



Australian Government
Registered Organisations Commission

4 November 2019

Mr Peter Newell
Chairman
Clubs Australia – Industrial

By e-mail: enquiries@clubsnsw.com.au

Dear Mr Newell

Clubs Australia – Industrial
Financial Report for the year ended 30 June 2019 - FR2019/136

I acknowledge receipt of the financial report for the year ended 30 June 2019 for Clubs Australia – Industrial (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 11 October 2019.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully

A handwritten signature in black ink, appearing to read 'K. Morgan'.

KEN MORGAN
Financial Reporting Specialist
Registered Organisations Commission



Clubs Australia
INDUSTRIAL

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Telephone: (02) 9268 3000 Fax: (02) 9268 3066
A.B.N. 18 578 168 780

Designated Officer's Certificate

s.268 Fair Work (Registered Organisations) Act 2009

I, Joanne Ede, being the Executive Director of Clubs Australia - Industrial certify:

- That the document lodged herewith are copies of the full report, referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- That the full report was provided to members on 6 September 2019; and
- That the full report was presented at the General Meeting on 9 October 2019 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.



Joanne Ede
Executive Director

10 / 10 / 2019



Clubs Australia - Industrial

A.B.N. 18 578 168 780

Annual Financial Report

For the year ended 30 June 2019

Clubs Australia- Industrial

Operating Report

for the year ended 30 June 2019

The Committee of Management present its operating report on the Clubs Australia - Industrial ("the Association") for the year ended 30 June 2019.

Principal Activities

The principal Activities of the Association were to provide industrial services to members consistent with the objectives of the Association. There were no significant changes in the nature of the Association's principal activities during the reporting period.

Significant changes in financial affairs

There is no significant change in financial affairs.

Resignation of members

A member of the Association may resign from membership in accordance with Rule 6 of the Association.

Results of Principal Activities

The Association's principal activities resulted in maintaining and improving the position of its members within the national workplace relations framework.

Names of committee of management members and period positions held during the financial year

The Committee of Management of the Association at any time during or since the end of the financial year were:

Peter Newell OAM	1 July 2018 to 30 June 2019
Leon Wiegard	1 July 2018 to 30 June 2019
Donald Seccombe	1 July 2018 to 28 March 2019
Terrence McDonald	28 March 2019 to 30 June 2019
Cameron Taylor	1 July 2018 to 30 June 2019
Walter Maker	1 July 2018 to 30 June 2019
Russell Reid	1 July 2018 to 30 June 2019
John Chivers	1 July 2018 to 30 June 2019
Kim Marshall	1 July 2018 to 30 June 2019

Operating and financial review

The Association's result for the year was a surplus of 355,448 \$(2018: loss of \$405,061). There were no significant changes in the financial affairs of the Association during the reporting period.

Events subsequent to balance date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the Committee of Management, to affect significantly the operations of the Association, the results of those operations, or the state of affairs of the Association, in future financial years.

Details of Trustee or director of companies that are Trustees of superannuation entities

There are no details required to be disclosed under this heading.

Number of Members

The number of members as at 30 June 2019 was 73 (2018: 77).

Number of Employees

As at 30 June 2019 the number of employees was Nil (2018: Nil).

Dated at Sydney this 6th September 2019

Signed in accordance with a resolution of the Committee of Management:



Peter Newell OAM
Chairman

Committee of Management Statement

for the year ended 30 June 2019

On 6th September 2019 the Committee of Management of Clubs Australia - Industrial (the Association) passed the following resolution in relation to the general purpose financial report of the Association for the year ended 30 June 2019.

The Committee of Management declares in relation to the general purpose financial report (GPFR) that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards, and also complies with International Financial Reporting Standards;
- b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- 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 the Association; and
 - (ii) the financial affairs of the Association have been managed in accordance with the rules of the Association; and
 - (iii) the financial records of the Association have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009;
 - (iv) the Association consists of only one reportable unit;
 - (v) the information sought in any request of a member of the Association or the Commissioner duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the Commissioner; and
 - (vi) there has been compliance with any order for inspection of financial records made by Fair Work Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.

Signed in accordance with a resolution of the Committee of Management on this 6th September 2019



Peter Newell OAM
Chairman

REPORT REQUIRED UNDER SUBSECTION 255(2A)

for the year ended 30 June 2019

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2019.

Categories of expenditures	2019 \$	2018 \$
Remuneration and other employment-related costs and expense- employees	-	-
Advertising	-	-
Operating Costs	97,430	101,858
Donations to political parties	-	-
Legal Costs	885,432	676,500

Signature of designated officer:



Peter Newell OAM
Chairman

Statement of comprehensive income
For the year ended 30 June 2019

	NOTE	2019 \$	*Restated 2018 \$
Revenue			
Other revenue	3	163,532	128,054
Interest income	3A	46	1,243
Total revenue		163,578	129,297
Other Income			
Grants Received	3B	1,174,732	244,000
Total other income		1,174,732	244,000
Total income		1,338,310	373,297
Expenses			
Administration expenses		-	-
Grants or donations		-	-
Depreciation and amortisation		-	-
Finance costs		-	-
Audit fees		1,900	1,800
Share of net loss from associate		-	-
Write-down and impairment of assets		-	-
Net losses from sale of assets		-	-
Remuneration and other employment-related costs and expense- employees		-	-
Advertising		-	-
Other expenses	4	95,530	100,058
Donations to political parties		-	-
Legal Costs	4A	885,432	676,500
Total expenses		982,862	778,358
Surplus/(deficit) for the year		355,448	(405,061)
Income Tax Expense		-	-
Surplus/(loss) after income tax		355,448	(405,061)
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss		-	-
Net gain on available for sale investments		-	-
Items that will not be subsequently reclassified to profit or loss		-	-
Gain on revaluation of land & buildings		-	-
Total comprehensive surplus/(loss) for the period		355,448	(405,061)

The above statement is to be read in conjunction with the notes.

Clubs Australia- Industrial

**Statement of Financial Position
as at 30 June 2019**

	NOTE	2019 \$	*Restated 2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	48,484	58,042
Trade and other receivables	5A	117,846	59,598
Other Current Assets	5B	14,182	11,618
Total current assets		<u>180,512</u>	<u>129,258</u>
Non-Current Assets			
Land and buildings		-	-
Plant and equipment		-	-
Investment Property		-	-
Intangibles		-	-
Investments in associates		-	-
Other investments		-	-
Other non-current assets		-	-
Total non-current assets		<u>-</u>	<u>-</u>
Total Assets		<u>180,512</u>	<u>129,258</u>
LIABILITIES			
Current Liabilities			
Trade Payables	6	8,190	62,822
Other payables	6A	75,136	324,698
Employee provisions		-	-
Total current liabilities		<u>83,326</u>	<u>387,520</u>
Non-Current Liabilities			
Employee provisions		-	-
Other non-current liabilities		-	-
Total non-current liabilities		<u>-</u>	<u>-</u>
Total Liabilities		<u>83,326</u>	<u>387,520</u>
Net Assets		<u>97,186</u>	<u>(258,262)</u>
EQUITY			
General Funds		-	-
Retained earnings (accumulated deficit)	7	97,186	(258,263)
Total Equity		<u>97,186</u>	<u>(258,263)</u>

The above statement is to be read in conjunction with the notes.

*For details of restatement see Note 12.

Clubs Australia- Industrial

**Statement of Changes in Equity
for the year ended 30 June 2019**

	Notes	General funds \$	Retained earnings \$	Total equity \$
Balance as at 1 July 2017		-	146,799	146,799
Adjustment for changes in accounting policies		-	-	-
Surplus / (deficit)		-	(405,061)	(405,061)
Other comprehensive income		-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 30 June 2018		<u>-</u>	<u>(258,262)</u>	<u>(258,262)</u>
Adjustment for changes in accounting policies		-	-	-
Surplus / (deficit)		-	355,448	355,448
Other comprehensive income		-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 30 June 2019		<u>-</u>	<u>97,186</u>	<u>97,186</u>

*For details of restatement see Note 12.

The above statement is to be read in conjunction with the notes.

**Statement of Cash Flows
for the year ended 30 June 2019**

	NOTE	2019 \$	2018 \$
OPERATING ACTIVITIES			
Cash received			
Interest		46	1,243
Other		785,537	374,007
Cash used			
Employees		-	-
Suppliers		(795,141)	(482,938)
Payment to other reporting units/controlled entity(s)		-	-
Net cash from (used by) operating activities	8	<u><u>(9,558)</u></u>	<u><u>(107,688)</u></u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Other		-	-
Cash used			
Purchase of plant and equipment		-	-
Purchase of land and buildings		-	-
Other		-	-
Net cash from (used by) investing activities		<u><u>-</u></u>	<u><u>-</u></u>
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Other		-	-
Cash used			
Repayment of borrowings		-	-
Other		-	-
Net cash from (used by) financing activities		<u><u>-</u></u>	<u><u>-</u></u>
Net increase (decrease) in cash held		<u><u>(9,558)</u></u>	<u><u>(107,688)</u></u>
Cash & cash equivalents at the beginning of the reporting period		<u><u>58,042</u></u>	<u><u>165,730</u></u>
Cash & cash equivalents at the end of the reporting period	5	<u><u>48,484</u></u>	<u><u>58,042</u></u>

**Notes to the financial statements
for the year ended 30 June 2019**

1 Significant accounting policies

Clubs Australia - Industrial (the "Association") is an association domiciled in Australia. The address of the Association's registered office is Level 8, 51 Druitt Street, Sydney. The Association is a not-for profit entity and its principal activity is to provide industrial services to members consistent with the objectives of the Association.

The financial report was authorised for issue by the directors on 6 September 2019

a) Statement of Compliance

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

b) 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 Clubs Australia - Industrial 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.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Association.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

c) Adoption of new and revised accounting standards

In the current year, the Association has initially applied AASB 9 from 1 July 2018. The adoption of this new and revised Standard and Interpretation has not resulted in any material impact to the Company's accounting policies for the current or prior years.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

AASB 9 Financial instruments

AASB 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces AASB 139 Financial Instruments: Recognition and Measurement.

**Notes to the financial statements
for the year ended 30 June 2019**

1 Significant accounting policies (continued)

b) Basis of preparation (continued)

(c) Adoption of new and revised accounting standards (continued)

AASB 9 Financial instruments (continued)

As a result of the adoption of AASB 9, the Company has adopted consequential amendments to AASB 101 Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line item in the statement of profit or loss and OCI. Impairment losses on trade and other receivables are presented under 'administrative expenses', similar to the presentation under AASB 139, and not presented separately in the statement of profit or loss and OCI due to materiality considerations.

Classification of major categories of financial instruments under AASB 9 and AASB 139 are presented below:

Category	Classification		Measurement
	New classification under AASB 9	Original classification under AASB 139	Impact on 1 July 2018 reported amounts
<i>Financial assets</i>			
Cash and cash equivalents	Amortised cost	Loans and receivables	Nil
Trade and other receivables	Amortised cost	Loans and receivables	Nil
<i>Financial liabilities</i>			
Trade and other payables	Amortised cost	Amortised cost	Nil

Refer to note 3(d) for the Company's accounting policy in respect of financial instruments under AASB 9.

Standards, Amendments to Standards and Interpretations which are not yet effective

Accounting Standards and Interpretations issued by the AASB that are not mandatorily applicable to the Company, together with an assessment of the potential impact of such pronouncements on the Company when adopted in future periods, are discussed below:

AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 Revenue, AASB 111 Construction Contracts and AASB 1004 Contributions. AASB 15 is effective for annual reporting periods beginning on or after 1 January 2019, together with AASB 1058 Income for Not-for-Profit Entities with early adoption permitted. The Company is assessing the potential impact on its financial statements resulting from the application of AASB 15 and does not plan to early adopt.

AASB 1058 Income of Not-for-Profit Entities

AASB 1058 provides a more comprehensive model for accounting for income of not-for-profit entities for the recognition of income. Under AASB 1058, the timing of income recognition will depend on whether a transaction gives rise to a performance obligation, liability or contribution by owners. It replaces the existing requirements in AASB 1004 Contributions.

**Notes to the financial statements
for the year ended 30 June 2019**

1 Significant accounting policies (continued)

d) Non-derivative financial instruments

Policy applicable from 1 July 2017 to 30 June 2018

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Association becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Association's contractual rights to the cash flows from the financial assets expire or if the Association transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Association commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Association's obligations specified in the contract expire or are discharged or cancelled.

Policy applicable from 1 July 2018 to 30 June 2019

Non-derivative financial instruments

As of 1 July 2018, the Company has adopted AASB 9 Financial Instruments, with the cumulative effect of adopting the standard to be recognised in opening retained earnings. However, there were no changes to the classification or quantum of previously reported balances, as such no adjustment was required to opening retained earnings.

Non-derivative financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables.

Cash and cash equivalents and trade and other receivables constitute financial assets.

Trade and other receivables are held at amortised cost less life time expected credit losses. The Company's receivables are short-term in nature and as such no discounting is performed for the Company's receivables.

(i) Doubtful debts provision

The Company has adopted the simplified approach for all trade and other receivables, given the Company's receivables do not have a significant financing component. The Company analyses the age of outstanding balances and applies historical default percentages adjusted for other current observable data as a means to estimate lifetime expected credit losses. The impact of the change to measuring the doubtful debts provision on the basis of expected credit losses is not material and has not resulted in an adjustment to opening retained earnings on transition.

Trade and other payables constitute financial liabilities, both are held at amortised cost. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

**Notes to the financial statements
for the year ended 30 June 2019**

1 Significant accounting policies (continued)

e) Impairment – Financial assets

Policy applicable from 1 July 2017 to 30 June 2018

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, demand deposits and short-term interest bearing deposits that are readily convertible to cash and which are subject to an insignificant risk of change in value.

(ii) Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses.

(iii) Trade and other payables

Trade and other payables are stated at their amortised cost.

(iv) Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in profit or loss.

f) Income Tax

The Association is a tax exempt entity. Therefore no income tax balances have been recognised by the Association.

**Notes to the financial statements
for the year ended 30 June 2019**

1 Significant accounting policies (continued)

g) Revenue recognition

Interest revenue is recognised as it accrues, using the effective interest rate method.

Sponsorship revenue is recognised as it accrues.

Event revenue is recognised when the event takes place.

Membership subscriptions represent the amount due from members in accordance with the Association's Rules and are recognised equally over the period to which these relate.

2 Information to be provided to members or Commissioner

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

Information to be provided to members or Commissioner:

- a) A member of a reporting unit, or the Commissioner 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;
- b) The application must be in writing and must specify the period within which, and the manager 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; and
- c) A reporting unit must comply with an application made under subsection (a).

Clubs Australia- Industrial

**Notes to the financial statements
for the year ended 30 June 2019**

	2019	*Restated 2018
	\$	\$
3 Revenue		
Note 3: Other revenue		
Sponsorship	81,564	40,710
Events	81,968	87,344
	<u>163,532</u>	<u>128,054</u>
Note 3A: Investment Income		
Deposits	46	1,243
Loans	-	-
Total interest	<u>46</u>	<u>1,243</u>
Note 3B: Grants or donations		
Grants	1,174,732	244,000
Donations	-	-
Total grants or donations	<u>1,174,732</u>	<u>244,000</u>
4 Expenses		
Note 4: Administration expenses		
Conference and meeting expenses	45,097	50,028
Contractors/consultants	-	-
Property expenses	-	-
Office expenses	-	-
Information communications technology	-	-
Other	50,433	50,030
Total administration expense	<u>95,530</u>	<u>100,058</u>
Note 4A: Legal costs		
Litigation	-	-
Other legal costs	885,432	676,500
Total legal costs	<u>885,432</u>	<u>676,500</u>

*For details of restatement see Note 12.

**Notes to the financial statements
for the year ended 30 June 2019**

	2019	*Restated 2018
	\$	\$
5 Current Assets		
Note 5: Cash and Cash Equivalents		
Cash at bank	48,484	58,042
Cash on hand	-	-
Short term deposits	-	-
Other	-	-
Total cash and cash equivalents	48,484	58,042
Note 5A: Trade and Other Receivables		
Other receivables:		
GST receivable	-	15,403
Other trade receivables	44,000	14,400
Related party receivable from Registered Clubs Association of NSW	73,846	29,790
Term Deposit interest receivable	-	5
Total other receivables	117,846	59,598
Total trade and other receivables (net)	117,846	59,598
Note 5B: Other Current Assets		
Deposits for Conference	14,182	11,618
Total other current assets	14,182	11,618
6 Current Liabilities	\$	\$
Note 6: Trade payables		
Trade creditors and accruals	8,190	62,822
Operating lease rentals	-	-
Subtotal trade creditors	8,190	62,822
Total trade payables	-	-
Settlement is usually made within 30 days.		
Note 6A: Other payables		
Legal costs	-	287,962
Litigation	-	-
Other legal costs	-	-
Prepayments received/unearned revenue	46,475	20,536
GST payable	26,761	14,400
Other	1,900	1,800
Total other payables	75,136	324,698
Total other payables are expected to be settled in:		
No more than 12 months	75,136	324,698
More than 12 months	-	-
Total other payables	75,136	324,698

**Notes to the financial statements
for the year ended 30 June 2019**

7 Equity	2019	*Restated 2018
	\$	\$
Note 7: Retained earnings		
Balance as at start of year	(258,262)	146,800
Transferred to reserve	355,448	-
*Restated adjustment	-	(287,962)
Transferred out of reserve	-	(117,100)
Balance as at end of year	97,186	(258,262)
Total Retained earnings	97,186	(258,262)
8 Cash Flow		
Surplus/(deficit) for the year	355,448	(405,061)
Adjustments for non-cash items		
Depreciation/amortisation	-	-
Net write-down of non-financial assets	-	-
Fair value movements in investment property	-	-
Gain on disposal of assets	-	-
Changes in assets/liabilities		
(Increase)/decrease in net receivables	(60,812)	(11,405)
(Increase)/decrease in prepayments	-	-
Increase/(decrease) in supplier payables	(304,194)	308,778
Increase/(decrease) in other payables	-	-
Increase/(decrease) in employee provisions	-	-
Increase/(decrease) in other provisions	-	-
Net cash from (used by) operating activities	(9,558)	(107,688)

*For details of restatement see Note 12.

**Notes to the financial statements
for the year ended 30 June 2019**

9 Related parties

Key Management Personnel

The key management personnel of the Association consists of the Committee of Management. The Association did not pay any remuneration to the Committee of Management throughout the year (2018: Nil).

There were no transactions between the Association and key management personnel during the current or prior financial year.

Other related parties

The Association paid a management fee to related entity, The Registered Clubs Association of NSW, of \$50,000 (2018: \$50,000) in respect of administrative support provided.

There were no transactions between the Company and key management personnel during the current or prior year.

10 Financial instruments

The material financial instruments to which the Company has exposure include:

Cash and short term deposits

Credit risk exposure

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. Credit risk on financial assets of the Association is the carrying amount net of any provision for impairment loss. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Interest rate risk

The Association's exposure to interest rate risk relates directly to funds deposited with financial institutions. Changes in interest rates will affect the level of interest income received by the Association. The Association actively manages its cash balances in order to minimise risk, whilst optimising the return.

The Association's exposure to interest rate risk is presently limited to cash and cash equivalents. Cash includes at call balances and short-term deposits amounting to \$48,482 (2018: \$58,042). All balances have short term maturities and are paying variable interest at 30 June 2019 of 0.09% (2018: 2.14%).

The Association's financial liabilities at 30 June 2019 are non-interest bearing (2018: non-interest bearing).

Sensitivity analysis for interest rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) the profit or loss and the net equity by approximately \$nil (2018: \$12). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2018.

**Notes to the financial statements
for the year ended 30 June 2019**

10 Financial instruments (continued)

Fair values

The carrying amounts of financial assets and liabilities shown in the balance sheet approximate their fair values.

11 Events subsequent to balance date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the Committee of Management, to affect significantly the operations of the Association, the results of those operations, or the state of affairs of the Association, in future financial years.

12 Restatement

In these financial statements the Company has restated previously reported balances in respect of the year ended 30 June 2018 to correct the recognition of legal expenses in the statement of comprehensive income, the value of trade payables in statement of financial position and adjustment to retained earnings in the statement of changes in equity.

The amount of the restated legal fees has primarily arisen as a result of suppliers not having provided invoices to the Association in relation to that period under review prior to the financial statements having been compiled.

This has resulted in a restatement being made to trade and other payables, and opening retained earnings as at 1 July 2018. The following table summarises the financial statement lines affected by the restatement.

Statement of Changes in Equity

<i>In AUD</i>	2018 Reported	2018 Adjustment	2018 Restated
Balance as at 1 July 2017	146,800	-	146,800
*Restated adjustment	-	-	-
Adjustment for changes in accounting policies	-	-	-
Surplus / (deficit)	(117,100)	(287,962)	(405,062)
Other comprehensive income	-	-	-
Transfer from retained earnings	-	-	-
*Restated closing balance as at 30 June 2018	29,700	(287,962)	(258,262)

**Notes to the financial statements
for the year ended 30 June 2019**

12 Restatement (continued)

Statement of Financial Position

In AUD

	2018 Reported	2018 Adjustment	2018 Restated
ASSETS			
Current Assets			
Cash and cash equivalents	58,042	-	58,042
Trade and other receivables	59,598	-	59,598
Other Current Assets	11,618	-	11,618
Total current assets	129,258	-	129,258
Non-Current Assets			
Land and buildings	-	-	-
Plant and equipment	-	-	-
Investment Property	-	-	-
Intangibles	-	-	-
Investments in associates	-	-	-
Other investments	-	-	-
Other non-current assets	-	-	-
Total non-current assets	-	-	-
Total Assets	129,258	-	129,258
LIABILITIES			
Current Liabilities			
Trade Payables	62,822	-	62,822
Other payables	36,736	287,962	324,698
Employee provisions	-	-	-
Total current liabilities	99,558	287,962	387,520
Non-Current Liabilities			
Employee provisions	-	-	-
Other non-current liabilities	-	-	-
Total non-current liabilities	-	-	-
Total Liabilities	99,558	287,962	387,520
Net Assets	29,700	(287,962)	(258,262)
EQUITY			
General Funds	-	-	-
Retained earnings (accumulated deficit)	29,700	(287,962)	(258,262)
Total Equity	29,700	(287,962)	(258,262)

**Notes to the financial statements
for the year ended 30 June 2019**

12 Restatement (continued)

Statement of comprehensive income

In AUD


	2018	2018	2018
	Reported	Adjustment	Restated
Revenue			
Other revenue	128,054	-	128,054
Interest income	1,243	-	1,243
Total revenue	<u>129,297</u>	<u>-</u>	<u>129,297</u>
Other Income			
Grants Received	244,000	-	244,000
Total other income	<u>244,000</u>	<u>-</u>	<u>244,000</u>
Total income	<u>373,297</u>	<u>-</u>	<u>373,297</u>
Expenses			
Affiliation fees	-	-	-
Administration expenses	-	-	-
Grants or donations	-	-	-
Depreciation and amortisation	-	-	-
Finance costs	-	-	-
Audit fees	1,800	-	1,800
Share of net loss from associate	-	-	-
Write-down and impairment of assets	-	-	-
Net losses from sale of assets	-	-	-
Employment costs	-	-	-
Advertising	-	-	-
Other expenses	100,058	-	100,058
Donations to political parties	-	-	-
Legal Costs	388,538	287,962	676,500
Total expenses	<u>490,396</u>	<u>287,962</u>	<u>778,358</u>
Surplus/(deficit) for the year	<u>(117,099)</u>	<u>(287,962)</u>	<u>(405,061)</u>
Income Tax Expense	-	-	-
Surplus/(loss) after income tax	<u>(117,099)</u>	<u>(287,962)</u>	<u>(405,061)</u>
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss	-	-	-
Net gain on available for sale investments	-	-	-
Items that will not be subsequently reclassified to profit or loss	-	-	-
Gain on revaluation of land & buildings	-	-	-
Total comprehensive surplus/(loss) for the period	<u>(117,099)</u>	<u>(287,962)</u>	<u>(405,061)</u>

Officer declaration statement

I, Peter Newell, being the Chairman of the Clubs Australia-Industrial, declare that the following activities did not occur during the reporting period ending 30 June 2019. The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern
- agree to provide financial support to another reporting unit to ensure they continue as a going concern
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation
- receive periodic or membership subscriptions
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees or any other expense to another reporting unit
- pay affiliation fees to other entity
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a donation that was \$1,000 or less
- pay a donation that exceeded \$1,000
- pay wages and salaries to holders of office
- pay superannuation to holders of office
- pay leave and other entitlements to holders of office
- pay separation and redundancy to holders of office
- pay other employee expenses to holders of office
- pay wages and salaries to employees
- pay superannuation to employees
- pay leave and other entitlements to employees
- pay separation and redundancy to employees
- pay other employee expenses to employees
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have an annual leave provision in respect of holders of office
- have a long service leave provision in respect of holders of office
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- have an annual leave provision in respect of employees (other than holders of office)
- have a long service leave provision in respect of employees (other than holders of office)
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have other employee provisions in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- receive cash flows from another reporting units and/or controlled entity
- make a payment to a former related party of the reporting unit

Signed by the officer:



Dated: 6 September 2019



Independent Auditor's Report

To the members of Clubs Australia - Industrial

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Clubs Australia - Industrial (the Association).

In our opinion, the accompanying Financial Report presents fairly, in all material respects, the financial position of Clubs Australia – Industrial as at 30 June 2019, and of its financial performance and its cash flows for the year then ended, in accordance with *Australian Accounting Standards* and the other requirements imposed by the reporting guidelines and *Chapter 8 of Part 3 of the Fair Work (Registered Organisation) Act 2009*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2019
- Statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Committee of Management Statement
- Subsection 255(2A) report
- Officer declaration statement

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report.

We are independent of the Association in accordance with the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter - Restatement of comparative balances

We draw attention to Note 12 to the Financial Report, which states that amounts reported in the previously issued 30 June 2018 Financial Report have been restated and disclosed as comparatives in this Financial Report. The amounts have been restated due to the identification of errors in accounting in the previously issued 30 June 2018 Financial Report. Our opinion is not modified in respect of this matter.



Restriction on use and distribution

The Financial Report has been prepared to assist the members of the Association in complying with the financial reporting requirements of the *Fair Work (Registered Organisations) Act 2009*.

As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the members of Clubs Australia – Industrial and the Registered Organisations Commission and should not be used by or distributed to parties other than the members of Clubs Australia – Industrial and the Registered Organisations Commission. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the members of Clubs Australia – Industrial and the Registered Organisations Commission or for any other purpose than that for which it was prepared.

Other Information

Other Information is financial and non-financial information in Clubs Australia - Industrial's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Committee of Management are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Operating Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Committee of Management for the Financial Report

The Committee of Management of the Association are responsible for:

- the preparation and fair presentation of the Financial Report in accordance with the financial reporting requirements of the *Australian Accounting Standards* and the requirements of *Chapter 8 Part 3* of the *Fair Work (Registered Organisations) Act 2009*
- implementing necessary internal control to enable the preparation of a Financial Report that is free from material misstatement, whether due to fraud or error
- assessing the Associations' ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

I declare that I am an auditor registered under the RO Act (AA2017/200).

Report on other legal and regulatory requirements

Opinion

In our opinion, the Committee of Management's use of going concern basis of accounting in the preparation of the financial report is appropriate.

I am an approved auditor as defined by Regulation 4 of the *Fair Work (Registered Organisations) Act 2009*, a member of the Institute of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

KPMG

Sarah Cain
Partner
Registered Company Auditor number: 482839

Sydney
6 September 2019