those of the previous financial year except as follows:

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13.

The Union has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

Future Australian Accounting Standards Requirements

The following Australian Accounting Standards have been issued early but are not yet effective. The following have not been adopted in preparation of the financial statements at the reporting date but will be adopted at application date. The impact of the adoption has not yet been determined.

AASB No.	Title	Application date of standard*	Issue date
AASB 9	Financial Instruments	1 January 2018	December 2010
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities	1 January 2014	June 2012
AASB 2013-3	Amendments to AASB 136 – Recoverable amount disclosures for non-financial assets	1 January 2014	June 2013
AASB 2013-4	Amendments to Australian Accounting Standards – notation of derivatives and continuation of hedge accounting	1 January 2014	July 2013
AASB 2013-5	Amendments to Australian Accounting Standards – Investment entities	1 January 2014	August 2013

AUSTRALIAN SERVICES UNION
(WESTERN AUSTRALIAN BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

AASB No.	Title	Application date of standard*	Issue date
AASB 2013-9	Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments Part A - Conceptual Framework Part B - Materiality Part C - Financial Instruments	Part A - 20 December 2013 Part B - 1 January 2014 Part C - 1 January 2015	December 2013
AASB 2014-1	Amendments to Australian Accounting Standards Part A - Annual Improvements 2010 - 2012 and 2011 - 2013 Cycles Part B - Defined Benefit Plans: Employee Contributions (Amendments to AASB 119) Part C - Materiality Part D - Consequential Amendments arising from AASB 14 Regulatory Deferral Accounts Part E - Financial Instruments	Part A - 1 July 2014 Part B - 1 July 2014 Part C - 1 July 2014 Part D - 1 January 2016 Part E - 1 January 2015	June 2014
AASB 1031	Materiality (Revised)	1 January 2014	December 2013
AASB 14	Regulatory Deferral Account	1 January 2016	June 2014
Interpretation 21	Levies	1 January 2014	May 2013
Amendments to IAS 16 PP&E and IAS 38 Intangible Assets ^	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	1 January 2016	May 2014
IFRS 15^	Revenues from Contracts with Customers	1 January 2017	May 2014

d) Revenue

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

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

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

AUSTRALIAN SERVICES UNION
(WESTERN AUSTRALIAN BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note 1 Summary of significant accounting policies (continued)

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

e) Gains

Sale of assets

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

f) Employee benefits

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

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

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

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

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

g) Cash

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

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

Note 1 Summary of significant accounting policies (continued)

h) Financial instruments

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

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

i) Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

AUSTRALIAN SERVICES UNION
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note 1 Summary of significant accounting policies (continued)

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

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

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loan and receivables

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

Effective interest method

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

AUSTRALIAN SERVICES UNION

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

Note 1 Summary of significant accounting policies (continued)

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

Impairment of financial assets

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

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

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

AUSTRALIAN SERVICES UNION
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note 1 Summary of significant accounting policies (continued)

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

j) Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

k) Land, buildings, plant and equipment

Asset recognition threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—land and buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

AUSTRALIAN SERVICES UNION
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note 1 Summary of significant accounting policies (continued)

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following rates:

	2014	2013
Buildings	8.88%	8.88%
Plant and equipment	5-40%	5-40%

l) Impairment for non-financial assets

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

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

m) 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; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

AUSTRALIAN SERVICES UNION
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note 1 Summary of significant accounting policies (continued)

n) Fair value measurement

The Union measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the [reporting unit]. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Union uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Union determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

AUSTRALIAN SERVICES UNION
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note 1 Summary of significant accounting policies (continued)

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Union has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

o) Trade and other payables

These amounts represent liabilities for goods or services provided by a third party during the financial year which remain unpaid at year end.

Note 2 Income

	2014	2013
	\$	\$
Membership subscription	3,042,602	2,708,921
Interest	40,280	45,591
Sundry income	15,941	27,850
Staff contributions to motor vehicles	18,631	18,430
Superannuation board	21,622	15,546
Gain on sale of plant and equipment	3,765	-
Capitation fees	-	-
Levies	-	-
Grants	-	-
Donations	-	-
	3,142,841	2,816,338

Note 3 Expenses

Employee expenses

Holders of office:

Wages and salaries	270,783	240,513
Superannuation	38,610	34,475
Leave and other entitlements	41,807	6,974
Other employee expenses	22,617	24,181
Subtotal employee expenses holders of office	373,817	306,143

AUSTRALIAN SERVICES UNION
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note 3 Expenses (continued)

	2014	2013
	\$	\$
Employees other than office holders:		
Wages and salaries	1,540,754	1,539,258
Superannuation	219,566	188,443
Leave and other entitlements	20,835	41,423
Other employee expenses	152,431	108,099
Subtotal employee expenses employees other than office holders	1,933,586	1,877,223
Total employee expenses	2,307,403	2,183,366
 Capitation fees		
Australian Services Union	154,849	147,323
Total capitation fees	154,849	147,323
 Affiliation fees		
Australian Services Union	3,339	12,083
Unions WA	37,057	68,406
Total affiliation fees/subscriptions	40,396	80,489
 Operating expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies		
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	-	-
Contractors/consultants	13,105	12,430
Office expenses	116,874	103,728
Information communications technology	36,510	34,968
Other	125,872	109,274
Total administration expense	292,361	260,400

AUSTRALIAN SERVICES UNION
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note 3 Expenses (continued)

	2014	2013
	\$	\$
Grants or donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	2,090	2,664
Total paid that exceeded \$1,000	1,705	-
Total grants or donations	3,795	2,664
 Legal costs		
Litigation	-	-
Other legal matters	12,182	22,894
Total legal costs	12,182	22,894
 Other expenses		
Penalties - via RO Act or RO Regulations	-	-
Other expenses	5,691	6,091
Total other expenses	5,691	6,091

Note 4 Cash and cash equivalents

Cash at bank	259,739	123,173
Short term deposits	751,208	800,954
Total cash and cash equivalents	1,010,947	924,127

AUSTRALIAN SERVICES UNION
(WESTERN AUSTRALIAN BRANCH)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

Note 5 Trade and other receivables

	2014	2013
	\$	\$
Trade receivables	53,015	50,736
Total other receivables	53,015	50,736

Note 6 Other current assets

Prepaid expenses	14,831	16,774
Total other current assets	14,831	16,774

Note 7 Land and buildings

fair value	1,400,000	1,400,000
at cost	50,331	-
accumulated depreciation	(41,579)	(19,905)
Total land and buildings	1,408,752	1,380,095

Reconciliation of the opening and closing balances of land and buildings

As at 1 July 2013

Gross book value	1,400,000	1,400,000
Accumulated depreciation and impairment	(19,905)	-
Net book value 1 July 2013	1,380,095	1,400,000
Additions:		
By purchase	51,058	-
Depreciation expense	(22,401)	(19,905)
Disposals:	(727)	-
Add back depreciation on disposals	727	-
Net book value 30 June 2014	1,408,752	1,380,095
Net book value as of 30 June 2014 represented by:		
Gross book value	1,450,331	1,400,000
Accumulated depreciation and impairment	(41,579)	(19,905)
Net book value 30 June 2014	1,408,752	1,380,095

The revalued land and buildings consist of the property at 102 East Parade, East Perth.

The land and buildings were last revalued at 29 June 2012 by independent valuation conducted by Valuations WA. The valuation was prepared in accordance with the Australian Property Institute's Standard Report content. The revaluation surplus was credited the asset revaluation reserve in members' equity.

AUSTRALIAN SERVICES UNION
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note 8 Plant and equipment

	2014	2013
	\$	\$
at cost	460,342	456,342
accumulated depreciation	(270,638)	(303,165)
Total plant and equipment	189,704	153,177

Reconciliation of the opening and closing balances of plant and equipment

As at 1 July 2013

Gross book value	456,342	466,003
Accumulated depreciation and impairment	(303,166)	(293,792)
Net book value 1 July 2013	153,176	172,211
Additions:		
By purchase	106,190	31,790
From acquisition of entities (including restructuring)	-	-
Impairments	-	-
Depreciation expense	(47,812)	(50,622)
Other movement [give details below]	-	-
Disposals:	(102,189)	(41,452)
Add back depreciation on disposals	80,339	-
Other	-	41,250
Net book value 30 June 2014	189,704	153,177
Net book value as of 30 June 2014 represented by:		
Gross book value	460,342	456,342
Accumulated depreciation and impairment	(270,638)	(303,165)
Net book value 30 June 2014	189,704	153,177

Note 9 Trade creditors and accruals

Trade creditors and accruals	164,566	144,812
Payables to other reporting unit	-	-
Total trade payables	164,566	144,812

Settlement is within 30 to 45 days.

AUSTRALIAN SERVICES UNION
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note 10 Other payables

	2014	2013
	\$	\$
Deductions	-	-
Legal costs	-	-
Prepayments received/unearned revenue	28,302	35,708
GST payable	39,162	43,817
Other Payables	36,627	46,248
Total other payables	104,091	125,773
Settlement is within 30 to 45 days		

Note 11 Employee entitlements

Office Holders:

Annual leave	43,516	37,614
Long service leave	107,439	71,534
Subtotal employee entitlements—office holders	150,955	109,148

Employees other than office holders:

Annual leave	115,353	119,510
Long service leave	173,770	148,779
Subtotal employee entitlements—employees other than office holders	289,123	268,289

Total employee entitlements

	440,078	377,437
Current	401,164	377,437
Non Current	38,914	-
Total employee entitlements	440,078	377,437

AUSTRALIAN SERVICES UNION
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note 12 Cash flow reconciliation

	2014	2013
	\$	\$
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	1,010,947	924,127
Balance sheet	1,010,947	924,127
Difference	<u>-</u>	<u>-</u>
Reconciliation of surplus/(deficit) to net cash from operating activities:		
Surplus/(deficit) for the year	91,427	(77,288)
Adjustments for non-cash items		
Depreciation/amortisation	70,840	70,528
Net write-down of non-financial assets	17,665	-
Changes in assets/liabilities		
(Increase)/decrease in net receivables	(2,279)	3,791
(Increase)/decrease in prepayments	1,943	(4,751)
Increase/(decrease) in supplier payables	(1,937)	60,873
Increase/(decrease) in employee provisions	62,645	42,756
Net cash from (used by) operating activities	<u>240,304</u>	<u>95,909</u>
Cash flow information		
Cash inflows	3,221,416	2,833,842
Total cash inflows	<u>3,221,416</u>	<u>2,833,842</u>
Cash outflows	3,134,596	2,769,722
Total cash outflows	<u>3,134,596</u>	<u>2,769,722</u>

Note 13 Contingent liabilities, assets and commitments

The Union does not have any contingent liabilities, assets or commitments at 30 June 2014

AUSTRALIAN SERVICES UNION
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note 14 Key management personnel and related parties

	2014	2013
	\$	\$
Revenue received from councillors		
Membership subscriptions	12,085	10,727

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Key management personnel benefits

Short-term employee benefits

Salary (including annual leave taken)	270,783	240,513
Annual leave accrued	5,902	1,387
Total short-term employee benefits	276,685	241,900

Post-employment benefits:

Superannuation	38,610	34,475
Total post-employment benefits	38,610	34,475

Other long-term benefits:

Long-service leave	35,905	5,587
Total other long-term benefits	35,905	5,587

Total	351,200	281,962
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Note 15 Remuneration of auditors

Financial statement audit services	12,000	6,400
Total remuneration of auditors	12,000	6,400

Note 16 Financial instruments

The Union's activities do not expose it to many financial risks, with only liquidity risk being needed to be actively managed.

Foreign currency risk

The Union is not exposed to any significant foreign currency risk.

Credit risk

The Union is not exposed to any significant credit risk.

AUSTRALIAN SERVICES UNION
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Price risk

The Union is exposed to fluctuations in market value of its fair valued land and buildings. The union manages this by obtaining independent valuations every three years to ensure they are carrying the asset at fair value

	2014	2013
	\$	\$
Land and buildings at fair value	1,400,000	1,400,000
	1,400,000	1,400,000

Interest rate risk

The Union's main interest rate risk arises from cash deposits. Cash deposits issued at variable rates expose the union to interest rate risk. Cash deposits at fixed rates expose the union to fair value risk. The union maintains approximately 70% of cash reserves in term deposits at a fixed rate to manage exposure to interest rate risk.

	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest	Non Interest Baring	Total
30 June 2014					
Financial assets					
Cash and cash equivalents	3.88%	259,339	751,208	400	1,010,947
		259,339	751,208	400	1,010,947
Financial liabilities					
	-	-	-	-	-
		-	-	-	-
30 June 2013					
Financial assets					
Cash and cash equivalents	4.94%	122,773	800,954	400	924,127
		122,733	800,954	400	924,127
Financial liabilities					
	-	-	-	-	-
		-	-	-	-

Liquidity risk

Vigilant liquidity risk management requires the Union to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The union manages liquidity risk though budgeting and monitoring cash flows. Budgets are established annually and monitored through bi-monthly meetings of the committee of management.

AUSTRALIAN SERVICES UNION
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note 16 Financial instruments (continued)

Sensitivity analysis

	Change in Variable	Effect on surplus/ (deficit)	Effect on equity
30 June 2014			
Interest rate risk	1% increase	10,105	-
Interest rate risk	1% decrease	(10,105)	-
Price risk	1% increase	14,000	14,000
Price risk	1% decrease	(14,000)	(14,000)
30 June 2013			
Interest rate risk	1% increase	9,237	-
Interest rate risk	1% decrease	(9,237)	-
Price risk	1% increase	14,000	14,000
Price risk	1% decrease	(14,000)	(14,000)

Remaining contractual maturities

The following tables detail the Union's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
30 June 2014	%	\$	\$	\$	\$	\$
Non-derivatives						
Non-interest bearing						
Trade payables	-%	268,657	-	-	-	268,657
Total non-derivatives		268,657	-	-	-	268,657

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Note 16 Financial instruments (continued)

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
2013	%	\$	\$	\$	\$	\$

Non-derivatives

Non-interest bearing

Trade payables	-%	270,585	-	-	-	270,585
Total non-derivatives		270,585	-	-	-	270,585

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 17 Fair value measurement

Fair value hierarchy

The following tables provide an analysis of financial and non financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 30 June 2014

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value	\$	\$	\$	
Land and buildings	29-Jun-12	-	1,400,000	-
Total		-	1,400,000	-

Fair value hierarchy—30 June 2013

Assets measured at fair value				
Land and buildings	29-Jun-12	-	1,400,000	
Total		-	1,400,000	-

See note 7 in relation to independent valuation prepared.

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Note 18 Restatement of comparatives

Extract of Financial Position	1 July 2012 \$ Reported	Adjustment \$	1 July 2012 \$ Restated
Total Assets	<u>2,498,767</u>		<u>2,498,767</u>
Trade Payables	140,950	-	140,950
Other Payables	68,761	-	68,761
Employee Provisions	<u>268,139</u>	66,542	<u>334,681</u>
Total Current Liabilities	<u>477,850</u>		<u>544,392</u>
Total Liabilities	<u>477,850</u>		<u>544,392</u>
Net Assets	<u>2,020,917</u>		<u>1,954,375</u>
Extract of Financial Position	30 June 2013 \$ Reported	Adjustment \$	30 June 2013 \$ Restated
Total Assets	<u>2,525,109</u>		<u>2,525,109</u>
Trade Payables	74,672	70,140	144,812
Other Payables	125,773	-	125,773
Employee Provisions	<u>302,132</u>	75,305	<u>377,437</u>
Total Current Liabilities	<u>502,577</u>		<u>648,022</u>
Total Liabilities	<u>502,577</u>		<u>648,022</u>
Net Assets	<u>2,022,532</u>		<u>1,877,087</u>

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Note 18 Restatement of comparatives (continued)

Extract of Statement of Profit or Loss and Other Comprehensive Income	1 July 2012 \$ Reported	Adjustment \$	1 July 2012 \$ Restated
Total Revenue	<u>2,630,689</u>		<u>2,630,689</u>
Employee expenses	2,057,519	66,542	2,124,061
All other expenses	<u>672,634</u>	-	<u>672,634</u>
Total Expenses	<u>2,730,153</u>		<u>2,796,695</u>
Surplus/(Deficit)	<u>(99,464)</u>		<u>(166,006)</u>
Other Comprehensive Income	36,427		36,427
Net Assets	<u>(63,037)</u>		<u>(129,579)</u>
Extract of Statement of Profit or Loss and Other Comprehensive Income	30 June 2013 \$ Reported	Adjustment \$	30 June 2013 \$ Restated
Total Revenue	<u>2,816,338</u>		<u>2,816,338</u>
Employee expenses	2,104,463	78,903	2,183,366
All other expenses	<u>710,260</u>	-	<u>710,260</u>
Total Expenses	<u>2,814,723</u>		<u>2,893,626</u>
Surplus/(Deficit)	1,615		(77,288)
Other Comprehensive Income	-		-
Net Assets	<u>1,615</u>		<u>(77,288)</u>

Employee provisions:

A correction to the employee provisions has been made to correctly provide for on costs associated with employee entitlements including superannuation, workers compensation insurance and payroll tax. The adjustment has resulted in a \$66,542 increase applied to the Employee provision and Employee expenses retrospectively through to the opening balances of the comparative period. A further \$8,761 adjustment was required to the Employee provision and Employee expenses for the comparative period.

Wages Accrual:

A correction to Employee expenses was made for the comparative year to bring into account the wages accrual for the period. This resulted in a \$70,140 increase to Employee expenses and Trade payables comparatives.

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Note 19 Events after the reporting period

There were no events that occurred subsequent to 30 June 2014 that would affect the ongoing structure and financial activities of the Union.

Note 20 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).