



FAIR WORK
COMMISSION

7 November 2016

Mr Peter Lamps
Branch Secretary, South Australian Branch
The Australian Workers' Union

By email: plamps@awusa.asn.au

Dear Mr Lamps

Re: Lodgement of Financial Statements and Accounts – The Australian Workers' Union, South Australian Branch - for year ended 30 June 2016 (FR2016/255)

I refer to the financial report for the South Australian Branch of The Australian Workers' Union. The report was lodged with the Fair Work Commission on 14 September 2016. An amended Designated Officer's Certificate was lodged today.

The financial report has been filed based on a primary review. This involved confirming whether 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.¹

Please note that the financial report for the year ending 30 June 2017 may be subject to an advanced compliance review. I make the following comments to assist you when preparing the next report.

Presentation to meeting (s266)

The financial documents were lodged after the statements had been signed on 12 and 13 September, following a meeting of the committee on 9 September 2016. For the reasons we have had the opportunity to discuss,² the meeting of 9 September was not the meeting at which it could be said the full report was presented for the purposes of section 266 of the RO Act.³ Presentation to the meeting contemplated by section 266 can only occur after the documents have been signed.

I note that, although the full report was lodged with the Fair Work Commission prior to it having been presented in accordance with section 266, the actual eventual date of presentation, namely 4 November, still fell within the 6 month time frame ordinarily prescribed.

¹ The full range of disclosure requirements that may apply can be found itemised on the advanced assessment form available at <https://www.fwc.gov.au/documents/documents/organisations/factsheets/org-financial-report-checklist-advanced.pdf>

² The Act clearly contemplates that the full report cannot be presented until after the various reports or statements, i.e. the Committee of Management statement, the Operating report and the Auditor's report, have been signed.

³ The meeting of 9 September was what is commonly referred to as 'the first meeting' whose purpose is to pass a resolution about what at that stage is essentially a draft or unsigned general purpose financial report. The Committee of Management statement is evidence of the resolution.

Provision of full report to members (s265)

For similar reasons, the date originally certified as the date the full report was provided to the members was incorrect.⁴ The amended Certificate correctly stated the date of provision of the full report to the members, i.e. 13 September 2016.

Difference in figure reporting in LGD statement and financial report

The Loans, Grants and Donations statement lodged with the FWC under subsection 237(1) of the RO Act on 9 September stated a different figure for donations that exceeded \$1,000 from that supplied in the financial report. I note your advice of 27 September that an appropriate adjustment to the 2016 comparative for donations will be made in the 2017 report.

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 require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or 0429 462 979 or by email at stephen.kellett@fwc.gov.au

Yours sincerely



Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

⁴ The Act clearly contemplates that the full report cannot be provided to members for the purposes of section 265 until after the 'first meeting', and after the various reports or statements, i.e. the Committee of Management statement, the Operating report and the Auditor's report, have been signed.

From: KELLETT, Stephen
Sent: Monday, 7 November 2016 12:49 PM
To: 'plamps@awusa.asn.au'
Subject: Financial reporting - AWU SA - y/e 30 June 2016 - filing

Dear Mr Lamps,

Please see attached my letter in relation to the above.

Yours faithfully

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6746 3283
(mob.) 0429 462 979
(email) stephen.kellett@fwc.gov



AWU SA FR2016
255 (primary final).pdf

From: Peter Lamps [mailto:plamps@awusa.asn.au]
Sent: Monday, 7 November 2016 11:18 AM
To: KELLETT, Stephen
Subject: RE: Financial reporting - AWU SA Branch - FR2016/255 - y/e 30 June 2016 - compliance

Dear Stephen,

Please find attached Designated Officers Certificate which I believe is consistent with our discussions in relation to same. On behalf of the Branch we thank you for your assistance.

Yours faithfully,

Peter Lamps

**State Union Secretary
Branch Secretary
Amalgamated AWU (S.A.) State Union
The Australian Workers Union
GPO Box 2577
Adelaide 5001
22-24 Main Street
Mawson Lakes S.A. 5095
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Australian Workers' Union South Australian Branch

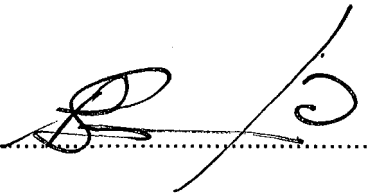
DESIGNATED OFFICER CERTIFICATE

s.268 Fair Work (Registered Organisations) Act 2009

Certificate for the period ended 30 June 2016

I Peter Lamps being the Acting Branch Secretary of the Australian Workers' Union South Australian Branch certify:

- that the documents lodged herewith are copies of the full report for the Australian Workers' Union South Australian Branch for the period ended 30 June 2016 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of The Australian Workers' Union South Australian Branch on 13th SEPTEMBER 2016.....: and
- that the full report was presented to a meeting of the committee of management of The Australian Workers' Union South Australian Branch on 4th NOVEMBER 2016..... in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of designated officer: .....

Name of designated officer: Peter Lamps

Title of designated officer: Acting Branch Secretary

Dated: 7th NOVEMBER 2016.....

From: KELLETT, Stephen
Sent: Tuesday, 27 September 2016 6:46 PM
To: 'Peter Lamps'
Subject: Financial reporting - AWU SA Branch - FR2016/255 - y/e 30 June 2016 - compliance

Dear Peter,

I'm writing to summarise our discussion this afternoon.

1. The Branch has provided the members with a copy of the signed full report in accordance with section 265 but the Designated Officer Certificate signed on 12 September lodged with FWC did not state the correct date on which this occurred (i.e. on or after 13 or 14 September etc.) The Branch has not yet formally 'presented' the signed full report for the purposes of section 266. The Branch will do so at the next meeting of the Committee, in October/early November. At that time, the Branch will lodge an amended Designated Officer certificate.
2. You confirmed that the statement of donations lodged on 9 September 2016 was correct and that the figure for donations <exceeding \$1,000> disclosed in the financial report inadvertently included an amount that should have been disclosed as donations <\$1,000 and less>. An appropriate amendment will be made to the 2016 comparative column in next year's financial report.

I appreciate your time and clarification today.

Yours faithfully

STEPHEN KELLETT
Senior Adviser,
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6746 3283
(mob.) 0429 462 979
(email) stephen.kellett@fwc.gov

From: Leanne Ware [<mailto:lware@awusa.asn.au>]
Sent: Wednesday, 14 September 2016 1:43 PM
To: Orgs
Cc: Peter Lamps
Subject: On CMS FR2016/255 AWU SA Branch 2015-2016 Lodgement of financials (Registered Organisations)

FR2016/255

Dear Sir

Please find attached the AWU SA BRANCH audited financial statements for the year ending 2015-2016.

Kind Regards

Leanne Ware
Finance/Administration

Australian Workers Union
South Australian Branch

PH:(08) 8360 1900
FX:(08) 8360 1960

Mobile: 0412 234 438
lware@awusa.asn.au



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AWU SA Branch
2015-2016 Financials

**Australian Workers' Union South
Australian Branch**

**Financial Statements
2016**

ABN 55 863 353 525

FINANCIAL STATEMENTS 2015–16

Contents

| | |
|---|----|
| Independent Audit Report | 3 |
| Designated Officer's Certificate | 5 |
| Operating Report | 6 |
| Committee of Management Statement | 9 |
| Statement of Comprehensive Income | 10 |
| Statement of Financial Position | 11 |
| Statement of Changes in Equity | 12 |
| Cash Flow Statement | 13 |
| Index to Notes | 14 |
| Notes to and Forming Part of the Financial Statements | 15 |

AUSTRALIAN WORKERS' UNION SOUTH AUSTRALIAN BRANCH**ABN 55 863 353 525****INDEPENDENT AUDITOR'S REPORT**

To the members of the Australian Workers' Union South Australian Branch:

We have audited the accompanying general purpose financial report of the Australian Workers' Union South Australian Branch ("the union"), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity, the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the committee of management statement.

The Committee of Management's responsibility

The committee of management is responsible for the preparation of the general purpose financial report that presents fairly in accordance with the Fair Work (Registered Organisations) Act 2009 and Australian Accounting Standards. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the general purpose 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 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 and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the union's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the union executives, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by the committee of management.

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


Independence

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

HLB Mann Judd Audit (SA) Pty Ltd ABN: 32 166 337 097

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Postal: PO Box 377, Kent Town SA 5071

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AUSTRALIAN WORKERS' UNION SOUTH AUSTRALIAN BRANCH**ABN 55 863 353 525****INDEPENDENT AUDITOR'S REPORT (CONT.)****Auditor's Declaration**

We are approved auditors for the purposes of Fair Work (Registered Organisations) Act 2009 and members of CPA Australia and the Institute of Chartered Accountants and hold a Public Practice Certificate.

Auditor's Opinion

In our opinion the general purpose financial report of Australian Workers' Union South Australian Branch:

- a) presents fairly, in all material respects the financial position of the Australian Workers' Union South Australian Branch as at 30 June 2016, and of its performance and its cash flows for the year then ended;
- b) complies with Australian Accounting Standards and the relevant legislation;
- c) complies with the requirements of the Fair Work (Registered Organisations) Regulations 2009 and the Fair Work (Registered Organisations) Act 2009

We are of the opinion that management's use of the going concern basis of accounting in the preparation of the financial statements was appropriate for the year ended 30 June 2016.

This auditor's report relates to the financial report of the Union for the financial year ended 30 June 2016 published in the annual report and included on the Union's website. The Union's Members of the Committee are responsible for the integrity of the the Union's website. We have not been engaged to report on the integrity of this website. The auditor's report refers only to the financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

HLB Mann Judd
HLB Mann Judd
Chartered Accountants

C. McGowan
Corey McGowan
Partner


Adelaide, South Australia

13 September 2016

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Australian Workers' Union South Australian Branch

DESIGNATED OFFICER CERTIFICATE

s.268 Fair Work (Registered Organisations) Act 2009

Certificate for the period ended 30 June 2016

I Peter Lamps being the Acting Branch Secretary of the Australian Workers' Union South Australian Branch certify:

- that the documents lodged herewith are copies of the full report for the Australian Workers' Union South Australian Branch for the period ended 30 June 2016 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of The Australian Workers' Union South Australian Branch on 9th SEPTEMBER 2016.....: and
- that the full report was presented to a meeting of the committee of management of The Australian Workers' Union South Australian Branch on 30th AUGUST 2016..... in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of designated officer: .....

Name of designated officer: Peter Lamps

Title of designated officer: Acting Branch Secretary

Dated: 12th SEPTEMBER 2016.....

Australian Workers' Union South Australian Branch

OPERATING REPORT

for the period ended 30 June 2016

The committee presents its report on the reporting unit for the financial year ended *30 June* 2016.

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

employments terms and conditions

to secure improved conditions of employment for the members

to assist members in dispute resolution

to assist members who may have become injured in the course of their employment

to assist dependants of members through financial benefits and

to assist members in unfair dismissal matters before relevant tribunals.

There have been no significant changes in the nature of these activities.

Significant changes in financial affairs

Decline in membership due to redundancies and closures which occurred during the financial year.

Operating Results

The surplus for the financial year amounted to **\$30,098** (2015: \$277,341)

Right of members to resign

The right of AWU members to resign from the Branch is set out in Rule 12 of The Australian Workers' Union Rules as registered under the Act.

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

Justin Hanson holds the position on the Statewide Superannuation Board because he is an officer of the branch from December 2014.

Justin Hanson – was appointed to the Statewide Superannuation Board by the Branch Executive.

Wayne Hanson – was appointed to the Adelaide Cemetery Board by His-Excellency the Governor of South Australian on recommendation by the Minister.

Gary Henderson – was appointed to the CITB Industry Fund Board by nomination of the Branch Secretary and appointed by the Minister.

Joseph Kane – was appointed to the CITB Industry Fund Board as a proxy by nomination by the Branch Secretary and appointed by the Minister.

Marcus Hanson – was appointed to the MAQOHSC Board as a proxy by the Branch Secretary.

Peter Lamps – was appointed by the minister as a member of the Industrial Relations Consultative Council (IRCC) on the 16th March, 2016.

The principal activity for Statewide is to provide a superannuation scheme for the benefit of Workers across the Local Government Industry through South Australia and the Northern Territory.

The principal activity of CITB (Construction and Industry Training Board) is an industry owned and led, non-Government agency responsible for supporting the South Australian building and construction industry by providing leadership in training and skills development for its workforce.

The principal activity of MAQOHSC (Mining and Quarry Occupational Health and Safety Committee) aims to promote high occupational health and safety standards to prevent injury and disease in the mining and quarrying industry within South Australia.

The principal activity of the IRCC (Industrial Relations Consultative Committee) is a tri partite committee which provides industrial relations advice to the Minister.

Number of members

The number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members is **6355** (2015:6884)

Number of employees

The number of persons who were, at the end of the financial year to which the report relates, employees of the Branch, where the number of employees includes both full-time employees, casuals and part time employees measured on a full time basis is 15.

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

| Name | Position | Date |
|-----------------|----------------------------|---------------------|
| Peter Lamps | President/Acting Secretary | 01/07/15 – 30/06/16 |
| Terry Bails | Vice President | 01/07/15 – 30/06/16 |
| Justin Hanson | Vice President | 01/07/15 – 30/06/16 |
| Wayne Hanson | Secretary | 01/07/15 – 30/06/16 |
| Frank Mateos | Assistant Secretary | 01/07/15 – 30/06/16 |
| Ian Ashmore | Committee Member | 01/07/15 – 30/06/16 |
| Joseph Kane | Committee Member | 01/07/15 – 30/06/16 |
| Joseph Mezzini | Committee Member | 01/07/15 – 30/06/16 |
| Nathan Crack | Committee Member | 01/07/15 – 30/06/16 |
| Gary Henderson | Committee Member | 01/07/15 – 30/06/16 |
| John Schuit | Committee Member | 01/07/15 – 30/06/16 |
| Scott Martin | Committee Member | 01/07/15 – 30/06/16 |
| Martin O'Connor | Committee Member | 01/07/15 – 30/06/16 |
| James Phelan | Committee Member | 01/07/15 – 30/06/16 |
| Trish Stringer | Committee Member | 01/07/15 – 30/06/16 |
| Stacy Ware | Committee Member | 01/07/15 – 30/06/16 |
| Michael Hopgood | Committee Member | 01/07/15 – 30/06/16 |
| Martin Hilton | Committee Member | 01/07/15 – 30/06/16 |
| Colin Shooter | Committee Member | 01/07/15 – 30/06/16 |

Signature of designated officer: 

Name and title of designated officer: ACTING BRANCH SECRETARY

Dated: 12th SEPTEMBER 2016

Australian Workers' Union South Australian Branch

COMMITTEE OF MANAGEMENT STATEMENT

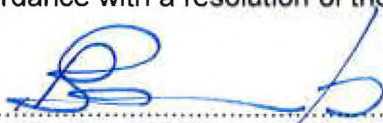
for the period ended 30 June 2016

On the 9th SEPTEMBER 2016..... the Committee of Management of The Australian Workers' Union South Australian Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2016:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with 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 reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

Signature of designated officer: 

Name and title of designated officer: Peter Lamps Acting Branch Secretary

Dated: 12th SEPTEMBER 2016

Australian Workers Union South Australian Branch
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2016

| | Notes | 2016 \$ | 2015 \$ |
|--|-------|------------------|------------------|
| Revenue | | | |
| Membership subscription* | | 2,476,338 | 2,658,884 |
| Capitation fees | 3A | - | - |
| Levies | 3B | - | - |
| Interest | 3C | 72,809 | 77,214 |
| Other revenue | 3D | 284,991 | 271,264 |
| Total revenue | | 2,834,138 | 3,007,362 |
| Other Income | | | |
| Grants and/or donations | 3E | - | - |
| Total other income | | - | - |
| Total income | | 2,834,138 | 3,007,362 |
| Expenses | | | |
| Employee expenses | 4A | 1,564,479 | 1,500,961 |
| Capitation fees/Sustentation | 4B | 267,660 | 297,733 |
| Affiliation fees | 4C | 44,078 | 60,562 |
| Administration expenses | 4D | 787,694 | 806,474 |
| Grants or donations | 4E | 16,300 | 13,280 |
| Depreciation and amortisation | 4F | 383 | 383 |
| Legal costs | 4G | 114,020 | 42,328 |
| Audit fees | 13 | 9,426 | 8,300 |
| Total expenses | | 2,804,040 | 2,730,021 |
| Profit (loss) for the year | | 30,098 | 277,341 |
| Other comprehensive income | | | |
| Items that will not be subsequently reclassified to profit or loss | | - | - |
| Total comprehensive income for the year | | 30,098 | 277,341 |

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

Australian Workers Union South Australian Branch
STATEMENT OF FINANCIAL POSITION
as at 30 June 2016

| | Notes | 2016 \$ | 2015 \$ |
|---|-------|------------------|------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 5A | 2,672,128 | 2,627,492 |
| Trade and other receivables | 5B | 179,114 | 214,256 |
| Other current assets | 5C | 5,838 | 27,854 |
| Total current assets | | 2,857,080 | 2869,602 |
| Non-Current Assets | | | |
| Plant and equipment | 6A | 18 | 402 |
| Total non-financial assets | | 18 | 402 |
| Total assets | | 2,857,098 | 2,870,004 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade payables | 7A | 77,885 | 105,239 |
| Other payables | 7B | 80,288 | 74,503 |
| Employee provisions | 8A | 1,095,957 | 1,117,393 |
| Total current liabilities | | 1,254,130 | 1,297,135 |
| Total liabilities | | 1,254,130 | 1,297,135 |
| Net assets | | 1,602,968 | 1,572,869 |
| EQUITY | | | |
| General funds | 9A | - | (33,428) |
| Retained earnings (accumulated deficit) | | 1,602,968 | 1,606,297 |
| Total equity | | 1,602,968 | 1,572,869 |

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

Australian Workers Union South Australian Branch
STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2016

| | Notes | General funds \$ | Retained earnings \$ | Total equity \$ |
|---|-------|------------------------|----------------------------|--------------------|
| Balance as at 1 July 2014 | | (33,428) | 1,328,955 | 1,295,527 |
| Profit for the year | | - | 277,342 | 277,342 |
| Closing balance as at 30 June 2015 | | (33,428) | 1,606,297 | 1,572,869 |
| Profit for the year | | - | 30,098 | 30,098 |
| Transfer to Retained Earnings | | 33,428 | (33,428) | |
| Closing balance as at 30 June 2016 | | - | 1,602,968 | 1,602,968 |

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

Australian Workers Union South Australian Branch
CASH FLOW STATEMENT
for the period ended 30 June 2016

| | Notes | 2016 \$ | 2015 \$ |
|---|-------|--------------------|--------------------|
| OPERATING ACTIVITIES | | | |
| Cash received | | | |
| Receipts from other reporting units/controlled entity(s) | 10B | 200,000 | 200,000 |
| Interest | | 77,543 | 77,214 |
| Other | | 2,569,353 | 2,956,733 |
| Total Cash Received | | 2,846,896 | 3,233,947 |
| Cash used | | | |
| Employees | | (1,585,915) | (1,429,246) |
| Suppliers | | (962,112) | (1,335,663) |
| Payment to other reporting units/controlled entity(s) | 10B | (227,117) | (175,211) |
| Total Cash Used | | (2,775,144) | (2,940,120) |
| Net cash from (used by) operating activities | 10A | 44,635 | 318,615 |
| INVESTING ACTIVITIES | | | |
| Net cash from (used by) investing activities | | - | - |
| FINANCING ACTIVITIES | | | |
| Cash used | | - | - |
| Net Increase (decrease) in cash held | | 44,635 | 293,827 |
| Cash & cash equivalents at the beginning of the reporting period | | 2,627,492 | 2,333,665 |
| Cash & cash equivalents at the end of the reporting period | 5A | 2,672,128 | 2,627,492 |

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

Index to the Notes of the Financial Statements

| | |
|---------|---|
| Note 1 | Summary of Significant Accounting Policies |
| Note 2 | Events after the Reporting Period |
| Note 3 | Income |
| Note 4 | Expenses |
| Note 5 | Current Assets |
| Note 6 | Non-current Assets |
| Note 7 | Current Liabilities |
| Note 8 | Provisions |
| Note 9 | Equity |
| Note 10 | Cash Flow |
| Note 11 | Contingent Liabilities, Assets and Commitments |
| Note 12 | Related Party Disclosures |
| Note 13 | Remuneration of Auditors |
| Note 14 | Financial Risk Management |
| Note 15 | Section 272 Fair Work (Registered Organisations) Act 2009 |

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the *Australian Workers' Union South Australian Branch* is a not-for-profit entity.

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

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

There are no accounting assumptions or estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 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.

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2016 reporting period and have not been used in preparing these reports.

The Union is of the view that none of the new standards or interpretations will affect in any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

1.5 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.

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.

1.6 Gains

Sale of assets

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

1.7 Capitation fees and levies

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

1.8 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.

1.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

Operating lease payments on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

1.10 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.

1.11 Financial instruments

Financial assets and financial liabilities are recognised when The Australian Workers' Union SA Branch 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.

1.12 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.

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.

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.

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.

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.

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.

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.13 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.14 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.

1.15 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.

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:

| | 2016 | 2015 |
|---------------------|---------------------|--------------|
| Plant and equipment | 3 to 5 years | 3 to 5 years |

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.

1.16 Taxation

The Australian Workers' Union South Australian 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.

1.17 Fair value measurement

The Australian Workers' Union South Australian Branch 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 Australian Workers' Union South Australian Branch. 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 Australian Workers' Union South Australian Branch 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 Australian Workers' Union South Australian Branch 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 Australian Workers' Union South Australian Branch 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.

1.18 Going concern

The AWU South Australia's ability to continue as a going concern is not reliant on the agreed financial support of another reporting unit.

The AWU South Australia has not agreed to provide financial support to ensure another reporting unit has the ability to continue as a going concern.

Note 2 Events after the reporting period

There were no events that occurred after 30 June 2016, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of The Australian Workers' Union South Australian Branch.

| | 2016 | 2015 |
|--|------|------|
| | \$ | \$ |

Note 3 Income

Note 3A: Capitation fees*

(A) The Branch did not receive any capitation fees from another reporting unit of the organisation.

(B) The Branch did not receive any other financial support from another reporting of the organisation.

| | | |
|--|---|---|
| | - | - |
|--|---|---|

Total capitation fees

| | | |
|--|---|---|
| | - | - |
|--|---|---|

Note 3B: Levies*

Levies

| | | |
|--|---|---|
| | - | - |
|--|---|---|

Total levies

| | | |
|--|---|---|
| | - | - |
|--|---|---|

Note 3C: Interest

Deposits

| | | |
|--|--------|--------|
| | 72,809 | 77,214 |
|--|--------|--------|

Total interest

| | | |
|--|--------|--------|
| | 72,809 | 77,214 |
|--|--------|--------|

Note 3D: Other Revenue

Annual Dinner Advertising Sponsorship

| | | |
|--|--------|--------|
| | 84,991 | 70,446 |
|--|--------|--------|

Management Fee Income

| | | |
|--|---------|---------|
| | 200,000 | 200,000 |
|--|---------|---------|

Sundry Income

| | | |
|--|--|----|
| | | 18 |
|--|--|----|

Training Income

| | | |
|--|--|-----|
| | | 800 |
|--|--|-----|

Total Other Revenue

| | | |
|--|---------|---------|
| | 284,991 | 271,264 |
|--|---------|---------|

Note 3E: Grants or donations*

Grants

| | | |
|--|---|---|
| | - | - |
|--|---|---|

Donations

| | | |
|--|---|---|
| | - | - |
|--|---|---|

Total grants or donations

| | | |
|--|---|---|
| | - | - |
|--|---|---|

2016 2015
\$ \$

Note 4 Expenses

Note 4A: Employee expenses*

Holders of office:

| | | |
|---|------------------|-----------|
| Wages and salaries – Branch Secretary | 43,293 | 39,198 |
| Wages and salaries – Asst. Secretary | 85,561 | 85,736 |
| Wages and salaries – Officials | 653,789 | 609,076 |
| Wages and salaries – Acting Secretary | 100,299 | 102,040 |
| Superannuation | 156,271 | 138,927 |
| Leave & other entitlements-Branch Secretary | 83,217 | 85,142 |
| Leave & other entitlements-Assistant Sec | 17,895 | 4,271 |
| Leave & other entitlements-Officials | 46,973 | 53,751 |
| Leave & other entitlements-Acting Secretary | 21,752 | 5,572 |
| Separation and redundancies | - | - |
| LSL Provision | (8,303) | 78,734 |
| Annual Leave Provision | (13,133) | (7,019) |
| Payroll Tax | 49,060 | 44,448 |
| Other employee expenses-Workcover Levy | 12,233 | 15,478 |
| Fringe Benefit Tax | 43,686 | 40,887 |
| Subtotal employee expenses holders of office | 1,292,593 | 1,296,241 |

Employees other than office holders:

| | | |
|---|------------------|-----------|
| Wages and salaries - Clerical | 229,611 | 177,727 |
| Superannuation | 24,352 | 18,335 |
| Leave and other entitlements-Clerical | 13,905 | 5,619 |
| Separation and redundancies | - | - |
| Other employee expenses-Workcover Levy | 4,018 | 3,039 |
| Subtotal employee expenses employees other than office holders | 271,886 | 204,720 |
| Total employee expenses | 1,564,479 | 1,500,961 |

Note 4B: Capitation fees/Sustentation*

| | | |
|---|----------------|---------|
| National Head Office | 267,660 | 297,733 |
| Total Capitation/Sustentation fees | 267,660 | 297,733 |

| | 2016 | 2015 |
|---|---------------|---------------|
| | \$ | \$ |
| Note 4C: Affiliation fees* | | |
| Australian Labor Party | 36,917 | 36,919 |
| ACTU IR Levy/Affiliation to Nat Office | 6,320 | 9,872 |
| SA Unions | - | 12,672 |
| UTLC Whyalla Affiliation | 250 | 236 |
| May Day Affiliation | 318 | 318 |
| Federated Vehicle Industry Affiliation | 273 | 545 |
| Total affiliation fees/subscriptions | 44,078 | 60,562 |

Note 4D: Administration expenses

| | | |
|--|--------|--------|
| Consideration to employers for payroll deductions* | - | - |
| Compulsory levies* | | |
| Fees/allowances - meeting and conferences* | - | - |
| Travel | 41,218 | 67,547 |
| Conference and meeting expenses* | - | - |

Office expenses

| | | |
|---------------------------------|---------|---------|
| Acts Awards Books | 774 | 544 |
| Administration Services | 10,383 | 14,227 |
| Advertising | 378 | 590 |
| Bank Charges | 8,108 | 8,272 |
| Bereavement Fund | 720 | 960 |
| Cleaning | 180 | 13,241 |
| Computer Maintenance | 14,763 | 16,537 |
| Delegates Commission | - | 517 |
| Electricity & Gas | 14,983 | 16,668 |
| Executive Sitting Fee - Federal | 900 | 1,110 |
| General Expenses | 1,990 | 989 |
| Insurance General | 1,496 | 2,354 |
| Office Expenses Less \$1000 | 2,138 | - |
| National OHS Resource | 14,954 | - |
| Lost Time | 4,239 | 1,527 |
| Lease Documentation Fees | - | - |
| Membership Hosting | 27,359 | 24,695 |
| Members Benefits | - | 2,515 |
| Members Annual Dinner Expense | 74,837 | 78,928 |
| Dinner Bi-Annual Whyalla | 1,150 | - |
| Motor Vehicle Expenses – Petrol | - | 25 |
| Motor Vehicle Rental Expense | 180,000 | 166,909 |
| Postage & Courier | 11,692 | 13,012 |
| Printing & Stationery | 11,664 | 17,165 |
| Repairs & Maintenance – Office | 3,576 | 7,637 |
| Promotional Materials | 520 | 1,202 |
| Rates | 5,283 | 8,998 |
| Rent Premises | 220,909 | 220,909 |
| Rent Whyalla | 13,000 | 14,000 |
| Rent Port Pirie | 13,000 | 5,550 |
| Rent Mt Gambier | 12,000 | - |
| Relocation Expenses | 891 | 3,673 |

| | | |
|---|--------|--------|
| Retention Expenses | 4,560 | - |
| Rubbish Removal | 1,586 | 2,822 |
| Staff Amenities | 5,770 | 6,237 |
| Subscriptions and Memberships-RAA | 1,654 | 1,806 |
| Subscriptions and Memberships-CCH | 1,803 | 1,742 |
| Subscriptions and Memberships-Workforce | - | 1,297 |
| Subscriptions and Memberships-Arrow | 1,522 | 1,521 |
| Telephone – Office | 24,189 | 19,242 |
| Telephone – Home | 2,057 | 4,066 |
| Telephone – Mobile | 21,725 | 23,284 |
| Training Courses | - | 1,023 |
| Training Expenses | 1,185 | - |
| Uniforms | 430 | 2,219 |

Information Communications Technology

| | | |
|--|----------------|----------------|
| Internet Expenses | 10,009 | 10,534 |
| Security | 1,264 | 1,098 |
| Subtotal administration expense | 770,859 | 787,192 |

Operating lease rentals:

| | | |
|--------------------------------------|----------------|----------------|
| Minimum lease payments | 16,835 | 19,282 |
| Total administration expenses | 787,694 | 806,474 |

Note 4E: Grants or donations*

| | 2016 | 2015 |
|--------------------------------------|---------------|---------------|
| Grants: | \$ | \$ |
| Total paid that were \$1,000 or less | - | - |
| Total paid that exceeded \$1,000 | - | - |
| Donations: | | |
| Donations less than \$1,000 | - | - |
| Donations greater than \$1,000 | 16,300 | 13,280 |
| Total grants or donations | 16,300 | 13,280 |

Note 4F: Depreciation and amortisation

| | | |
|-------------------------------|------------|------------|
| Depreciation | | |
| Property, plant and equipment | 383 | 383 |
| Total depreciation | 383 | 383 |

| | 2016 | 2015 |
|------------------------------|----------------|---------------|
| | \$ | \$ |
| Note 4G: Legal costs* | | |
| Litigation | - | - |
| Other legal matters | 114,020 | 42,328 |
| Total legal costs | 114,020 | 42,328 |

Note 4H: Other expenses

| | | |
|---|----------|----------|
| Penalties - via RO Act or RO Regulations* | - | - |
| Total other expenses | - | - |

Note 5 Current assets

Note 5A: Cash and cash equivalents

| | | |
|--|------------------|------------------|
| Cash at bank | 368,997 | 550,166 |
| Cash on hand | 1,300 | 1,300 |
| Short term deposits | 2,301,831 | 2,076,026 |
| Other | - | - |
| Total cash and cash equivalents | 2,672,128 | 2,627,492 |

Note 5B: Trade and other receivables

| | | |
|---|----------|----------|
| Receivables from other reporting unit/s]* | - | - |
| Total receivables from other reporting unit/s] | - | - |

Other receivables:

| | | |
|--|----------------|----------------|
| GST receivable from the Australian Taxation Office | 31,927 | 30,890 |
| Other trade receivables | 12,508 | 39,625 |
| Accruals | 46,190 | 50,497 |
| Debtors New Membership | - | 880 |
| Members Contributions received July for June 2016 | 88,489 | 92,364 |
| Total other receivables | 179,114 | 214,256 |
| Total trade and other receivables (net) | 179,114 | 214,256 |

| | 2016 \$ | 2014 \$ |
|--------------------------------------|--------------|---------------|
| Note 5C: Other current assets | | |
| <i>Prepayments</i> | 5,838 | 27,854 |
| Total other current assets | <u>5,838</u> | <u>27,854</u> |

Note 6 Non-current assets

Note 6A: Plant and equipment)

Office Equipment:

| | | |
|----------------------------------|-----------|------------|
| at cost | 2,091 | 2,091 |
| accumulated depreciation | (2,071) | (1,689) |
| Total plant and equipment | <u>18</u> | <u>402</u> |

Reconciliation of the opening and closing balances of plant and equipment

| | | |
|---|------------|------------|
| As at 1 July | | |
| Gross book value | 2,091 | 2,091 |
| Accumulated depreciation and impairment | (1,689) | (1,305) |
| Net book value 1 July | <u>402</u> | <u>786</u> |
| Additions: | | |
| Impairments | - | - |
| Depreciation expense | 383 | 384 |
| Disposals: | | |
| Net book value 30 June | <u>18</u> | <u>402</u> |
| Net book value as of 30 June represented by: | | |
| Gross book value | 2,091 | 2,091 |
| Accumulated depreciation and impairment | (2,071) | (1,689) |
| Net book value 30 June | <u>18</u> | <u>402</u> |

Note 7 Current liabilities

Note 7A: Trade payables

| | | |
|------------------------------|---------------|----------------|
| Trade creditors and accruals | 77,885 | 105,539 |
| Total trade payables | <u>77,885</u> | <u>105,539</u> |

Settlement is usually made within 30 days.

Note 7B: Other payables

| | | |
|--|---------------|---------------|
| Consideration to employers for payroll deductions* | - | - |
| Legal costs* | - | - |
| GST payable | 80,288 | 74,458 |
| Other | | 45 |
| Total other payables | 80,288 | 74,503 |

Total other payables are expected to be settled in:

| | | |
|-----------------------------|---------------|---------------|
| No more than 12 months | 80,288 | 74,503 |
| More than 12 months | - | - |
| Total other payables | 80,288 | 74,503 |

Note 8 Provisions

Note 8A: Employee provisions*

Office Holders:

| | | |
|--|----------------|-----------|
| Annual leave | 285,456 | 328,685 |
| Long service leave | 651,326 | 709,905 |
| Separations and redundancies | - | - |
| Other | - | - |
| Subtotal employee provisions—office holders | 936,782 | 1,038,590 |

Employees other than office holders:

| | | |
|---|------------------|-----------|
| Annual leave | 81,637 | 51,541 |
| Long service leave | 77,538 | 27,261 |
| Separations and redundancies | - | - |
| Other | - | - |
| Subtotal employee provisions—employees other than office holders | 159,175 | 78,802 |
| Total employee provisions | 1,095,957 | 1,117,392 |

| | | |
|----------------------------------|------------------|-----------|
| Current | 1,095,957 | 1,117,392 |
| Non Current | - | - |
| Total employee provisions | 1,095,957 | 1,117,392 |

Note 9 Equity

Note 9A: General funds

| | | |
|------------------------------------|----------|----------|
| <i>Members Funds</i> | (33,428) | (33,428) |
| Balance as at start of year | - | - |
| Transferred to reserve | - | - |
| Transferred out of reserve | 33,428 | - |
| Balance as at end of year | - | (33,428) |

Note 10 Cash flow

Note 10A: 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 | 2,672,128 | 2,627,492 |
| Balance sheet | 2,672,128 | 2,627,492 |
| Difference | - | - |

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

| | | |
|---|---------------|----------------|
| Profit/(deficit) for the year | 30,098 | 277,341 |
| Adjustments for non-cash items | | |
| Depreciation/amortisation | 383 | 383 |
| Amalgamated AWU (SA) State Union Loan Movement | 27,117 | 24,788 |
| Changes in assets/liabilities | | |
| (Increase)/decrease in net receivables | 8,024 | (85,178) |
| (Increase)/decrease in prepayments | 22,017 | 13,151 |
| Increase/(decrease) in supplier payables | (27,290) | 18,812 |
| Increase/(decrease) in other payables | 5,721 | (2,397) |
| Increase/(decrease) in employee provisions | (21,436) | 71,715 |
| Increase/(decrease) in other provisions | - | - |
| Net cash from (used by) operating activities | 44,634 | 318,615 |

Note 10B: Cash flow information*

| | | |
|---|------------------|-----------|
| Cash inflows | | |
| <i>Amalgamated AWU (SA) State Union</i> | 200,000 | 200,000 |
| Total cash inflows | 200,000 | 200,000 |
| Cash outflows | | |
| <i>Amalgamated AWU (SA) State Union</i> | (227,117) | (175,211) |
| Total cash outflows | (227,117) | (175,211) |

Note 11 Contingent liabilities, assets and commitments

Note 11A: Commitments and contingencies

Operating lease commitments—as lessee

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

| | | |
|---|---------------|--------|
| Within one year | 16,833 | 16,833 |
| After one year but not more than five years | 20,447 | 37,280 |
| More than five years | - | - |
| | 37,280 | 54,113 |

Note 12 Related party disclosures

Note 12A: Related party transactions for the reporting period

During the year, the Amalgamated AWU (SA) State Union was charged a management fee of \$200,000 by the Australian Workers' Union SA Branch, for services rendered during the year ended 30 June 2016 (2015: \$200,000).

The Amalgamated AWU (SA) State Union has rented office space to The Australian Workers' Union SA Branch at \$12,500 per month July 15- June 16. A total of \$150,000 was received during the year (2015 \$150,000). All motor vehicles are rented to AWU South Australian Branch. A total of \$180,000 was received during the year (2015 \$166,909).

All dealings are in the ordinary course of business.

As at 30 June 2016 the Amalgamated AWU (SA) State Union owes a balance of \$12,508 (30 June 2015 \$39,625) to The Australian Workers' Union SA Branch. The management fee, rental and motor vehicle rental charges and various operating costs met by the Union during the year on behalf of the Australian Workers' Union SA Branch have been credited and charged to the loan balance respectively.

List of Related Parties

| Officer | Related Party | Reason | Amount |
|-----------------|---------------------------------------|--|------------|
| Peter Lamps | Amalgamated AWU (SA) State Union | Wages | 6,000 |
| | | Superannuation | 600 |
| | | Board Industrial Relations Consultative | 1,061 |
| | | Guest of Premier to attend Clipsal 500 | unknown |
| | Stacey Lamps | Casual Admin Work @ Award wages | 5,123 |
| | | Superannuation | 512 |
| Wayne Hanson | Amalgamated AWU (SA) State Union | Wages | 6,000 |
| | | Superannuation | 600 |
| | Adelaide Cemeteries Authority | Board Fees | 1,982 |
| | | Superannuation | 184 |
| | Justin Hanson | Son | 0 |
| Marcus Hanson | Son | 0 | |
| Frank Mateos | Amalgamated AWU (SA) State Union | Wages | 6,000 |
| | | Superannuation | 600 |
| Joseph Kane | Amalgamated AWU (SA) State Union | Wages | 6,000 |
| | | Superannuation | 600 |
| | | CITB | Board Fees |
| Gary Henderson | Amalgamated AWU (SA) State Union | Wages | 6,000 |
| | | Superannuation | 600 |
| | CITB | Accommodation and Meals for a training course estimated value + non cash benefit | 688 |
| | | CITB | Board Fees |
| Leanne Ware | Stacy Ware | Daughter | 0 |
| Stacy Ware | Leanne Ware | Mother | 0 |
| Michael Hopgood | Amalgamated AWU (SA) State Union | Wages | 6,000 |
| | | Superannuation | 600 |
| | Lynda Hopgood | Cleaner | 5,200 |
| Scott Martin | Amalgamated AWU (SA) State Union | Wages | 6,000 |
| | | Superannuation | 600 |
| | Shirley Curtis | Part Time Office | 16,637 |
| Marcus Hanson | Amalgamated AWU (SA) State Union | Wages | 2,369 |
| | | Superannuation | 236 |
| | Wayne Hanson | Father | 0 |
| | Justin Hanson | Brother | 0 |
| Justin Hanson | Amalgamated AWU (SA) State Union | Wages | 6,000 |
| | | Superannuation | 600 |
| | Wayne Hanson | Father | 0 |
| | Marcus Hanson | Brother | 0 |
| | Statewide Superannuation Trust | Board Fees including Superannuation | 15,000 |
| | Tea Tree Gully Council elected Member | Council Elected Position | 19,000 |
| Nathan Crack | Amalgamated AWU (SA) State Union | Wages | 6,000 |
| | | Superannuation | 600 |
| Martin Hilton | Australian Super Steel Division | 4 Meetings annually flights | 4,000 |
| | Sub Board | accom estimate value | 1,000 |
| Trish Stringer | Amalgamated AWU (SA) State Union | Wages | 1,200 |
| | | Superannuation | 120 |

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 yearend are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2016, the *Australian Workers' Union South Australian Branch* has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2015: \$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.

The loan provided to *Amalgamated AWU (SA) State Union* receives a rate of interest of 0%.

| | 2016 | 2015 |
|--|------|------|
| | \$ | \$ |

Note 12B: Key management personnel remuneration for the reporting period

Relates to Branch Secretary, Acting Branch Secretary and Assistant Branch Secretary as in

accordance with the Rules of the Union, Officials are not deemed to be Key Management Personnel.

Short-term employee benefits

| | | |
|---|----------------|----------------|
| Salary (including annual leave taken) | 352,017 | 321,958 |
| Annual leave accrued | 90,382 | 97,485 |
| Performance bonus | - | - |
| <i>[other major categories]</i> | - | - |
| Total short-term employee benefits | 442,399 | 419,443 |

Post-employment benefits:

| | | |
|---------------------------------------|---------------|---------------|
| Superannuation | 35,202 | 41,944 |
| Total post-employment benefits | 35,202 | 41,944 |

Other long-term benefits:

| | | |
|---------------------------------------|---------------|--------------|
| Long-service leave | 66,413 | 8,740 |
| Total other long-term benefits | 66,413 | 8,740 |

Termination benefits

| | | |
|-------|---------|---------|
| Total | 544,014 | 470,127 |
|-------|---------|---------|

Note 13 Remuneration of auditors

Value of the services provided

| | | |
|---------------------------------------|--------------|--------------|
| Financial statement audit services | 9,426 | 8,300 |
| Other services | - | - |
| Total remuneration of auditors | 9,426 | 8,300 |

[No other services were provided by the auditors of the financial statements.]

Note 14 Financial Risk Management

The Union's financial instruments consist mainly of deposits with banks, receivables and payables.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Note 14A: Categories of Financial Instruments

| | 2016 | 2015 |
|------------------------------------|------------------|------------------|
| | \$ | \$ |
| Financial Assets | | |
| Cash on hand | 2,672,128 | 2,627,026 |
| Trade and other receivables | 179,114 | 214,256 |
| Total financial assets | <u>2,851,242</u> | <u>2,841,282</u> |
| Financial Liabilities | | |
| Trade and other payables | 158,174 | 179,742 |
| Total financial liabilities | <u>158,174</u> | <u>179,742</u> |

Note 14B: Credit Risk

The Committee of Management is responsible for monitoring and managing the company's compliance with its risk management strategy and consists of senior management members. The committee's overall risk management strategy is to assist the union in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

| | | |
|------------------------------|----------------|----------------|
| Financial assets | | |
| Trade and other receivables | 179,114 | 214,256 |
| Total | <u>179,114</u> | <u>214,256</u> |
| Financial liabilities | | |
| Trade and other payables | 158,174 | 179,742 |
| Total | <u>158,174</u> | <u>179,742</u> |

In relation to the entity's gross credit risk no collateral is held.

Ageing of financial assets that were past due but not impaired for 2016

| | 0 to 30 days | 31 to 60 days | 61 to 90 days | 90+ days | Total |
|--------------------------------|-----------------|------------------|------------------|----------|----------------|
| | \$ | \$ | \$ | \$ | \$ |
| Trade and other receivables | 179,114 | - | - | - | 179,114 |
| Total | 179,114 | - | - | - | 179,114 |

No assets have been assessed as being impaired.

Ageing of financial assets that were past due but not impaired for 2015

| | 0 to 30 days | 31 to 60 days | 61 to 90 days | 90+ days | Total |
|--------------------------------|----------------|---------------|------------------|----------|----------------|
| | \$ | \$ | \$ | \$ | \$ |
| Trade and other receivables | 214,256 | - | - | - | 214,256 |
| Total | 214,256 | - | - | - | 214,256 |

No assets have been assessed as being impaired.

Note 14E: Liquidity Risk

Liquidity risk arises from the possibility that the union might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The union manages this risk through the following mechanisms:

- Preparing and monitoring budgets;
- Maintaining a reputable credit profile; and
- Only investing surplus cash with major financial institutions.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The union does not hold directly any derivative financial liabilities.

Contractual maturities for financial liabilities 2016

| | < 1 year | 1– 2 years | 2– 5 years | >5 years | Total |
|-----------------------------|----------------|---------------|---------------|----------|----------------|
| | \$ | \$ | \$ | \$ | \$ |
| Trade and other payables | 158,174 | - | - | - | 158,174 |
| Total | 158,174 | - | - | - | 158,174 |

Maturities for financial liabilities 2015

| | < 1 year | 1– 2 years | 2– 5 years | >5 years | Total |
|-----------------------------|----------------|------------|---------------|----------|----------------|
| | \$ | \$ | \$ | \$ | \$ |
| Trade and other payables | 179,742 | - | - | - | 179,742 |
| Total | 179,742 | - | - | - | 179,742 |

Note 14F: Market Risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed interest rate financial instruments.

The financial instruments that expose the union to interest rate risk are limited to term deposits and cash on hand.

The following table illustrates sensitivities to the union's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

Sensitivity analysis of the risk that the entity is exposed to for 2016

| | Risk variable | Change in risk variable % | Effect on | |
|--------------------|----------------------|----------------------------------|------------------------|-----------------|
| | | | Profit and loss | Equity |
| Interest rate risk | +/- | 10% | \$ 8,016 | \$ 8,016 |

Sensitivity analysis of the risk that the entity is exposed to for 2015

| | Risk variable | Change in risk variable % | Effect on | |
|--------------------|----------------------|----------------------------------|------------------------|-----------------|
| | | | Profit and loss | Equity |
| Interest rate risk | +/- | 10% | \$ 7,882 | \$ 7,882 |

Note 15 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).



15 July 2016

Mr Wayne Hanson
Secretary - SA Branch
Australian Workers' Union - South Australian Branch
By email: whanson@awusa.asn.au

Dear Mr Hanson,

**Re: Lodgement of Financial Report - [FR2016/255]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Australian Workers' Union - South Australian Branch (the reporting unit) ended on 30 June 2016.

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 under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

Timelines

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, guidance notes and model statements

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

Loans, grants and donations: our focus this year

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing orgs@fwc.gov.au.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Civil penalties may apply

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 \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Contact

Should you wish to seek any clarification in relation to the above, email orgs@fwc.gov.au.

Yours sincerely,

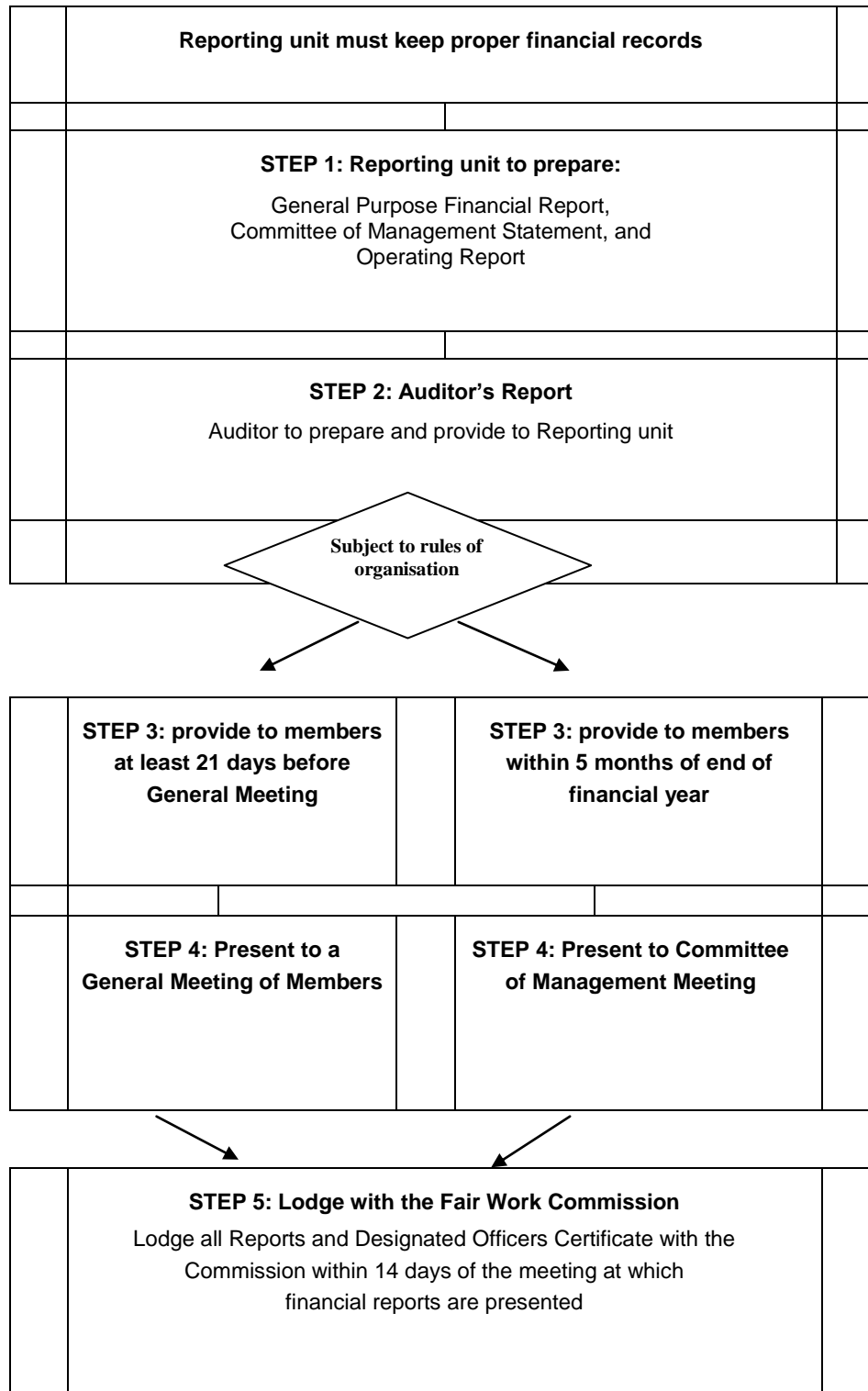


Annastasia Kyriakidis
Adviser
Regulatory Compliance Branch

Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.



Fact Sheet - Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed \$1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:







- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,* and
- the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

| Misconception | Requirement |
|---|--|
|  Only reporting units must lodge the Statement. |  All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches. |
|  Employees can sign the Statement. |  The statement must be signed by an elected officer of the relevant branch. |
|  Statements can be lodged with the financial report. |  The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late. |

Grants & Donations within the Financial Report

Item 16(e) of the [General Manager's Reporting Guidelines](#) requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [Commission's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

| Grants: | 2016 | 2015 |
|--------------------------------------|----------|----------|
| Total paid that were \$1,000 or less | - | - |
| Total paid that exceeded \$1,000 | - | - |
| Donations: | | |
| Total paid that were \$1,000 or less | - | - |
| Total paid that exceeded \$1,000 | - | - |
| Total grants or donations | - | - |

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the [Commission's website](#).

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on orgs@fwc.gov.au