



10 December 2014

Ms Karen Batt
State Secretary
Community and Public Sector Union
SPSF Group, Victorian Branch
Level 2, 6 Palmer Parade
Cremorne VIC 3121

via e-mail: enquiry@cpsuVIC.org

Dear Ms Batt

**Community and Public Sector Union
SPSF Group, Victorian Branch
Financial Report for the year ended 30 June 2014 - FR2014/303**

I acknowledge receipt of the financial report for the year ended 30 June 2014 for the Community and Public Sector Union, SPSF Group, Victorian Branch. The financial report was lodged with the Fair Work Commission (FWC) on 10 November 2014.

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) 8661 7675 or by email at ken.morgan@fwc.gov.au

Yours sincerely

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch

From: [Gosia Mostowska](#)
To: [MORGAN, Ken](#)
Subject: CPSU SPSF Group Victorian Branch - Financial report for year ended 30 June 2014
Date: Monday, 8 December 2014 2:07:19 PM
Attachments: [image001.gif](#)
Importance: High

Dear Ken

Further to the queries from the FWC regarding the 2014 financial statements, I have the following comments and notes:

1. Note 14 – We agree that the description should read “Legal Fee due – other matters” and not just “Legal Fee Due” . We will have the correct description in the 2015 accounts.
2. Note 27 with regard to the disclosures required by AASB13 – “The fair value standard.”
As this is a new standard applicable for the current year there is still quite a bit of difference in interpretation of the disclosure requirements. In my opinion, due to the nature of the CPSU-SPSF Group Vic Branch’s assets and liabilities, I believe that the disclosure requirements of sections 93(a) and 93(b) of AASB13 have been complied with in the financial statements. The AASB13 disclosures will be reviewed again for the 2015 financial statements.


However if the information was to be presented in a tabular format note 27 information would be shown as follows:

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2014 and 30 June 2013:

Financial Assets	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30-Jun-14				
Assets at fair value	-	-	-	-
Liabilities at fair value	-	-	-	-
Net fair value	-	-	-	-
30-Jun-13				
Assets at fair value	-	-	-	-
Liabilities at fair value	-	-	-	-
Net fair value	-	-	-	-
Non- Financial Assets				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30-Jun-14				
Assets at fair value	-	-	-	-
Liabilities at fair value	-	-	-	-
Net fair value	-	-	-	-
30-Jun-13				
Assets at fair value	-	-	-	-
Liabilities at fair value	-	-	-	-
Net fair value	-	-	-	-

Regards

Gosia Mostowska | Finance Manager

 Community and Public Sector Union | Level 2 Rosella Complex 6 Palmer Parade, Cremorne, Victoria 3121
PO Box 4355 Cremorne 3121 VIC | p: (03) 9639 1822 or 1800 810 153 (outside metro area) | f: (03) 9662 4591 | gmostowska@cpsuvc.org | www.cpsuvc.org

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From: MORGAN, Ken [mailto:Ken.Morgan@fwc.gov.au]
Sent: Friday, 14 November 2014 1:18 PM
To: Gosia Mostowska
Subject: CPSU Financial report for year ended 30 June 2014

Gosia,

As per our phone conversation, I have examined the CPSU financial report and identified two items where further information will be required.

1. Note 14 of the GPFDR discloses ‘Legal fees due’. However, as per reporting guideline 20(b) this needs to be reported as ‘Litigation’ and ‘Other legal matters’.
2. Note 27 Fair Value Measurement
It would appear that this note should provide the following additional information:
AASB 13(93a) - the ‘fair value’ measurement for each class of assets and liabilities.
AASB 13(93b) - the level of the fair value hierarchy within which the fair value measurements are categorised (Level 1, 2 or 3)

Please e-mail this information to me for the 2013-14 report and note for preparation of the following financial report.

Happy to discuss.

Regards
Ken

KEN MORGAN
Financial Reporting Advisor
Regulatory Compliance Branch

Fair Work Commission
Tel: 03 8661 7675
Fax: 03 9655 0401
ken.morgan@fwc.gov.au

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From: MORGAN, Ken
To: ["Gosia Mostowska"](#)
Subject: CPSU Financial report for year ended 30 June 2014
Date: Friday, 14 November 2014 1:17:00 PM

Gosia,

As per our phone conversation, I have examined the CPSU financial report and identified two items where further information will be required.

1. Note 14 of the GPFR discloses 'Legal fees due'. However, as per reporting guideline 20(b) this needs to be reported as 'Litigation' and 'Other legal matters'.

2. Note 27 Fair Value Measurement

It would appear that this note should provide the following additional information:

AASB 13(93a) - the 'fair value' measurement for each class of assets and liabilities.

AASB 13(93b) - the level of the fair value hierarchy within which the fair value measurements are categorised (Level 1, 2 or 3)

Please e-mail this information to me for the 2013-14 report and note for preparation of the following financial report.

Happy to discuss.

Regards
Ken

KEN MORGAN

Financial Reporting Advisor
Regulatory Compliance Branch

Fair Work Commission

Tel: 03 8661 7675

Fax: 03 9655 0401

ken.morgan@fwc.gov.au

11 Exhibition Street, Melbourne Victoria 3000
GPO Box 1994, Melbourne Victoria 3001

www.fwc.gov.au



10th November 2014

Attn: Andrew Schultz
Tribunal Services and Organisations
Fair Work Australia
Level 5
11 Exhibition Street
MELBOURNE VIC 3000

By Email: andrew.schultz@fwa.gov.au

Dear Andrew

RE: CPSU/SPSF Group, Victorian Branch – 2013 / 2014 Financial Report

Please find attached the Financial Report for the year ended 30 June 2014 for the CPSU/SPSF Group Victorian Branch as required under section 268 of the Fair Work (Registered Organisations) Act 2009.

If you require any further information please contact Gosia Mostowska on 03 9639 1822.

Yours faithfully

A handwritten signature in black ink that reads 'Karen Batt'. The signature is written in a cursive, flowing style.

Karen Batt
State Secretary

Section 268 of the Fair Work (Registered Organisations) Act 2009

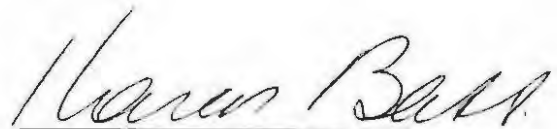
Certificate by Prescribed Designated Officer

Certificate for the period ended 30 June 2014

I, Karen Batt, being the State Secretary of the Community and Public Sector Union, SPSF Group Victorian Branch certify:

- that the documents lodged herewith are copies of the full report and concise report for the CPSU SPSF Group Victorian Branch for the period ended 30th June 2014 referred to in section 268 of the Fair Work (Registered Organisations) Act 2009; and
- that members were advised on 5 November 2014 that the audited concise financial report and operating report had been published on the reporting unit's web site, www.cpsuVIC.org ; and
- that a full report was presented to a Committee of Management meeting of the reporting unit on 27th October 2014 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signature:



Name:

KAREN BATT

Signed At:

Cremorne

Date:

10th November 2014

5.0 FINANCE REPORT

Moved: K Batt
Seconded: A Dimech

“That the Profit and Loss (Budget Analysis) report for the period ended 30th September 2014 is endorsed.”

CARRIED

5.1 AUDIT FINANCIAL STATEMENTS AND ANNUAL CONCISE FINANCE REPORT FOR THE YEAR ENDED 30TH JUNE 2014

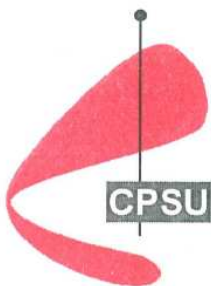
Moved: K Batt
Seconded: A Jones

“Branch Council notes the detailed audited Financial Statements and the Concise Financial Report for the year ended 30th June 2014.”

NOTED

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN
BRANCH
ABN 38 968 067 748**

**ANNUAL CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014**



Community and Public Sector Union
SPSF Group • Victorian Branch

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

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Relationship of the concise financial report to the full financial reports

The concise financial report is an extract from the full financial report for the year ended 30 June 2014. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Community and Public Sector Union SPSF Group Victorian Branch as the full financial report. Further financial information can be obtained from the full financial report.

The full financial report and auditor's report will be sent to members on request, free of charge. Please contact Community and Public Sector Union SPSF Group Victorian Branch's office and a copy will be forwarded to you. Alternatively, you can access both the full financial report and the concise report via the internet at our Members' Centre on our website.

The committee of management has resolved on 29 September 2014 that this concise report be provided in accordance with s265 (2) of the *Fair Work (Registered Organisations) Act 2009*.

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

Information on Community and Public Sector Union SPSF Group Victorian Branch's concise financial report

The concise financial report is an extract of the full financial report for the year ended 30 June 2014. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

This discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on Community and Public Sector Union SPSF Group Victorian Branch financial statements and the information contained in the concise financial report has been derived from the full 2014 financial report of Community and Public Sector Union SPSF Group Victorian Branch.

Statement of comprehensive income

The surplus attributable to members for the year rose to \$607,495 compared to \$469,315 in the previous year.

This financial year proved to be a positive year from a financial viewpoint as we continue to consolidate our financial position for the future. This surplus occurred despite a decline in revenue of 1.9% from \$7,019,160 in 2013 to \$6,888,488 in 2014. As this fall in revenue was less than the decrease of expenses (from \$6,549,845 in 2013 to \$6,280,993 this year) a surplus of \$ 607,495 was made.

Balance sheet

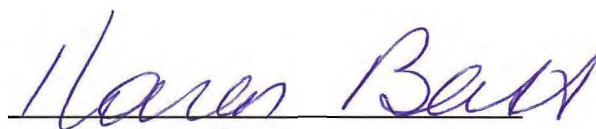
Total assets increased by \$ 586,952 from \$3,189,697 in 2013 to \$3,776,649 in 2014 mainly due to increase in cash at banks. There was also a decrease in total liabilities which decreased by \$20,543 from \$1,376,845 in 2013 to \$1,356,302 in 2014 mainly due to decrease in trade payables. The overall result was an increase in net assets which is reflected in the increase of total member funds of 33%.

Statement of cash flows

Net cash assets increased from \$2,412,976 as at 30 June 2013 to \$3,046,813 as at 30 June 2014. This increase was mainly due to an increase in net cash flows from operating activities of \$ 703,657 (2013: \$ 636,902) which occurred despite a fall in receipts from operating activities as payments for operating activities decreased by a greater extent.

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

Designated Officer



Karen Batt

Dated this

29th September 2014

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

OPERATING REPORT

Your Branch Committee of Management present their report on the Community and Public Sector Union SPSF Group Victorian Branch (The Branch) for the financial year ended 30 June 2014.

Members of Branch Committee

The names of the members of the branch council in office at any time during or since the end of the financial year are:

Branch Executive

Karen Batt – Branch Secretary

Jim Walton – Assistant Branch Secretary (resigned 6 January 2014)

Peter Lillywhite - President

Mark Nestor – Vice President (leave of absence from 9 September 2013)

Catherine Davies – Vice President (resigned 6 January 2014)

Catherine Davies – Assistant Branch Secretary (appointed 6 January 2014)

Elizabeth Free – Vice President (appointed 31 March 2014)

Gary Greaves – Vice President (appointed as proxy 9 September 2013)

Branch Councillors

Bakker, Carol

Jones, Andrew

Barratt, Anthony

Kaplan, Bettina

Barton, Helen

Laurie, Maggie (appointed 31 March 2014)

Bates, Travis (appointed 31 March 2014)

Lyons, Bill

Batson, Linda

McAleer, Anthony

Brown, Pushi

Miskowicz, Cheryl

Butler, Stephen

Moodie, Alasdair (resigned 15 August 2013)

Cahill, Anthony

Noblett, Desmond

Cook, Gavan

O'Brien, Brennan

Crabtree, Andrew

Perry, Christopher

Dimech, Adam

Rogers, Fiona (deceased November 2013)

Dri, Laurie

Smith, Georgina (resigned January 2014)

Forster, Lex

Sullivan, Mary

Gagachef, Alexander

Thomas, Ian

Gray, Bruce

Troupiotis, Theodora

Greaves, Gary

Turberville, Sarah (resigned 28 April 2014)

Grincais, Wayne

Walsh, Brian

Halden, Mark

Walsh, Steve

Wilkinson, Vicki

Members have been in office since the start of the financial year to the date of this report unless otherwise stated.

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748**

OPERATING REPORT (Continued)

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

The Community and Public Sector Union SPSF Group Victorian Branch is a member based, federally registered trade union, representing Victorian public sector workers who are actively pursuing better working lives and stronger communities. The principal activities of the Branch during the financial year consist of: organising Victoria public sector employees; training and education of members; providing individual members with informed and expert presentation in workplace related matters and other matters as directed by the Branch Executive. No significant change in the nature of these activities occurred during the year. No significant changes in the state of financial affairs of the Branch occurred during the financial year.

Union details

The number of full time equivalents employees at 30 June 2014 was 39 (2013: 47)

The number of financial members, inclusive of the Retired Officers Division, at 30 June 2014 was 13,513 (2013: 13,880).

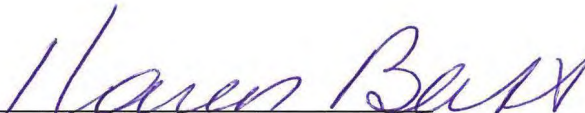
Right of members to resign

Rule 8 of Chapter C of Federal Rule sets out the terms under which a member of the Branch may resign. A member may resign from membership of the Union by notice in writing, addressed to the Branch Secretary, if the member cease to be eligible to become a member of the Union or the member give notice not less than two weeks before the resignation is to take effect.

Directorships of Superannuation Fund

To the best of our knowledge and belief, no officers and employees of the Branch are trustee of a superannuation scheme or an exempt public sector superannuation scheme or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

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

Signature of designated officer: 

Name of designated officer: KAREN BATT

Title of designated officer: VICTORIAN BRANCH SECRETARY

Dated: 29th September 2014.

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
Revenue from continuing operations	3	6,888,488	7,019,160
Expenses			
Administration expenses		(250,056)	(273,797)
Affiliation and capitation fees		(353,825)	(358,148)
Communication expenses		(193,912)	(145,542)
Computer expenses		(27,259)	(31,582)
Employee benefits expenses		(4,083,920)	(4,332,574)
Legal & professional fees		(200,010)	(348,713)
Library		(14,554)	(8,079)
Meetings		(111,322)	(142,255)
Motor vehicle expenses		(39,529)	(41,910)
Office operation and maintenance		(448,328)	(445,882)
Printing and publications		(227,541)	(197,462)
Training and campaigns		(330,737)	(223,901)
		<u>(6,280,993)</u>	<u>(6,549,845)</u>
Surplus attributable to members of the entity		607,495	469,315
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to members		<u>607,495</u>	<u>469,315</u>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

BALANCE SHEET
AS AT 30 JUNE 2014

	2014 \$	2013 \$
ASSETS		
Current assets		
Cash and cash equivalents	3,062,866	2,430,413
Trade and other receivables	131,600	124,298
Inventory	14,495	14,757
Total current assets	3,208,961	2,569,468
Non-current assets		
Property, plant and equipment	476,163	530,597
Other	91,525	89,632
Total non-current assets	567,688	620,229
Total assets	3,776,649	3,189,697
LIABILITIES		
Current liabilities		
Trade and other payables	463,562	482,495
Borrowings	16,053	17,437
Provisions	754,422	754,546
Total current liabilities	1,234,037	1,254,478
Non-current liabilities		
Provisions	122,265	122,367
Total non-current liabilities	122,265	122,367
Total liabilities	1,356,302	1,376,845
Net assets	2,420,347	1,812,852
MEMBERS' FUND		
Accumulated surplus	2,420,347	1,812,852
Total members' fund	2,420,347	1,812,852

The above Balance Sheet should be read in conjunction with the accompanying notes.

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Accumulated surplus \$	Other Funds \$	Total \$
Balance at 1 July 2012	1,343,537	-	1,343,537
Comprehensive income for the year	469,315	-	469,315
Transfer from retained earning	-	-	-
Balance at 30 June 2013	<u>1,812,852</u>	<u>-</u>	<u>1,812,852</u>
Balance at 1 July 2013	1,812,852	-	1,812,852
Comprehensive income for the year	607,495	-	607,495
Transfer from retained earning	-	-	-
Balance at 30 June 2014	<u><u>2,420,347</u></u>	<u><u>-</u></u>	<u><u>2,420,347</u></u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
Cash flows from operating activities		
Membership fees and levies received (inclusive of GST)	7,202,461	7,480,867
Receipts from other reporting units		
- CPSU/SPSF Group Adelaide Branch	24,548	30,684
- CPSU/SPSF Group Tasmanian Branch	72,260	77,669
- CPSU/SPSF Group Federal Fund	182,069	23,089
- PSA/CPSU	-	2,700
Receipts from controlled entities	-	-
Sundry receipts (inclusive of GST)	14,411	60,218
Grant receipts (inclusive of GST)	-	34,998
Payments to suppliers and employees (inclusive of GST)	(6,650,978)	(6,914,524)
Payments to other reporting units		
- Capitation fee to the Federal Fund (inclusive of GST)	(220,677)	(231,142)
Payments to controlled entities	-	-
Interest paid	(1,206)	(1,363)
Interest received	80,769	73,706
Net cash inflow from operating activities	703,657	636,902
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	24,773	27,955
Payment for property, plant and equipment	(94,593)	(66,671)
Net cash (outflow) from investing activities	(69,820)	(38,716)
Net increase in cash and cash equivalents	633,837	598,186
Cash and cash equivalents at beginning of financial year	2,412,976	1,814,790
Cash and cash equivalents at end of financial year	3,046,813	2,412,976

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1: Summary of significant accounting policies

(a) Basis of preparation

The concise financial reports have been prepared in accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 and Accounting Standard AASB 1039 "Concise Financial Reports".

A full general purpose financial report has been prepared for the Community and Public Sector Union SPSF Group Victorian Branch (The Branch). The financial statements and specific disclosures included in the concise financial report have been derived from the general purpose financial report of the Branch. The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the the Branch as the general purpose financial report of the the Branch.

(b) Basis of accounting

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and liabilities at fair value through profit or loss.

The accounting policies adopted have been consistently applied to all years presented, unless otherwise stated.

(c) Presentation currency

The presentation currency used in this concise financial report is Australian dollars.

2: 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 subsection (1) to (3) of sections 272, which read as follows:

Information to be provided to members or the General Manager of Fair Work Commission:

(1) a member of a reporting unit, or the General Manager of Fair Work Commission, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) 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).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

3: Revenue

	2014	2013
	\$	\$
From continuing operations		
<i>Service revenue</i>		
- member subscriptions	6,496,423	6,767,514
- capitation fee	-	-
- Campaign levy (voluntary)	45,840	37,638
<i>Other revenue</i>		
- interest	78,382	71,539
- training income	52,873	41,900
- administrative support income from other branches	62,426	61,141
- administrative support income from Federal Fund	129,741	-
- donation received	400	400
- grants received	-	16,765
- financial support from another reporting unit	-	-
- profit on disposal of assets	95	6,780
- other revenue	22,308	15,483
	<u>6,888,488</u>	<u>7,019,160</u>

4: Contingencies

There are no known contingent assets or liabilities at 30 June 2014.

5: Events occurring after the reporting date

No matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the Branch, the results of those activities or the state of affairs of the Branch in the ensuing or any subsequent financial year.

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748**

STATEMENT BY COMMITTEE OF MANAGEMENT

On 29 September 2014 the Committee of Management of the Community and Public Sector Union SPSF Group Victorian Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2014:

The Committee of Management declares that in its opinion:

1. the financial statements and notes comply with Australian Accounting Standards;
2. the financial statements and notes comply with the reporting guidelines of the General Manager;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of Community and Public Sector Union SPSF Group Victorian Branch for the financial year to which they relate;
4. 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
5. during the financial year to which the GPFR relates and since the end that year:
 - a. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of branches concerned; and
 - b. the financial affairs of Community and Public Sector Union SPSF Group Victorian Branch have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - c. the financial records of Community and Public Sector Union SPSF Group Victorian Branch have been kept and maintained in accordance with RO Act; and
 - d. where the organisation consists of 2 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
 - e. 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, that information has been provided to the member or General Manager; and
 - f. 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.
6. No revenue has been derived from undertaking recovery of wages activity during the reporting period.

Signature of designated officer: Karen Batt

Name of designated officer: KAREN BATT

Title of designated officer: VICTORIAN BRANCH SECRETARY

Date: 29th September 2014.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH

Report on the concise financial report

We have audited the accompanying concise financial report of the Community And Public Sector Union SPSF Group Victorian Branch comprises the balance sheet as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and related notes, derived from the audited financial report of the Community And Public Sector Union SPSF Group Victorian Branch for the year ended 30 June 2014. The concise financial report also includes discussion and analysis of results and Statement by Committee of Management. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Committee of Management 's responsibility for the concise financial report

The Committee of Management is responsible for the preparation of the concise financial report in accordance with Australian Accounting Standards AASB 1039 *Concise Financial Reports* and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the Committee of Management determine is necessary to enable the preparation of the concise financial report.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures which were conducted in accordance with ASA 810 *Engagements to Report on Summary Financial Statements*. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Community And Public Sector Union SPSF Group Victorian Branch for the year ended 30 June 2014. We expressed an unmodified audit opinion on the financial report in our report dated 29 September 2014. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the concise financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Our procedures included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of audit evidence supporting the amounts, discussion and analysis of results, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with AASB 1039 *Concise Financial Reports* and whether the discussion and analysis complies with the requirements laid down in AASB 1039 *Concise Financial Reports*.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH (Continued)

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 followed applicable independence requirements of Australian professional ethical pronouncements.

Opinion

In our opinion:

- the concise financial report , including the discussion and analysis of results and the Statement of Committee Management of the Community And Public Sector Union SPSF Group Victorian Branch for the year ended 30 June 2014 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports* and the *Fair Work (Registered Organisations) Act 2009*.
- the Committee of Management's use of the going concern basis of accounting in the preparation of the Branch's financial statements is appropriate.



BGL Partners
Chartered Accountants

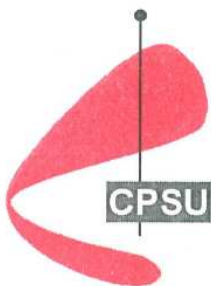


I. A. Hinds - C.A. – Partner
Registered auditor with ASIC No: 56814
Chartered Accountants Australia and New Zealand
Membership number: 28696

Melbourne
29 September 2014

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN
BRANCH
ABN 38 968 067 748**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014**



Community and Public Sector Union
SPSF Group • Victorian Branch

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748**

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This financial report covers the Community and Public Sector Union SPSF Group Victorian Branch as an individual entity. The financial report is presented in the Australian currency.

The Community and Public Sector Union SPSF Group Victorian Branch is a registered body under the *Fair Work (Registered Organisations) Act 2009* and is domiciled in Australia.

The principal place of business is:

Community and Public Sector Union SPSF Group Victorian Branch
Level 2, Rosella Complex
6 Palmer Parade
CREMORNE VIC 3121

The financial report was authorised for issue by the Branch Executive on 29 September 2014.

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

OPERATING REPORT

Your Branch Committee of Management present their report on the Community and Public Sector Union SPSF Group Victorian Branch (The Branch) for the financial year ended 30 June 2014.

Members of Branch Committee

The names of the members of the branch council in office at any time during or since the end of the financial year are:

Branch Executive

Karen Batt – Branch Secretary

Jim Walton – Assistant Branch Secretary (resigned 6 January 2014)

Peter Lillywhite - President

Mark Nestor – Vice President (leave of absence from 9 September 2013)

Catherine Davies – Vice President (resigned 6 January 2014)

Catherine Davies – Assistant Branch Secretary (appointed 6 January 2014)

Elizabeth Free – Vice President (appointed 31 March 2014)

Gary Greaves – Vice President (appointed as proxy 9 September 2013)

Branch Councillors

Bakker, Carol

Jones, Andrew

Barratt, Anthony

Kaplan, Bettina

Barton, Helen

Laurie, Maggie (appointed 31 March 2014)

Bates, Travis (appointed 31 March 2014)

Lyons, Bill

Batson, Linda

McAleer, Anthony

Brown, Pushi

Miskowicz, Cheryl

Butler, Stephen

Moodie, Alasdair (resigned 15 August 2013)

Cahill, Anthony

Noble, Desmond

Cook, Gavan

O'Brien, Brennan

Crabtree, Andrew

Perry, Christopher

Dimech, Adam

Rogers, Fiona (deceased November 2013)

Dri, Laurie

Smith, Georgina (resigned January 2014)

Forster, Lex

Sullivan, Mary

Gagachef, Alexander

Thomas, Ian

Gray, Bruce

Troupiotis, Theodora

Greaves, Gary

Turberville, Sarah (resigned 28 April 2014)

Grincais, Wayne

Walsh, Brian

Halden, Mark

Walsh, Steve

Wilkinson, Vicki

Members have been in office since the start of the financial year to the date of this report unless otherwise stated.

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

OPERATING REPORT (Continued)

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

The Community and Public Sector Union SPSF Group Victorian Branch is a member based, federally registered trade union, representing Victorian public sector workers who are actively pursuing better working lives and stronger communities. The principal activities of the Branch during the financial year consist of: organising Victoria public sector employees; training and education of members; providing individual members with informed and expert presentation in workplace related matters and other matters as directed by the Branch Executive. No significant change in the nature of these activities occurred during the year. No significant changes in the state of financial affairs of the Branch occurred during the financial year.

Union details

The number of full time equivalents employees at 30 June 2014 was 39 (2013: 43)

The number of financial members, inclusive of the Retired Officers Division, at 30 June 2014 was 13,513 (2013: 13,880).

Right of members to resign

Rule 8 of Chapter C of Federal Rule sets out the terms under which a member of the Branch may resign. A member may resign from membership of the Union by notice in writing, addressed to the Branch Secretary, if the member cease to be eligible to become a member of the Union or the member give notice not less than two weeks before the resignation is to take effect.

Directorships of Superannuation Fund

To the best of our knowledge and belief, no officers and employees of the Branch are trustee of a superannuation scheme or an exempt public sector superannuation scheme or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

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

Signature of designated officer: 

Name of designated officer: KAREN BATT

Title of designated officer: VICTORIAN BRANCH SECRETARY

Dated: 29th September 2014.

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
Revenue from continuing operations	4	6,888,488	7,019,160
Expenses			
Administration expenses		(250,056)	(273,797)
Affiliation and capitation fees	5	(353,825)	(358,148)
Communication expenses		(193,912)	(145,542)
Computer expenses		(27,259)	(31,582)
Employee benefits expenses	6	(4,083,920)	(4,332,574)
Legal & professional fees	7	(200,010)	(348,713)
Library		(14,554)	(8,079)
Meetings		(111,322)	(142,255)
Motor vehicle expenses		(39,529)	(41,910)
Office operation and maintenance		(448,328)	(445,882)
Printing and publications		(227,541)	(197,462)
Training and campaigns		(330,737)	(223,901)
		<u>(6,280,993)</u>	<u>(6,549,845)</u>
Surplus attributable to members of the entity		607,495	469,315
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to members		<u>607,495</u>	<u>469,315</u>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748**

**BALANCE SHEET
AS AT 30 JUNE 2014**

	Note	2014 \$	2013 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	3,062,866	2,430,413
Trade and other receivables	10	131,600	124,298
Inventory	11	<u>14,495</u>	<u>14,757</u>
Total current assets		<u>3,208,961</u>	<u>2,569,468</u>
Non-current assets			
Property, plant and equipment	12	476,163	530,597
Other	13	<u>91,525</u>	<u>89,632</u>
Total non-current assets		<u>567,688</u>	<u>620,229</u>
Total assets		<u>3,776,649</u>	<u>3,189,697</u>
LIABILITIES			
Current liabilities			
Trade and other payables	14	463,562	482,495
Borrowings	15	16,053	17,437
Provisions	16	<u>754,422</u>	<u>754,546</u>
Total current liabilities		<u>1,234,037</u>	<u>1,254,478</u>
Non-current liabilities			
Provisions	17	<u>122,265</u>	122,367
Total non-current liabilities		<u>122,265</u>	<u>122,367</u>
Total liabilities		<u>1,356,302</u>	<u>1,376,845</u>
Net assets		<u>2,420,347</u>	<u>1,812,852</u>
MEMBERS' FUND			
Accumulated surplus	18	<u>2,420,347</u>	1,812,852
Total members' fund		<u>2,420,347</u>	<u>1,812,852</u>

The above Balance Sheet should be read in conjunction with the accompanying notes.

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Accumulated surplus	Other Funds	Total
	\$	\$	\$
Balance at 1 July 2012	1,343,537	-	1,343,537
Comprehensive income for the year	469,315	-	469,315
Transfer from retained earning	-	-	-
Balance at 30 June 2013	<u>1,812,852</u>	<u>-</u>	<u>1,812,852</u>
Balance at 1 July 2013	1,812,852	-	1,812,852
Comprehensive income for the year	607,495	-	607,495
Transfer from retained earning	-	-	-
Balance at 30 June 2014	<u><u>2,420,347</u></u>	<u><u>-</u></u>	<u><u>2,420,347</u></u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
Cash flows from operating activities			
Membership fees and levies received (inclusive of GST)		7,202,461	7,480,867
Receipts from other reporting units			
- CPSU/SPSF Group Adelaide Branch		24,548	30,684
- CPSU/SPSF Group Tasmanian Branch		72,260	77,669
- CPSU/SPSF Group Federal Fund		182,069	23,089
- PSA/CPSU		2,500	2,700
Receipts from controlled entities		-	-
Sundry receipts (inclusive of GST)		11,911	60,218
Grant receipts (inclusive of GST)		-	34,998
Payments to suppliers and employees (inclusive of GST)		(6,650,978)	(6,914,524)
Payments to other reporting units			
- Capitation fee to the Federal Fund (inclusive of GST)		(220,677)	(231,142)
Payments to controlled entities		-	-
Interest paid		(1,206)	(1,363)
Interest received		80,769	73,706
Net cash inflow from operating activities	24	<u>703,657</u>	<u>636,902</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		24,773	27,955
Payment for property, plant and equipment		(94,593)	(66,671)
Net cash (outflow) from investing activities		<u>(69,820)</u>	<u>(38,716)</u>
Net increase in cash and cash equivalents		633,837	598,186
Cash and cash equivalents at beginning of financial year		<u>2,412,976</u>	<u>1,814,790</u>
Cash and cash equivalents at end of financial year	9(a)	<u>3,046,813</u>	<u>2,412,976</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1: Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial report includes the financial statements for the Community and Public Sector Union SPSF Group Victorian Branch (The Branch) as an individual entity.

(a) 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 Organisations) Act 2009*. The Community and Public Sector Union SPSF Group Victorian Branch is a not-for-profit entity for the purpose of preparing the financial statements.

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.

Early adoption of standards

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

New and amended standards adopted by the Branch

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2013. Information on these new standards is presented below.

Amendments to AASB 119 Employee Benefits

The 2011 amendments to AASB 119 made a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. The amendments:

- eliminate the 'corridor method' and requires the recognition of re-measurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income;
- change the measurement and presentation of certain components of the defined benefit cost. The net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest expense or income based on the net defined benefit asset or liability; and
- enhance disclosures, including more information about the characteristics of defined benefit plans and related risks.

Under the amendments, employee benefits 'expected to be settled wholly' (as opposed to 'due to be settled' under the superseded version of AASB 119) within 12 months after the end of the reporting period are short-term benefits, and are therefore not discounted when calculating leave liabilities. This change has had no impact on the presentation of annual leave as a current liability in accordance with AASB 101 *Presentation of Financial Statements*. These amendments have had no significant impact on the Branch.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1: Summary of significant accounting policies (Continued)

(a) Basis of preparation (Continued)

New and amended standards adopted by the Branch (Continued)

AASB 13 Fair Value Measurement

AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of AASB 13 is broad and it applies for both financial and non-financial items for which other Australian Accounting Standards require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances. AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application. The branch has applied AASB 13 for the first time in the current year.

The Branch has assessed the impact of other new and amended standards that came into effect first time for their annual reporting period commencing 1 July 2013. These standards did not result in changes to Branch's accounting policies and had no effect on the amounts reported for current or prior year financial statements.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and liabilities at fair value through profit or loss.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the branch's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Branch recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Branch's activities as described below. The amount of revenue is not considered to be reliably measurable until all relating contingencies have been resolved. The Branch bases its estimates on historical results, taking into consideration the type of member, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major operating activities as follows:

Subscriptions

Subscriptions are recognised when the right to receive the fee has been established and the receipt of the fee is certain. Subscriptions identifiable as being received in advance for next year are recorded as such in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1: Summary of significant accounting policies (Continued)

(b) Revenue recognition (Continued)

Grant Income

Revenue is recognised when the Branch obtains control over the assets comprising the contributions. Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured, and the timing of commencement of control depends upon the arrangements that exist between the contributors and the Branch.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, The Branch reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Other revenue

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of Goods and Services Tax (GST).

(c) Income tax

In accordance with section 50-15 of the Income Tax Assessment Act, the Branch is exempt from income tax.

(d) Leases

Leases of property, plant and equipment where the Branch, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Branch as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(e) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1: Summary of significant accounting policies (Continued)

(f) Investment in other financial assets

Classification

The Branch classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

The Branch does not hold any investments in the following categories: financial assets at fair value through profit or loss, available-for-sale financial assets and held-to-maturity investments.

i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Recognition and derecognition

Regular purchases and sales of investments are recognised on trade-date - the date on which the Branch commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Branch has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the Statement of Comprehensive Income as gains and losses from investment securities.

Fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Branch establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Impairment

The Branch assesses at each balance date whether there is objective evidence that a financial asset is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the Statement of Comprehensive Income. Impairment losses recognised in the Statement of Comprehensive Income on equity instruments are not reversed through the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1: Summary of significant accounting policies (Continued)

(g) Inventories – held for distribution

Brochures, promotion materials and other like items published for distribution to members free of charge are held as inventory held for distribution as the lower of cost and net replacement cost. The carrying amount is expensed in the period of distribution.

(h) Fair value measurements

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the entity is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments

(i) Property, plant and equipment

Each class of property, plant and equipment is carried at historical cost less any accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Depreciation

The depreciable amount of all fixed assets including buildings are depreciated over their estimated useful lives to the Branch commencing from the time the asset is held ready for use.

Class of fixed asset	Depreciation rate	Depreciation basis
Leasehold improvement	10%	Straight Line
Motor vehicles	25%	Diminishing value
Office equipment	7.5 - 50%	Diminishing value
Furniture and Fittings	10 - 25%	Diminishing value
Computer equipment	37.5 – 66.67%	Diminishing value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Comprehensive Income.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1: Summary of significant accounting policies (Continued)

(j) Trade and other payables

These amounts represent liabilities for goods and services provided to the Branch prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(k) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Branch has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(l) Provision

Provisions for legal claims, service warranties and make good obligations are recognised when the Branch has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(m) Comparative figures

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

(n) Functional and presentation currency

Items included in the financial report are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial report is presented in Australian dollars, which is the Branch's functional and presentation currency.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1: Summary of significant accounting policies (Continued)

(o) Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables in the balance sheet are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to the ATO as classified as operating cash flow. Commitments and contingencies are disclosed inclusive of GST.

(p) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave, RDO and associated leave loading expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave, RDO and associated leave loading is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1: Summary of significant accounting policies (Continued)

(q) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods. The entity's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 Financial Instruments (effective from 1 January 2017)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting. When adopted, the standard will affect the branch's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. There will be no impact on the branch's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the branch does not have any such liabilities.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2: Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Branch and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Branch makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. None of the estimates and assumptions are expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(b) Critical judgments in applying the entity's accounting policies

Employee entitlements

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at balance date:

- future increases in wages and salaries
- future on-cost rates; and
- experience of employee departures and period of service

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

3: 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 subsection (1) to (3) of sections 272, which read as follows:

Information to be provided to members or the General Manager of Fair Work Commission:

(1) a member of a reporting unit, or the General Manager of Fair Work Commission, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) 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).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

4: Revenue

	Note	2014 \$	2013 \$
From continuing operations			
<i>Service revenue</i>			
- member subscriptions		6,496,423	6,767,514
- capitation fee		-	-
- Campaign levy (voluntary)		45,840	37,638
<i>Other revenue</i>			
- interest		78,382	71,539
- training income		52,873	41,900
- administrative support income from other branches	25(f)	62,426	61,141
- administrative support income from Federal Fund	25(f)	129,741	-
- donation received		400	400
- grants received		-	16,765
- financial support from another reporting unit		-	-
- profit on disposal of assets		95	6,780
- other revenue		22,308	15,483
		<u>6,888,488</u>	<u>7,019,160</u>

5: Affiliation and capitation fees

	2014 \$	2013 \$
<i>Affiliation fee</i>		
- Victorian Trades Hall Council	74,112	71,332
- Ballarat Trades & Labour Council	806	806
- Bendigo Trades Hall Council	660	823
- Council of State Retiree's Association, Victoria	100	100
- Geelong Trades Hall Council	1,720	1,690
- Gippsland Trades and Labour Council	1,578	1,578
- Goulburn Valley Trades and Labour Council	504	504
- North East Trades & Labour Council	1,100	1,100
- South West Trades & Labour Council	179	357
- Sunraysia Trades & Labour Council	-	246
- ACTU	46,141	44,343
<i>Compulsory levy</i>		
- ACTU campaign levy	26,366	26,366
<i>Capitation fee</i>		
- CPSU SFSF Group – Federal Fund	200,559	208,903
	<u>353,825</u>	<u>358,148</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2014

6: Employees benefits expenses

	2014 \$	2013 \$
Holders of office:		
Wages and salaries	330,462	251,283
Superannuation	41,318	39,698
Leave and other entitlements	(53,907)	(43,962)
Separation and redundancies	-	-
Other employee expenses	-	-
	<u>317,873</u>	<u>247,019</u>
Employees other than holders of office:		
Wages and salaries	3,025,989	3,312,341
Superannuation	370,077	390,838
Leave and other entitlements	52,473	42,876
Separation and redundancies	-	-
Other employee expenses	-	-
	<u>3,448,539</u>	<u>3,746,055</u>
Other staff costs**	<u>317,508</u>	<u>339,500</u>
	<u>4,083,920</u>	<u>4,332,574</u>

** Other staff costs primarily comprise payroll tax and workcover

7: Legal & professional fee

	2014 \$	2013 \$
Accounting fee	3,500	3,200
Auditor remuneration		
- audit of financial report	13,500	12,500
- other audits	700	1,525
- other services	-	510
Legal fees		
- Litigation	104,640	255,593
- Other legal matters	77,670	75,385
	<u>200,010</u>	<u>348,713</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

8: Expenses

	2014 \$	2013 \$
The surplus for the year includes the following specific expenses:		
<i>Depreciation of non-current assets</i>		
- Motor vehicles	28,410	35,328
- Office equipment and furniture	16,245	18,081
- Computer equipment	19,411	24,532
	<u>64,066</u>	<u>77,941</u>
<i>Amortisation of non-current assets</i>		
- leasehold improvements	<u>58,925</u>	<u>58,925</u>
Total Depreciation and amortisation	<u>122,991</u>	<u>136,866</u>
<i>Defined contribution superannuation expense</i>	411,394	430,536
<i>Finance costs</i>		
- provisions: unwinding of discount	1,208	1,208
- interest and finance charges paid on bank loan	1,206	1,363
Rental expenses on operating leases (minimum lease payments)	272,470	267,558
Conference and meeting allowances	4,631	5,596
Consideration to employers for payroll deductions	-	-
Penalties - via RO Act or RO Regulations	-	-
Donations:		
Total paid that were \$1,000 or less	1,550	500
Total paid that exceeded \$1,000	-	10,000
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2014

9: Current assets – Cash and cash equivalents

	2014 \$	2013 \$
Cash on hand	1,021	1,021
Cash at bank	2,477,628	1,870,749
Term deposit	584,217	558,643
	<u>3,062,866</u>	<u>2,430,413</u>

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:

Balances as above	3,062,866	2,430,413
Bank loan – line of credit	<u>(16,053)</u>	<u>(17,437)</u>
Balances per Statement of Cash Flows	<u>3,046,813</u>	<u>2,412,976</u>

10: Current assets – Trade and other receivables

	2014 \$	2013 \$
Receivable from other reporting units		
- CPSU SPSF Group Federal Fund	-	8,368
	-	8,368
Less provision for doubtful debts	-	-
Net receivables from other reporting units	-	8,368
Trade receivables	75,897	50,741
Prepayments	30,998	34,096
Net GST	2,965	6,236
Other receivables	<u>21,740</u>	<u>24,857</u>
	<u>131,600</u>	<u>124,298</u>

(i) Classification as trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

(ii) Fair values of trade and other receivables

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2014

11: Current assets – Inventory

	2014 \$	2013 \$
Inventory held for distribution	<u>14,495</u>	<u>14,757</u>

The inventory on hand at the end of the financial year consists primarily of merchandise such as T-shirts, notepads.

Inventories recognised as expense during the year ended 30 June 2014 amounted to \$ 56,387 (30 June 2013 : \$102,654)

12: Non-current assets – Property, plant and equipment

	2014 \$	2013 \$
Leasehold improvements		
At cost	589,238	589,238
Less accumulated amortisation	<u>(365,193)</u>	<u>(306,268)</u>
	<u>224,045</u>	<u>282,970</u>
Plant and equipment		
Motor vehicles		
At cost	184,344	195,398
Less accumulated depreciation	<u>(55,722)</u>	<u>(88,989)</u>
	<u>128,622</u>	<u>106,409</u>
Office equipment	103,723	89,769
At cost	<u>(55,104)</u>	<u>(48,868)</u>
Less accumulated depreciation	<u>48,619</u>	<u>40,901</u>
Computer equipment		
At cost	148,904	153,192
Less accumulated depreciation	<u>(128,870)</u>	<u>(118,277)</u>
	<u>20,034</u>	<u>34,915</u>
Furniture and fixtures		
At cost	159,691	162,010
Less accumulated depreciation	<u>(104,848)</u>	<u>(96,608)</u>
	<u>54,843</u>	<u>65,402</u>
Total property, plant and equipment	<u><u>476,163</u></u>	<u><u>530,597</u></u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2014

12: Non-current assets – Property, plant and equipment (Continued)

(a) Non-current assets pledged as security

None of the non-current assets are pledged as security.

(b) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the year:

2013	Leasehold improvements	Motor vehicles	Office equipment	Computer equipment	Furniture and fixtures	Total
	\$	\$	\$	\$	\$	\$
Opening net book amount	341,895	127,634	40,812	34,328	77,298	621,967
Additions	-	33,799	6,349	26,523	-	66,671
Disposals	-	(19,696)	-	(1,404)	(75)	(21,175)
Depreciation	(58,925)	(35,328)	(6,260)	(24,532)	(11,821)	(136,866)
Closing net book amount	<u>282,970</u>	<u>106,409</u>	<u>40,901</u>	<u>34,915</u>	<u>65,402</u>	<u>530,597</u>

2014	Leasehold improvements	Motor vehicles	Office equipment	Computer equipment	Furniture and fixtures	Total
	\$	\$	\$	\$	\$	\$
Opening net book amount	282,970	106,409	40,901	34,915	65,402	530,597
Additions	-	76,022	13,954	4,617	-	94,593
Disposals	-	(25,399)	-	(87)	(550)	(26,036)
Depreciation	(58,925)	(28,410)	(6,236)	(19,411)	(10,009)	(122,991)
Closing net book amount	<u>224,045</u>	<u>128,622</u>	<u>48,619</u>	<u>20,034</u>	<u>54,843</u>	<u>476,163</u>

13: Non-current assets – Other assets

	2014	2013
	\$	\$
Rental deposit	<u>91,525</u>	<u>89,632</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2014

14: Current liabilities – Trade and other payables

	Note	2014 \$	2013 \$
<i>Unsecured</i>			
Trade creditors		305,516	358,883
Payables to other reporting units			
- CPSU SFSF Group Federal Fund		18,486	18,547
Consideration to employers for payroll deductions		-	-
Legal fee due		16,341	7,698
Money held in trust for La Trobe Uni Fund	a	22,798	22,691
Money held in trust for Strike Fund		19,246	19,246
Money held in trust for VWA Fighting Fund		351	351
ACTU levy fund		47,628	47,628
Others		33,196	7,451
		<u>463,562</u>	<u>482,495</u>

(a) The money is held in a separate bank account.

15: Current liabilities – Borrowings

	2014 \$	2013 \$
<i>Secured</i>		
Line-of-credit	<u>16,053</u>	<u>17,437</u>

(a) Assets pledged as security

The bank loan is secured by \$500,000 term deposit.

16: Current liabilities – Provisions

	2014 \$	2013 \$
<i>Holders of office:</i>		
Annual leave	18,172	44,496
Long service leave	84,488	112,073
Separations and redundancies	-	-
Other	-	-
	<u>102,660</u>	<u>156,569</u>
<i>Employees other than holders of office:</i>		
Annual leave	291,269	311,495
Long service leave	360,493	286,482
Separations and redundancies	-	-
Other	-	-
	<u>651,762</u>	<u>597,977</u>
	<u>754,422</u>	<u>754,546</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2014

17: Non-current liabilities – Provisions

	2014	2013
	\$	\$
<i>Holders of office:</i>		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<i>Employees other than holders of office:</i>		
Annual leave	-	-
Long service leave	95,590	96,901
Separations and redundancies	-	-
Other	-	-
	<u>95,590</u>	<u>96,901</u>
Makegood provision	<u>26,675</u>	<u>25,466</u>
	<u>122,265</u>	<u>122,367</u>

(a) Employee benefits - long service leave

Included in the employee benefits provision is a provision that has been recognised for future employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on an assessment of the individual employee's circumstances. The measurement and recognition criteria for employee benefits has been included in Note 1.

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Branch does not have an unconditional right to defer settlement.

(b) Makegood provision

The Branch is required to restore its leased premises to their original condition at the end of the lease term. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the cost of leasehold improvements and are amortised over the shorter of the term of the lease or the useful life of the assets.

18: Accumulated surplus

	2014	2013
	\$	\$
Movements in the accumulated surplus were as follows:		
Balance 1 July	1,812,852	1,343,537
Net surplus for the year	607,495	469,315
Balance 30 June	<u>2,420,347</u>	<u>1,812,852</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

19: Contingencies

There are no known contingent assets or liabilities at 30 June 2014.

20: Events occurring after the reporting date

No matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the Branch, the results of those activities or the state of affairs of the Branch in the ensuing or any subsequent financial year.

21: Commitments

	2014	2013
	\$	\$
Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payables		
- not later than one year	25,888	109,009
- later than one year but not later than five years	-	25,888
	<u>25,888</u>	<u>134,897</u>

General description of leasing arrangement:

The leases are related to the rental of office equipments.

22: Other information

(i) Going Concern

The branch's ability to continue as a going concern is not reliant on financial support from another reporting unit.

(ii) Financial Support

No financial support has been provided to another reporting unit to ensure that it continues as a going concern.

(iii) Acquisition of assets and liability under specific sections:

The branch did not acquire any asset or a liability during the financial year as a result of:

- an amalgamation under part 2 of Chapter 3, of the RO Act;
- a restructure of the Branches of the organisation;
- a determination by the General Manager under s245(1) of the RO Act;
- a revocation by the General Manager under s249(1) of the RO Act;

(iv) Acquisition of assets and liability as part of a business combination:

If assets and liabilities were acquired during the financial year as part of a business combination, the requirement of the Australian Accounting Standards will be complied with. No such acquisition has occurred during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

23: Wage recovery activities

All wage recovery activity has resulted in payments being made directly to members by employers. The branch has not derived any revenue in respect of these activities.

24: Cash flow information

	2014	2013
	\$	\$
Reconciliation of cash flow from operations with surplus for the year		
Surplus for the year	607,495	469,315
<i>Non-cash flows in surplus</i>		
Depreciation and amortisation	122,991	136,866
Charges to provisions	-	1,208
Net loss (gain) on disposal of property, plant and equipment	1,263	(6,780)
<i>Changes in assets and liabilities</i>		
(Increase) Decrease in receivables	(9,195)	96,117
Decrease in inventories	262	8,169
(Decrease) in payables	(18,933)	(66,907)
(Decrease) in provisions	(226)	(1,086)
Cash flows from operations	<u>703,657</u>	<u>636,902</u>

(b) Financing arrangements

The branch had access to the following borrowing facilities at the end of the reporting period

	2014	2013
	\$	\$
Floating rate – expiring within one year (line-of-credit)	500,000	500,000

The line-of-credit facilities may be drawn at any time and may be terminated by the bank without notice.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

25: Related party transactions

(a) The members of the Branch Executive anytime during the year were:

Karen Batt	Jim Walton	Mark Nestor	Elizabeth Free
Peter Lillywhite	Catherine Davies	Gary Greaves	

	2014	2013
	\$	\$
(b) Key management personnel remuneration		
<i>Short-term employee benefits</i>		
Salary (including annual leave taken)	237,984	171,861
Annual leave accrued	33,240	28,097
Total short-term employee benefits	<u>271,224</u>	<u>199,958</u>
Post-employment benefits:		
Superannuation	41,318	39,698
Total post-employment benefits	<u>41,318</u>	<u>39,698</u>
Other long-term benefits:		
Long-service leave accrued	5,331	7,363
Total other long-term benefits	<u>5,331</u>	<u>7,363</u>
Termination benefits	-	-
Total	<u>317,873</u>	<u>247,019</u>

(c) There were no loans between the key management personnel or the committee of management and the branch.

(d) There were no transactions between key management personnel or the committee of management and the branch other than those relating to their membership of the branch and reimbursement by the branch in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which is reasonable to expect would have been adopted by parties at arm's length.

(e) Outstanding balances arising from sales and purchases of goods and services:

These balances are disclosed in the "Trade receivables" and "Trade payables" notes to the accounts.

	2014	2013
	\$	\$
(f) Transactions with related parties		
<i>Payments:</i>		
Capitation fee paid to the CPSU SPSF Federal Fund	200,559	208,903
Honorarium paid to Branch councillors	1,750	3,450
<i>Receipts</i>		
Computer support income from PSA/CPSU	2,273	2,273
Membership & computer support income from CPSU SPSF Tasmania Inc	60,153	58,868
	<u>62,426</u>	<u>61,141</u>
Administration support income from CPSU SPSF Federal Fund	55,173	-
Salary reimbursement (Federal Secretary) from CPSU SPSF Federal Fund	74,568	-
	<u>129,741</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

26: Financial risk management

The entity's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, other price risks and aging analysis for credit risk.

Risk management is carried out by management under policies approved by Committee of Management. The Committee of Management identifies, evaluates and hedges financial risks as part of regular meetings. This identification and analysis includes an analysis of interest rate exposure and the evaluation of strategies in the context of most recent economic conditions.

(a) Market risk

(i) Foreign exchange risk

The entity is not exposed to foreign exchange risk.

(ii) Price risk

The entity is not exposed to commodity price risk.

(iii) Cash flow and fair value interest rate risk

The Branch has a small line-of-credit facility and is therefore not exposed to interest rate risk on liabilities. The Branch has investments in a variety of interest-bearing assets which have fixed interest rate and therefore not subject to interest rate volatility.

Sensitivity analysis

As at 30 June 2014 the effect on the surplus as a result of changes in interest rates, with all other variables remaining constant, would be as follows:

	2014	2013
<i>Effect on results:</i>	\$	\$
Increase of interest rates by 2%	1,568	1,431
Decrease of interest rates by 2%	(1,568)	(1,431)

(b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. Cash transactions are limited to high credit quality financial institutions. Currently the investments are held in Australian banks. The Branch has no significant concentrations of credit risk.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. The credit quality of financial assets can be assessed by reference to external credit ratings as follows:

	2014	2013
	\$	\$
Cash at bank		
AA- Rating	2,477,628	1,870,749
Deposits at call		
AA- Rating	584,217	558,643

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2014

26: Financial risk management (Continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions

Maturity profile of financial instruments

The maturity profile of financial assets and liabilities held are detailed below:

2014

	Weighted Average Interest rate %	Floating Interest rate \$	1 year or less \$	1 to 2 years \$	2 to 5 years \$	Over 5 years \$	Non Interest bearing \$	Total \$
Financial Assets								
Cash on hand		-	-	-	-	-	1,021	1,021
Cash at bank	3.0	2,477,628	-	-	-	-	-	2,477,628
Deposits at bank	3.5	-	584,217	-	-	-	-	584,217
Other receivables		-	-	-	-	-	100,602	100,602
		<u>2,477,628</u>	<u>584,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,623</u>	<u>3,163,468</u>
Financial Liabilities								
Line-of-credit	6.5	16,053	-	-	-	-	-	16,053
Other payables		-	-	-	-	-	463,562	463,562
		<u>16,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>463,562</u>	<u>479,615</u>
Net Financial Assets (Liabilities)		<u>2,461,575</u>	<u>584,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(361,939)</u>	<u>2,683,853</u>

2013

	Weighted Average Interest rate %	Floating Interest rate \$	1 year or less \$	1 to 2 years \$	2 to 5 years \$	Over 5 years \$	Non Interest bearing \$	Total \$
Financial Assets								
Cash on hand	-	-	-	-	-	-	1,021	1,021
Cash at bank	2	1,870,749	-	-	-	-	-	1,870,749
Deposits at bank	4.35	-	558,643	-	-	-	-	558,643
Other receivables	-	-	-	-	-	-	90,202	90,202
		<u>1,870,749</u>	<u>558,643</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,223</u>	<u>2,520,615</u>
Financial Liabilities								
Line-of-credit	7.35	17,437	-	-	-	-	-	17,437
Other payables	-	-	-	-	-	-	482,495	482,495
		<u>17,437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>482,495</u>	<u>499,932</u>
Net Financial Assets (Liabilities)		<u>1,853,312</u>	<u>558,643</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(391,272)</u>	<u>2,020,683</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

27: Fair Value Measurements

(a) Financial assets and liabilities

Management of the entity assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

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

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2014 was assessed to be insignificant
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the entity based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2014 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the entity's financial assets and liabilities:

	Note	2014		2013	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		\$	\$	\$	\$
Financial assets					
Cash at banks	(i)	3,061,845	3,061,845	2,429,392	2,429,392
Trade and other receivables	(i)	100,602	100,602	90,202	90,202
Total financial assets		3,162,447	3,162,447	2,519,594	2,519,594
Financial liabilities					
Trade and other payables	(i)	463,562	463,562	482,495	482,495
Line of credit	(i)	16,053	16,053	17,437	17,437
Total financial liabilities		479,615	479,615	499,932	499,932

- (i) Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Accounts payable and other payables exclude amounts relating to the provision for annual leave, which is outside the scope of AASB 139.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2014

27: Fair Value Measurements (Continued)

(b) Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair value of assets and liabilities that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

- *Market approach*: uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.
- *Income approach*: converts estimated future cash flows or income and expenses into a single current (ie discounted) value.
- *Cost approach*: reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the entity gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The branch does not have any financial instruments included in Level 1, Level 2 and level 3.

There were no transfers between Levels 1 and 2 for assets measured at fair value on a recurring basis during the reporting period (2013: no transfers).

(b) Disclosed fair value measurements

The following assets and liabilities are not measured at fair value in the balance sheet but their fair values are disclosed in the notes:

- Accounts receivable and other debtors;
- government and fixed interest securities; and
- accounts payable and other payables

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

28: Capital management

CPSU manages its capital to ensure that it will be able to continue as a going concern while maximising the return on investments. The Branch Committee ensure that the overall risk management strategy is in line with this objective.

The capital structure of the entity consists of cash and cash equivalents and members' funds, comprising reserves and retained earnings.

The Branch Committee effectively manages the CPSU's capital by assessing the CPSU's financial risk and responding to changes in these risks and in the market. These responses may include the consideration of debts levels. There have been no changes to the strategy adopted by Branch Committee to control capital of the entity since the previous year. No operations of the entity are subject to external imposed capital requirements.

COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH
ABN 38 968 067 748

STATEMENT BY COMMITTEE OF MANAGEMENT

On 29 September 2014 the Committee of Management of the Community and Public Sector Union SPSF Group Victorian Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2014:

The Committee of Management declares that in its opinion:

1. the financial statements and notes comply with Australian Accounting Standards;
2. the financial statements and notes comply with the reporting guidelines of the General Manager;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of Community and Public Sector Union SPSF Group Victorian Branch for the financial year to which they relate;
4. 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
5. during the financial year to which the GPFR relates and since the end that year:
 - a. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of branches concerned; and
 - b. the financial affairs of Community and Public Sector Union SPSF Group Victorian Branch have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - c. the financial records of Community and Public Sector Union SPSF Group Victorian Branch have been kept and maintained in accordance with RO Act; and
 - d. where the organisation consists of 2 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
 - e. 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, that information has been provided to the member or General Manager; and
 - f. 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.
6. No revenue has been derived from undertaking recovery of wages activity during the reporting period.

Signature of designated officer:



Name of designated officer:

KAREN BATT

Title of designated officer:

VICTORIAN BRANCH SECRETARY

Date:

29th September 2014.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH

Report on the financial report

We have audited the accompanying financial report of Community and Public Sector Union SPSF Group Victorian Branch, which comprises the Balance Sheet as at 30 June 2014, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Committee of Management.

Committee of Management 's responsibility for the financial report

The Committee of Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009* and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY AND PUBLIC SECTOR UNION SPSF GROUP VICTORIAN BRANCH (Continued)

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Opinion

In our opinion:

- the general purpose financial report of Community and Public Sector Union SPSF Group Victorian Branch presents fairly, in all material respects, the financial position of Community and Public Sector Union SPSF Group Victorian Branch as at 30 June 2014 and the results of its operations, its changes in equity and cash flows for the year then ended, in accordance with any of the following that apply to the entity:
 - a) the Australian Accounting Standards; and
 - b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.
- the Committee of Management's use of the going concern basis of accounting in the preparation of the Branch's financial statements is appropriate.



BGL Partners
Chartered Accountants



I. A. Hinds - C.A. – Partner
Registered auditor with ASIC No: 56814
Chartered Accountants Australia and New Zealand
Membership number: 28696

Melbourne
29 September 2014