



FAIR WORK
COMMISSION

10 February 2015

Mr Thomas French
Secretary, Queensland Branch
Australian Property Services Association
PO Box 863
SPRINGWOOD QLD 4127

Dear Mr French,

Re: Lodgement of Financial Report - *Fair Work (Registered Organisations) Act 2009* - Australian Property Services Association, Queensland Branch - for period ended 30 June 2014 (FR2014/316)

I refer to the amended financial report for the Australian Property Services Association, Queensland Branch for the period 1 March 2014 to 30 June 2014, which was lodged with the Fair Work Commission (FWC) today.

The amended financial report has been filed. You are not required to take any further action in respect of the report lodged. The amended documents address the issues identified in my letter dated 14 January 2015 with the exception of the following, which must be rectified in the next financial report.

Operating Report - Number of employees

The Operating Report stated that *“the number of employees was 5”*. Regulation 159(b) requires that where the number of employees includes both full-time and part-time employees it shall be disclosed as measured on a full-time equivalent basis. To avoid doubt the number of employees must be expressed as a full-time equivalent.

Committee of Management Statement - Date of resolution – declaration of consistency

The Committee of Management statement dated the signatures but did not specify the date of the resolution in the opening paragraph. Item 36 of the Reporting Guidelines requires that the Committee of Management Statement must separately specify the date of passage of the resolution.

The Committee of Management declared that *“the financial records of the organisation have been kept in a consistent manner”*. Item 35(e)(iv) of the Reporting Guidelines requires the Committee to declare whether the financial records of the reporting unit¹ have been kept in a consistent manner *with each of the other reporting units within the organisation.*²

Auditor’s Statement - Auditor’s membership - address

In the Auditor’s statement, the Auditor did not specify which of the three bodies he was a member of and did not include the Auditor’s address as required by Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report* paragraph 42. Section 257(8) of the RO Act requires that the form and content of the Auditor’s Statement be in accordance with the Australian Auditing Standards.

¹ i.e. APSA Qld Branch

² i.e. APSA

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, I may be contacted on (02) 6746 3283 or by email at stephen.kellett@fwc.gov.au.

Yours sincerely

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

From: KELLETT, Stephen
Sent: Wednesday, 10 February 2016 2:46 PM
To: 'Tom French'
Subject: Financial reporting - APSA, Qld Branch - y/e 30 June 2014 - filing

Dear Mr French,

Please see attached my letter in relation to the above.



APSA QLD FR2014
316 (final).pdf

Yours sincerely

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6746 3283
(email) stephen.kellett@fwc.gov.au

From: Tom French [mailto:Tom.French@myapsa.com.au]
Sent: Wednesday, 10 February 2016 12:04 PM
To: KELLETT, Stephen
Subject: APSAQ Amended Financial Report 2014

Good morning Stephen.

Please find attached the amended Report and covering letter.



2014 Amended Financial Statements



FWC 2014 amended report letter.dotx

Regards

A handwritten signature in black ink, appearing to be 'TF' or similar initials, written in a cursive style.

Tom French
Secretary
APSAQ
0419 787526

10th February 2016

The General Manager
Fair Work Commission
GPO Box 1994
MELBOURNE VIC 3001



Dear Madam

**Re: Amended Financial Report (First Audit) for Queensland Branch of
the Australian Property Services Association (APSAQ) for the period 1
March 2014 to 30 June 2014**

Please find herewith the above mentioned report (amended) including Audit,
Designated Officers Certificate, Operating Report and Committee of
Management Statement.

Yours faithfully



Thomas Clark FRENCH
Secretary
APSAQ
0419 787526

APSA Queensland

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SPRINGWOOD QLD 4127

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AUSTRALIAN PROPERTY SERVICES ASSOCIATION QUEENSLAND BRANCH

ABN 19 544 768 418

**FINANCIAL REPORT
FOR THE PERIOD ENDED
30 JUNE 2014**

**Liability limited by a scheme approved under
Professional Standards Legislation**

**AUSTRALIAN PROPERTY SERVICES ASSOCIATION QUEENSLAND BRANCH
ABN 19 544 768 418**

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSTRALIAN PROPERTY SERVICES ASSOCIATION
QUEENSLAND BRANCH
ABN 19 544 768 418**

Scope

The Financial Report and Committee's Responsibility

The financial report comprises the statement of comprehensive income, statement of financial position, statement of changes in equity, cash flow statement, recovery of wages activity, accompanying notes to the financial statements, operating report and the statement by members of the committee for Australian Property Services Association Queensland Branch (the association), for the period ended 30 June 2014.

The committee of the association is responsible for the preparation and true and fair presentation of the financial report in accordance with the Associations Incorporations Act 1981 (QLD), the Fair Work (Registered Organisations) Act 2009 (Cth). This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the association. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Associations Incorporations Act 1981 (QLD) and the Fair Work (Registered Organisations) Act 2009 (Cth), including compliance with Australian Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the association's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

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 followed applicable independence requirements of Australian professional ethical pronouncements.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSTRALIAN PROPERTY SERVICES ASSOCIATION
QUEENSLAND BRANCH
ABN 19 544 768 418**

Audit Opinion


In our opinion, the financial report of Australian Property Services Association Queensland Branch presents a true and fair view in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of Australian Property Services Association Queensland Branch as at 30 June 2014 and the results of its operations and its cash flows for the period then ended.

Report on Other Legal and Regulatory Requirements

We report in accordance with Section 257 (5) of the Fair Work (Registered Organisations) Act 2009, that in our opinion, Australian Property Services Association Queensland Branch:

- (a) Maintained satisfactory accounting records for the financial year, including:
 - (i) the sources of and nature of the organisation's income, including membership subscriptions and other income from members; and
 - (ii) the nature of and reasons for the organisation's expenditure; and
- (b) the financial statements for the period were properly drawn up to give a true and fair view of the organisation's:
 - (i) financial affairs at the end of the period; and
 - (ii) income and expenditure and surplus or deficit for the period; and
- (c) the accounts for the year were prepared in accordance with the requirements of the Fair Work (Registered Organisations) Act 2009.
- (d) There was no accounting deficiency, failure or shortcoming for a matter referred to in paragraphs (a) to (c); and
- (e) Information and explanations required from the organisations officers or employees were given.
- (f) The use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
- (g) I declare that I am an approved auditor, a member of the Institute of Chartered Accountants in Australia/CPA Australia/Institute of Public Accountants, and hold a current Public Practice Certificate.

Allens Australia Pty Ltd



Terrence James Smith
Chartered Accountant

Dated: 09/02/2016

AUSTRALIAN PROPERTY SERVICES ASSOCIATION
QUEENSLAND BRANCH
ABN 19 544 768 418

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
FOR THE PERIOD ENDED 30 JUNE 2014

Section 268 Fair Work (Registered Organisations) Act 2009

I, the undersigned, being the Secretary of the Australian Property Services Association Queensland Branch, certify:

- that the documents lodged herewith are copies of the full report for the Australian Property Services Association Queensland Branch for the period ended 30 June 2014 referred to in *Section 268 of the Fair Work (Registered Organisations) Act 2009*, and
- that the full report, was provided to members of the Australian Property Services Association Queensland Branch, on *09 / 02 / 2016* ; and
- that the full report was presented to the management committee meeting of the Australian Property Services Association Queensland Branch on *09 / 02 / 2016* in accordance with *Section 266 of the Fair Work (Registered Organisations) Act 2009*.



Signature of prescribed designated officer:

Name of prescribed designated officer: Mr Thomas Clark French

Title of prescribed designated officer: Secretary

Dated: *09 / 02 / 2016*

**AUSTRALIAN PROPERTY SERVICES ASSOCIATION
QUEENSLAND BRANCH
ABN 19 544 768 418**

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

Section 268 - Fair Work (Registered Organisations) Act 2009

The committee presents its report on the reporting unit for the financial period 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 association during the financial period were the representation of members of the Association in Industrial matters under the Real Estate Industry Award 2010 and liaison with the Real Estate Association of New South Wales (REANSW) in making an application (currently before Fair Work Commission) to amalgamate. There were no significant changes in the operation, staffing or membership of the Association during the period.

The net profit / (loss) for the period amounted to (\$5,063). [2013: Not applicable]

Significant changes in financial affairs

No significant change in the nature of these activities occurred during the period.

Right of members to resign

The right of members to resign from the Association is prescribed in rule 4.13 of the Constitution which has been approved by Fair Work Australia.

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

There are/are no officers or members of the reporting unit who are superannuation fund trustees or directors of companies that are superannuation fund trustees where a criterion for being a trustee or director of a company trustee is that they are officers or members of a registered organisation.

Number of members

As at 30 June 2014, the number of members of the reporting unit was approximately 194 of which there are 180 financial members and 14 non-financial members.

Number of employees

As at 30 June 2014, the number of employees of the reporting unit was 5.

**AUSTRALIAN PROPERTY SERVICES ASSOCIATION
QUEENSLAND BRANCH
ABN 19 544 768 418**

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

Section 268 - Fair Work (Registered Organisations) Act 2009

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

Position	Name	Period
President	Anthony David Quintner	01/03/2014 to 30/06/2014
Vice President	Andrew Leslie Ross	01/03/2014 to 30/06/2014
Vice President	Thomas Clark French	01/03/2014 to 30/06/2014
Treasurer	Allan Ross Mckenzie Huntly	01/03/2014 to 30/06/2014
Secretary	William Barry Gannon	01/03/2014 to 30/06/2014
Councillor	Rhonda Fay Carter	01/03/2014 to 30/06/2014
Councillor	Graeme Leslie Palmer	01/03/2014 to 30/06/2014
Councillor	Gary James Barrett	01/03/2014 to 30/06/2014

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

President Anthony David Quintner is also director of Quintner & Sons Pty Ltd; and

Councillor Graeme Leslie Palmer is a board member of Caloundra Bowls Club

Secretary Thomas Clark French is a Director of Sunfresh Marketing Cooperative Limited



THOMAS CLARK FRENCH
Secretary

Dated 14 / 01 /2016

**AUSTRALIAN PROPERTY SERVICES ASSOCIATION
QUEENSLAND BRANCH
ABN 19 544 768 418**

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

Section 268 - Fair Work (Registered Organisations) Act 2009

We, the undersigned, being two members of the Committee of Management of the abovenamed association, do state on behalf of the Committee and in accordance with a resolution passed by the Committee, that in relation to the general purpose financial report, 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;
- (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) The committee considers the organisation was solvent during the whole of the year and there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) During the financial year to which the 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; and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; 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 organisation have been kept in a consistent manner; and
 - v. there has not been, to the knowledge of any member of the Committee, during the financial year to which the accounts relate, instances where records of the registered organisation or other documents (not being documents containing information made available to a member of the registered organisation under Section 272 of the Act), or copies of those records or other documents, or copies of the rules of the registered organisation, have not been furnished or made available to members of the registered organisation in accordance with the Act, its regulation or the rules of the registered organisation; and
 - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the Registered Organisations Act, there has been compliance

(f) in relation to recovery of wages activity:

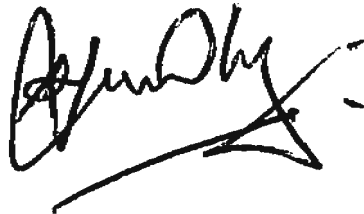
- i. the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines; and
- ii. the committee of management instructed the auditor to include in the scope of the audit required under subsection 257(1) of the *Fair Work (Registered Organisations) Act 2009* all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity; and
- iii. no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
- iv. that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
- v. no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.



Secretary

Signature

Date 14 /01 /2016



Treasurer

Signature

Date: 14 /01 /2016

AUSTRALIAN PROPERTY SERVICES ASSOCIATION
QUEENSLAND BRANCH
ABN 19 544 768 418

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2014

	Note	2014 \$
Revenue		
Membership subscription		12,053
Capitation fees	3A	-
Levies	3B	-
Interest	3C	4
Reimbursements	3D	1,000
Administration fees	3E	122,273
Other revenue	3F	3,058
Total revenue		138,388
Other Income		
Grants or donations	3G	-
Share of net profit from associate	3H	-
Profit from sale of assets	3I	-
Total other income		-
Total income		138,388
Expenses		
Employee expenses	4A	110,813
Capitation fees	4B	-
Affiliation fees	4C	-
Administration expenses	4D	9,337
Grants or donations	4E	-
Depreciation and amortisation	4F	-
Finance costs	4G	-
Legal costs	4H	3,288
Audit fees	4I	-
Share of net loss from associate	4J	-
Write down and impairment of assets	4K	-
Net losses from sale of assets	4L	-
Other expenses	4M	9,887
Total expenses		133,325
Profit (Loss) for the period		5,063
Total comprehensive income for the period		5,063

The accompanying notes form part of these financial statements.

**AUSTRALIAN PROPERTY SERVICES ASSOCIATION
QUEENSLAND BRANCH
ABN 19 544 768 418**

**STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 30 JUNE 2014**

	Note	2014 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	5A	14,910
Trade and other receivables	5B	1,047
TOTAL CURRENT ASSETS		<u>15,957</u>
NON-CURRENT ASSETS		
Investments in associates	6B	-
Property, plant and equipment	6A	-
TOTAL NON-CURRENT ASSETS		<u>-</u>
TOTAL ASSETS		<u>15,957</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and Other Payables	7A & 7B	10,894
Employee Provisions	8A	-
TOTAL CURRENT LIABILITIES		<u>10,894</u>
NON-CURRENT LIABILITIES		
Employee Provisions	8A	-
TOTAL NON-CURRENT LIABILITIES		<u>-</u>
TOTAL LIABILITIES		<u>10,894</u>
NET ASSETS (LIABILITIES)		<u>5,063</u>
EQUITY		
Issued capital		-
Retained Earnings / (Accumulated deficit)		5,063
TOTAL EQUITY		<u>5,063</u>

The accompanying notes form part of these financial statements.

	Retained earnings / (Accumulated deficit)	Total
	\$	\$
Balance at 1 March 2014	-	-
Profit attributable to members	<u>5,063</u>	<u>5,063</u>
Balance at 30 June 2014	<u>5,063</u>	<u>5,063</u>
 Issued Capital		 <u>-</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN PROPERTY SERVICES ASSOCIATION
QUEENSLAND BRANCH
ABN 19 544 768 418

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2014

	Note	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers		137,337
Payments to suppliers and employees	-	122,431
Interest received		4
Net cash provided by (used in) operating activities	9A	<u>14,910</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment		-
Net cash provided by (used in) investing activities		<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings		-
Net cash provided by financing activities		<u>-</u>
Net increase in cash held		14,910
Cash at beginning of financial period		-
Cash at end of financial period	5A	<u><u>14,910</u></u>

The accompanying notes form part of these financial statements.

**AUSTRALIAN PROPERTY SERVICES ASSOCIATION
QUEENSLAND BRANCH
ABN 19 544 768 418**

**RECOVERY OF WAGES ACTIVITY*
FOR THE PERIOD ENDED 30 JUNE 2014**

The Association recovered over \$Nil in entitlements during the financial period however the vast majority was paid directly to the employees concerned.

	2014
	\$
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 period	-
 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	
APSAQ No 2 Account	-

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

**AUSTRALIAN PROPERTY SERVICES ASSOCIATION
QUEENSLAND BRANCH
ABN 19 544 768 418**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2014**

1 Statement of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Australian Property Services Association Queensland Branch is a non profit making entity.

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

Comparative amounts

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

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.

Future Australian Accounting Standards Requirements

No new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period are expected to have a future financial impact on Australian Property Services Association Queensland Branch.

**AUSTRALIAN PROPERTY SERVICES ASSOCIATION
QUEENSLAND BRANCH
ABN 19 544 768 418**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2014**

Investment in associates

An associate is an entity over which the [reporting unit] has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 'Non-current Asset Held for Sale and Discontinued Operations.' Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate exceeds the interest in that associate, the Australian Property Services Association Queensland Branch discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

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. 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.

**AUSTRALIAN PROPERTY SERVICES ASSOCIATION
QUEENSLAND BRANCH
ABN 19 544 768 418**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2014**

Capitation fees and levies

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

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 due 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 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.

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.

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.

**AUSTRALIAN PROPERTY SERVICES ASSOCIATION
QUEENSLAND BRANCH
ABN 19 544 768 418**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2014**

Financial Instruments

Financial assets and financial liabilities are recognised when a reporting unit 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.

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

**AUSTRALIAN PROPERTY SERVICES ASSOCIATION
QUEENSLAND BRANCH
ABN 19 544 768 418**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2014**

- 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.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement 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.

Fair Value Measurement

The reporting unit measures financial instruments, such as, financial assets 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.

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 reporting unit 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:

**AUSTRALIAN PROPERTY SERVICES ASSOCIATION
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ABN 19 544 768 418**

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FOR THE PERIOD ENDED 30 JUNE 2014**

- 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 reporting unit 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.

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 APSA Qld 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.

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 useful lives:

	2014	2013
Plant and equipment	4 to 10 years	Not Applicable

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

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Taxation

Australian Property Services Association Queensland Branch 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.

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Re-structure

Amalgamation (Commencement date)	(1/3/14) \$
<i>Assets acquired:</i>	
Cash on hand and at bank	33,206
Receivables & prepayments	827
Investments in associates	100
Property, plant and equipment	5,611
	<u>39,744</u>
<i>Less: Liabilities assumed</i>	
Payables	11,035
Employee provisions (current)	403
Employee provisions (non-current)	25,137
	<u>36,575</u>
Total net assets acquired	<u><u>3,169</u></u>

On 1 March 2014, the reporting unit was formed as a Branch of the Australian Property Services Association (APSA) as a result of an amalgamation between its earlier separate registered entity identity known as Property Sales Association of Queensland, and the Real Estate Association of New South Wales. Under the scheme of amalgamation the assets of its former entity became the assets and liabilities of the new registered organisation, APSA, but were to be deemed, under the rules, as the assets and liabilities of the new Branch. Thus the assets and liabilities were transferred to APSA on 1 March 2014 and subsequently transferred to the reporting unit. The above balances show the transfers effected on the date of amalgamation from the Property Sales Association of Queensland to the Australian Property Services Association, and then to the Queensland Branch thereafter.

2 Events after the reporting period

There were no events that occurred after 30 June 2014, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Australian Property Services Association Queensland Branch.

AUSTRALIAN PROPERTY SERVICES ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2014

2014
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3 Income

3A Capitation fees

Capitation fees	-
Total capitation fees	<u>-</u>

3B

Levies	-
Total levies	<u>-</u>

3C

Interest received	4
Total interest	<u>4</u>

3D

Wages Reimbursements - REPSA	1,000
Total Reimbursements	<u>1,000</u>

3E

Administration fees - QPIR	122,273
Total Administration fees	<u>122,273</u>

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FOR THE PERIOD ENDED 30 JUNE 2014

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3F

Sundry income	58
Money transfer from PSAQ	3,000
Total Other revenue	<u><u>3,058</u></u>

3G Grants or donations

Grants	-
Donations	-
Total Administration fees	<u><u>-</u></u>

3H Share of net profit from associate

Share of net profit from associate	-
Total Share of net profit from associate	<u><u>-</u></u>

3I Profit from sale of assets

Plant & Equipment	-
Total Profit from sale of assets	<u><u>-</u></u>

There are no other financial support from another reporting unit during the period [RG14(e)]

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4 Expenses

4A Employee expenses

Holders of office:

Wages and salaries	58,433
Superannuation	27,261
Leave and other entitlements	-
Separation and redundancies	-
Other employee expenses	-
Subtotal employee expenses holders of office	<u>85,694</u>

Employees other than office holders:

Wages and salaries	23,015
Superannuation	2,104
Leave and other entitlements	-
Separation and redundancies	-
Other employee expenses	-
Subtotal employee expenses employees other than office holders	<u>25,119</u>
Total employee expenses	<u><u>110,813</u></u>

4B

Capitation fees	-
Total capitation fees	<u><u>-</u></u>

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4C Affiliation fees

Subscriptions	-
Total affiliation fees/subscriptions	-

4D

Consideration to employers for payroll deductions*	-
Compulsory levies*	
Fees/allowances - meeting and conferences*	-
Conference and meeting expenses*	615
Contractors/consultants	-
Property expenses	6,220
Office expenses	1,373
Information communications technology	1,049
Other	80
Total administration expense	9,337

4E

Grants	-
Donations	-
Total grants or donations	-

4F

Depreciation	
Property, plant and equipment	-
Total depreciation	-
Amortisation	
Intangibles	-
Total amortisation	-
Total depreciation and amortisation	-

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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4G Finance costs

Finance leases	-
Overdrafts/loans	-
Unwinding of discount	-
Total finance costs	<u>-</u>

4H Legal costs

Litigation	-
Other Legal Matters	3,288
Total legal costs	<u>3,288</u>

4I Audit fees

Auditors' remuneration	-
Total audit fees	<u>-</u>

4J Share of net loss from associate

Share of net loss from associate	-
Total share of net loss from associate	<u>-</u>

4K Write-down and impairment of assets

Asset write-downs and impairments of:

Land and buildings	-
Plant and equipment	-
Intangible assets	-
Other	-
Total write-down and impairment of assets	<u>-</u>

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4L Net losses from sale of assets

Land and buildings	-
Plant and equipment	-
Intangibles	-
Total net losses from sale of assets	-

4M Other expenses

Penalties - via RO Act or RO Regulations*	-
Sundry expenses	9,887
Total other expenses	9,887

5 Current Assets

5A Cash and Cash Equivalents

APSAQ No 1 Account	4,642
APSAQ No 2 Account	1,995
APSAQ Accruals Account	8,273
Total cash and cash equivalents	14,910

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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5B Trade and Other Receivables

Receivables from other reporting unit[s]*	
Australian Property Services Association - NSW Branch	189
Total receivables from other reporting unit[s]	<u>189</u>
Less provision for doubtful debts*	
Provision for doubtful debts	-
Total provision for doubtful debts	<u>-</u>
Receivable from other reporting unit[s] (net)	<u>189</u>
Other receivables:	
GST receivable from the Australian Taxation Office	-
Other trade receivables	858
Total other receivables	<u>858</u>
Total trade and other receivables (net)	<u>1,047</u>

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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6 Non-Current Assets

6A Property, Plant and Equipment

Plant and equipment:

at cost	-
accumulated depreciation	-
Total plant and equipment	-

Reconciliation of the Opening and Closing Balances of Plant and Equipment

As at 1 July	
Gross book value	-
Accumulated depreciation and impairment	-
Net book value 1 July	-
Additions:	
By purchase	-
From acquisition of entities (including restructuring)	-
Impairments	-
Depreciation expense	-
Other movement [<i>give details below</i>]	-
Disposals:	
From disposal of entities (including restructuring)	-
Other	-
Net book value 30 June	-
Net book value as of 30 June represented by:	
Gross book value	-
Accumulated depreciation and impairment	-
Net book value 30 June	-

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6B Investments in Associates

Investments in associates:

Not Applicable	-
Total equity accounted investments	-

Details of investments accounted for using the equity method

Name of entity	Principal activity	Ownership 2014 %
----------------	--------------------	------------------------

Associates:

Not Applicable

7 Current Liabilities

7A Trade payables

Trade creditors and accruals	2,372
Operating lease rentals	-
Subtotal trade creditors	2,372
Payables to other reporting unit[s]*	
Payables to other reporting entities	-
Subtotal payables to other reporting unit[s]	-
Total trade payables	2,372

Settlement is usually made within 30 days.

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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FOR THE PERIOD ENDED 30 JUNE 2014

	2014 \$
<hr/>	
7B Other payables	
Wages and salaries	-
Superannuation	1,678
Consideration to employers for payroll deductions*	-
Legal costs*	-
PAYG withholdings payable	3,248
GST payable	3,596
Other	-
Total other payables	<u>8,522</u>
Total other payables are expected to be settled in:	
No more than 12 months	8,522
More than 12 months	-
<i>Total other payables</i>	<u>8,522</u>
8	
8A Employee Provisions	
Office Holders:	
Annual leave	-
Long service leave	-
Separations and redundancies	-
Other	-
<i>Subtotal employee provisions—office holders</i>	<u>-</u>
Employees other than office holders:	
Annual leave	-
Long service leave	-
Separations and redundancies	-
Other	-
<i>Subtotal employee provisions—employees other than office holders</i>	<u>-</u>
Total employee provisions	<u>-</u>

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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	2014 \$
Current	-
Non Current	-
<i>Total employee provisions</i>	-
9 Cash Flow	
9A Cash Flow Reconciliation	
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:	
Cash and cash equivalents as per:	
Cash flow statement	14,910
Balance sheet	14,910
<i>Difference</i>	-
Reconciliation of profit/(deficit) to net cash from operating activities:	
Profit/(deficit) for the year	5,063
Adjustments for non-cash items	
Depreciation/amortisation	-
Net write-down of non-financial assets	-
Loss on disposal of assets	-
Changes in assets/liabilities	
(Increase)/decrease in net receivables	(1,047)
(Increase)/decrease in prepayments	-
Increase/(decrease) in supplier payables	2,372
Increase/(decrease) in other payables	8,522
Increase/(decrease) in employee provisions	-
Increase/(decrease) in accrued charges	-
Net cash from (used by) operating activities	14,910

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9B Cash flow information

Cash inflows	
Cash inflows	<u>137,341</u>
Total cash inflows	<u>137,341</u>
Cash outflows	
Cash outflows	<u>(122,431)</u>
Total cash outflows	<u>(122,431)</u>

10 Related Party Transactions for the Reporting Period

10A Related Party Transactions for the Reporting Period

1. Queensland Property Industry Registry is a registry for Employment Agreements lodged by employers and comprises a Chairperson from the Employers Association and a Secretary from the Employees Association. Administration is wholly the responsibility of APSA (Queensland Branch) and revenue is distributed 20% to Employers Association and 80 % to APSA (Queensland Branch)
2. Real Estate Personnel Solutions Australia Pty Ltd(REPSA) is a wholly owned company by APSA (Queensland Branch) and administered by APSA (Queensland Branch) with reimbursement of wages etc being paid to APSA (Queensland Branch)

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

Revenue received from Queensland Property Industry Registry includes the following:

Administration Fees	122,273
Reimbursements	-

Revenue received from Real Estate Personnel Solutions Australia Pty Ltd include the following:

Reimbursement - wages	1,000
-----------------------	-------

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Terms and conditions of transactions with related parties

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

10B Key Management Personnel Remuneration for the Reporting Period

Key Management Personnel:

William Barry Gannon - Secretary (retired 14 December 2014)

Andrew Leslie Ross - Vice President

Thomas Clark French - Secretary

Short-term employee benefits

Salary (including annual leave taken)	81,448
Annual leave accrued	-
Total short-term employee benefits	81,448

Post-employment benefits:

Superannuation	29,365
Total post-employment benefits	29,365

Other long-term benefits:

Long-service leave	-
Total other long-term benefits	-

Total	110,813
--------------	----------------

11 Remuneration of Auditors

Value of the services provided

Financial statement audit services	-
Total remuneration of auditors	-

No other services were provided by the auditors of the financial statements

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12 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 the General Manager of Fair Work Commission:

- (1) A member of a reporting unit, or the General Manager of Fair Work Commission, 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) A member of a reporting unit, or the General Manager of Fair Work Commission, 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.
- (3) 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.

13 Other disclosures required by Reporting Guidelines

During the financial period to which the accounts relate, there was:-

- (i) no financial support received from another reporting unit under an agreement to enable the Branch to continue as a going concern;
- (ii) no financial support given to another reporting unit under an agreement to enable that other reporting unit to continue as a going concern;
- (iii) no fund or account operated in respect of compulsory levies or voluntary contributions;
- (iv) no fund or account (other than the General Fund) operated as a requirement of the rules;
- (v) no transfer to or withdrawal from any special purpose fund, account or controlled entity (other than that disclosed under Note 10A)
- (vi) no cash flow to or from any other reporting unit of the organisation

As disclosed in the Restructure Note above, the reporting unit acquired assets and liabilities from the Australian Property Services Association to which the assets and liabilities of the Property Sales Association of Queensland had been transferred, as a result of the process of amalgamation with the Real Estate Association of NSW.

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14 Financial Risk Management

Note 14A Financial instruments

The reporting unit committee is active in seeking to maintain or increase income and control expenditure. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. Cash deposits are with quality Australian financial institution(s). There is low credit risk. Liquidity risk is managed by maintaining sufficient cash and monitoring cash income, to be able to pay debts. There was at end of year no liquidity risk. There are no borrowings, so there is no sensitivity to market or interest risk.

Note 14B: Categories of financial instruments

Financial assets	2014 \$
Fair value through profit or loss:	
<i>Cash</i>	14,910
Total	14,910
Held-to-maturity investments:	
<i>[list categories]</i>	-
Total	-
Available-for-sale assets:	
<i>[list categories]</i>	-
Total	-
Receivables:	
<i>[list categories]</i>	1,047
Total	1,047
<i>Carrying amount of financial assets</i>	15,957

Financial liabilities

Trade and Other Payables	(10,894)
Total	(10,894)
Other financial liabilities:	
<i>[list categories]</i>	-
Total	-
<i>Carrying amount of financial liabilities</i>	(10,894)

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15 Fair Value Measurement

Note 15A: Financial assets and liabilities

Management of the reporting unit assessed that cash, trade receivables, and trade payables, approximate their carrying amounts largely due to the short term maturities of these instruments. The carrying amount of assets and liabilities is their fair value.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- As at 30 June 2014 the carrying amounts of cash and receivables were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the [reporting unit's] financial assets and liabilities:

Parent	Carrying amount 2014 \$	Fair value 2014 \$
Financial Assets		
<i>Cash and cash equivalents</i>	14,910	14,910
<i>Receivables</i>	1,047	1,047
Total	15,957	15,957
Financial Liabilities		
<i>Payables</i>	10,894	10,894
Total	10,894	10,894

Note 15B: Fair value hierarchy

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

Fair value hierarchy—30 June 2014

	Date valuation	of	Level 1	Level 2	Level 3
Assets measured at fair value					
Cash			\$ 14,910	\$	\$
Receivables			1,047		
Total			15,957		
Liabilities measured at fair value					
Payables			10,894		
Total			10,894		

There are no significant unobservable inputs.

From: KELLETT, Stephen
To: ["Virginia Germain"](#)
Cc: ["Trish Ellis"](#)
Subject: Attention Mr Tom French - Re amendments to financial report - APSA QLD FR2014/316 - progress advice requested
Date: Friday, 1 May 2015 8:11:00 AM
Attachments: [APSA QLD FR2014 316 \(1\).pdf](#)

Dear Mr French,

I refer to my letter dated 14 January 2015 addressed to Mr Barry Gannon in relation to amendments required to be made to the financial report for the period 1 March 2014 – 30 June 2014, for the Queensland Branch of APSA (see copy attached), and to our conversation on 19 February 2015. It was my understanding that you would be setting arrangements in train at that time to prepare an amended report. There does not appear to be any subsequent record of advice or lodgement. I am mindful that the end of the financial year on 30 June 2015 is approaching, and accordingly I request your advice as to the status of progress in this matter, and when you anticipate lodging the amended report. I may be contacted on the number below.

Yours sincerely

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6746 3283
(email) stephen.kellett@fwc.gov.au

From: KELLETT, Stephen
To: ["barry.gannon@myapsa.com.au"](mailto:barry.gannon@myapsa.com.au)
Cc: ["Virginia Germain"](#)
Subject: Financial reporting - APSA, Qld Branch - period 1/3/14-30/6/14 - amendments required
Date: Wednesday, 14 January 2015 2:46:00 PM
Attachments: [APSA QLD FR2014 316 \(1\).pdf](#)
[s253-Reporting-Guidelines-4th-edition.pdf](#)
[Model-financial-statements-2013-2014.pdf](#)
[Example Note.doc](#)

Dear Mr Gannon,

Please see attached my letter in relation to the above. I attach, for convenient reference, a copy of the relevant Reporting Guidelines, the 2013-2014 Model financial statements, and an example Note in relation to amalgamation assets transfers.

Yours sincerely

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6723 7237
(email) stephen.kellett@fwc.gov.au



FAIR WORK
COMMISSION

14 January 2015

Mr Barry Gannon
Secretary, Queensland Branch
Australian Property Services Association
PO Box 863
SPRINGWOOD QLD 4127

Dear Mr Gannon,

Re: Lodgement of Financial Report - *Fair Work (Registered Organisations) Act 2009* - Australian Property Services Association, Queensland Branch - for period ended 30 June 2014 (FR2014/316)

I refer to the financial report for the Australian Property Services Association, Queensland Branch („APSA QLD“) for the period 1 March 2014 to 30 June 2014, which was lodged with the Fair Work Commission (FWC) on 25 November 2014.

The financial report has not yet been filed. I have examined the financial report and identified a number of matters, the details of which are set out below, that you are required to address before the report can be filed.

The General Purpose Financial Report (GPFR), the Operating Report and auditor’s report will require amendment. The amended statements will need to be presented to a meeting of the Committee of Management, provided to/published for the members, and lodged with FWC at the earliest practicable opportunity.

The matters identified should be read in conjunction with the *Fair Work (Registered Organisations) Act 2009* (the RO Act), *Fair Work (Registered Organisations) Regulations 2009* (the RO Regs), Reporting Guidelines (RG) made under section 255 of the RO Act and Australian Accounting Standards. A ‘Model financial statements’ is also available on the FWC website to assist organisations in preparing returns.

1. General purpose financial report

Financial instruments disclosures

Australian Accounting Standard *AASB 7 Financial Instruments: Disclosures* details the reporting disclosures required by an entity in relation to financial instruments. This information has not been provided.

Disclosure requirements - measured at fair value

Australian Accounting Standard *AASB 13 Fair Value Measurement* paragraph 93 identifies the disclosure requirement for when assets and liabilities are measured at fair value. These disclosure requirements have not been sufficiently addressed in the GPFR.

Activities under Reporting Guidelines not disclosed

Item(s) 13, 15, 17, 19, 21, 23 and 25 of the Reporting Guidelines state that if any activities identified in item(s) 10, 11, 12, 14, 16, 18, 20, 22 or 24 respectively have not occurred in the reporting period, a statement to this effect (or a nil balance) must be included in the notes to the GPFR. I note that for the following items no such disclosure has been made:

- 10 financial support received from another reporting unit to enable it to continue as a going concern
- 11 financial support provided to another reporting unit to enable it to continue as a going concern basis
- 14(e) financial support received [i.e. other than financial support mentioned in RG10, or capitation income mentioned in RG14(b)]

- 22(a) fund or account operated in respect to compulsory levies or voluntary contributions
- 22(c) fund or account (other than General Fund) operated as required by the rules
- 22(d) transfers or withdrawals to a fund, account or controlled entity
- 25 cash flows to/from other reporting units and/or controlled entity to be reported in Cash Flow Statement or in the notes to the GPFR

The notes to the financial statements should be amended to include the above disclosures.

Reporting Guideline disclosures (other)

I draw your particular attention to Reporting Guideline 12 which requires disclosure in relation to assets and liabilities acquired due, amongst other circumstances, to an amalgamation under Part 2 of Chapter 3 of the RO Act. This occurred on 1 March 2014. Rule 86.5(a) of the rules of the Australian Property Services Association provides that:

“On the date of amalgamation:

(a) All assets, including but not limited to cash, accounts with financial institutions, securities, negotiable instruments, real property and chattels that are held by and in the name of the PSAQ shall be deemed to form the APSA Qld Branch Fund”.

FWC assumes the assets and liabilities of PSAQ¹ were transferred to APSA QLD on that date. Note 3F discloses a money transfer from PSAQ but it is not clear on the face that this reflects, or fully reflects, the assets and liabilities transfer as a result of the amalgamation. The notes should also include a note (see example attached) disclosing/explaining amalgamation-related transfers at the beginning of the period.

2. Operating Report

Review of principal activities

Subsection 254(2)(a) of the RO Act requires an Operating Report to contain a review of the principal activities of the reporting unit, the results of those activities and any significant changes in the nature of those activities. There are two issues. (1) The review includes a statement that the association liaised with the Real Estate Association of New South Wales in “*making an application (currently before the Fair Work Commission)*” to amalgamate. This is an incorrect statement insofar as the Operating report relates to the period 1 March 2014 - 30 June 2014 after the amalgamation took effect. (2) The review does not explain the results of its activities. Please note that subsection 254(2)(a) of the RO Act does not require a *financial* result. It requires a description of results from providing services to members.

The Operating report must be amended to remove the incorrect statement and reflect information that pertains to the period 1 March 2014-30 June 2014.

Number of employees

Pursuant to subsection 254(2)(f), regulation 159(b) requires the number of persons that were, at the end of the financial year to which the report relates, employees of the reporting unit, to be disclosed in the Operating Report. Regulation 159(b) also requires that where the number of employees includes both full-time and part-time employees to be measured on a full-time equivalent basis.

The Operating Report stated that “*the number of employees was 5*”. To avoid doubt the number of employees must be expressed as a full-time equivalent, therefore the operating report will need to be amended accordingly and resubmitted to FWC.

3. Committee of Management Statement

Date of resolution

Item 36 of the Reporting Guidelines requires that the Committee of Management Statement be made in accordance with such resolution as is passed by the Committee of Management. Such

¹ i.e. the Property Sales Association of Queensland

statement must also specify the date of passage of the resolution. I note that the date of the resolution was not specified.

Declaration of consistency

Item 35(e)(iv) of the Reporting Guidelines requires the Committee to declare whether the financial records of the reporting unit² have been kept in a consistent manner *with each of the other reporting units within the organisation*.³ The Committee of Management declaration that *“the financial records of the organisation have been kept in a consistent manner”* is not equivalent and falls short of the requirement.

The Committee of Management Statement that rectifies the above omissions should be made and signed in respect of the report (as amended).

4. Auditor’s Statement

Auditor’s qualifications

Regulation 4 of the RO Regulations provides the definition of an approved auditor. Item 38 of the Reporting Guidelines requires that in the Auditor’s Statement, the auditor must declare they are either an approved auditor or the auditor is a member of a firm where at least one member is an approved auditor and must specify that the auditor is a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the Institute of Public Accountants, and holds a current Public Practice Certificate.

I note that this information has not been included in the Auditor’s Statement.

Auditor’s address

The Auditor’s Statement provided to the FWC did not include the Auditor’s address as required by Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report* paragraph 42. Section 257(8) of the RO Act requires that the form and content of the Auditor’s Statement be in accordance with the Australian Auditing Standards.

Date of signature

The Auditor’s statement was not dated. Section 257(8) and 257(9) of the RO Act require that the form and content of the Auditor’s Statement be in accordance with the Australian Auditing Standards, and that the report is dated as at the date the auditor signs it.

An Auditor’s statement that includes the above information should be made in respect of the report (as amended).

5. Designated Officer’s Certificate

The lodgement of the amended financial statements should be accompanied by a Designated Officer’s Certificate certifying the date the amended report was provided to the members and the date it was presented to the Committee of Management.

Should you wish to discuss the matters raised in this letter, I may be contacted on (02) 6723 7237 or by email at stephen.kellett@fwc.gov.au.



Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

² i.e. APSA Qld Branch

³ i.e. APSA



24 July 2014

Mr Barry Gannon
Secretary
Australian Property Services Association - Queensland Branch
Sent by email: Barry.Gannon@psaq.com.au

Dear Mr Gannon,

**Re: Lodgement of Financial Report - [FR2014/316]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Queensland Branch of the Australian Property Services Association (the reporting unit) ended on 30 June 2014.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date, namely 15 January 2015 (being the expiry date of 6 months and 14 days from the end of the financial year), under s.268 of the RO Act.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Further, the General Manager's updated Reporting Guidelines, that apply to all financial reports prepared on or after 30 June 2014, are also available on the website. For your convenience, our webinar video and slides on the Reporting Guidelines have also been placed on the website.

The Fair Work Commission has also developed a model set of financial statements. There is no requirement to use this model but it may be a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. All of the above information can be accessed through our website under [Financial Reporting](#).

The financial report and any statement of loans, grants or donations made during the financial year (statement must be lodged within 90 days of end of financial year) can be emailed to orgs@fwc.gov.au. A sample statement of loans, grants or donations is available at [sample documents](#).

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$51,000 for a body corporate and \$10,200 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7936 or via email at robert.pfeiffer@fwc.gov.au .

Yours sincerely,

Robert Pfeiffer
Senior Adviser
Regulatory Compliance Branch

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /	As soon as practicable after end of financial year
(b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).		
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<p>Within a reasonable time of having received the GPFR</p> <p>(NB: Auditor's report must be dated on or after date of Committee of Management Statement</p>
<p>Provide full report free of charge to members – s265</p> <p>The full report includes:</p> <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /	<p>(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,</p> <p>or</p> <p>(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.</p>
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.