

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL, ADMINISTRATIVE,
ENERGY, AIRLINES & UTILITIES BRANCH**

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2010**

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL, ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH

OPERATING REPORT

The Branch Executive, being the Committee of Management for the purposes of the Fair Work (Registered Organisations) Act 2009, presents its operating report of the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch for the financial year ended 30 June 2010.

1. Review of principal activities during the year: The principal operating activities of the Branch continued to be those of industrial activities that are normally carried out by the Trade Union; there are no significant changes in the principal operating activities

The branch as part of the Union continued to promote worker's rights, campaigned for the same, community support, the introduction of Fair Work, and the recruitment of members to support the Union movement. Despite tough economic times, the branch was able to sustain membership.

2. Financial affairs: during the year there were no significant changes to the financial affairs of the Union.
3. All members have a right to resign from the branch in accordance with Rule 32 and Section 174(1) of the Fair Work (Registered Organisations) Act 2009. In accordance with Section 174(1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.
4. Members holding positions on Superannuation Boards:
 - Members Benjamin Kruse resigned from Energy Industry Superannuation Scheme effective 30 September 2009 and was replaced by member Ian Tarrant from October 2009. Member John Beacroft continues to hold position as Director on the Board of Local Government Superannuation Scheme (LGSS); USU employee and member Monica Clavijo holds the other position of Director of LGSS. Member Emma Maiden and John Christopher Joyce hold positions as Directors of LegalSuper.
5. At the end of the financial year the total registered members were 34,512.
6. The Branch does not employ any staff members.

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
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OPERATING REPORT (Cont'd)

7. The names of the Branch Executive members during the year ending 30 June 2010 were:

Name	Period of Appointment
Steven Birney	01/07/2009 – 30/06/2010
Rhonda Barton	01/07/2009 – 30/06/2010
Phil Bowering	01/07/2009 – 30/06/2010
Les Coyle	01/07/2009 – 30/06/2010
Libby Cumming	01/07/2009 – 30/06/2010
Tony Dean	01/07/2009 – 30/06/2010
Mark Gill	01/07/2009 – 30/06/2010
Jim Taylor	01/07/2009 – 30/06/2010
Marilyn Timmins	01/07/2009 – 30/06/2010
Benjamin Kruse	01/07/2009 – 30/06/2010
John Mackay	01/07/2009 – 30/06/2010
Robyn Davis	01/07/2009 – 30/06/2010
Russell Woods	01/07/2009 – 30/06/2010
Christina Savage	01/07/2009 – 30/06/2010
Beverley Spearpoint	01/07/2009 – 30/06/2010
Doug Woodhouse	01/07/2009 – 30/06/2010
Paul Strutt	01/07/2009 – 30/06/2010
Ross Crawford	01/07/2009 – 30/06/2010
Shane Clapham	01/07/2009 – 30/06/2010
Myra Bowman	01/07/2009 – 30/06/2010
Sharon Sewell	01/07/2009 – 30/06/2010
Maryanne Stuart	01/07/2009 – 14/06/2010
Chris Zorzo	01/07/2009 – 30/06/2010
Steven Gillespie	15/06/2010 – 30/06/2010

Signed in accordance with a resolution of the Branch Executive.


.....
GRAEME KELLY


.....
STEPHEN BIRNEY

6 September 2010

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
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BRANCH EXECUTIVE'S STATEMENT

On 6 September 2010 the Branch Executive of the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch, passed the following resolution in relation to the general purpose financial report (GPFR) of the branch for the year ended 30 June 2010.

The Branch Executive declares in relation to the GPFR that in its opinion:

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the branch for the financial year ended 30 June 2010;
- (d) there are reasonable grounds to believe that the branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 30 June 2010 and since the end of the financial year:
 - (i) meetings of the Branch Executive were held in accordance with the rules of the organisation and the rules of the branch; and
 - (ii) the financial affairs of the branch have been managed in accordance with the rules of the organisation and the rules of the branch; and
 - (iii) the financial records of the branch have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) the financial records of the branch have been kept, as far as practicable, in a consistent manner to each of the other branches and national office of the organisation; and
 - (v) no information has been sought in any request of a member of the branch or the General Manager of Fair Work Australia under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vi) no order for inspection of the financial records has been made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009 .
- f) during the financial year ended 30 June 2010 the branch did not participate in any recovery of wages activity.

For the Branch Executive:


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GRAEME KELLY

6 September 2010

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2010 \$	2009 \$
INCOME			
Contributions		56,869	54,995
Less Service Fee United Services Union		(56,869)	(54,995)
Interest Income		27	125
Rent Received		30,936	29,733
Sundry		11	718
Contribution received for funding of the Branch		<u>723,310</u>	<u>712,271</u>
TOTAL INCOME		<u>754,284</u>	<u>742,847</u>
EXPENDITURE			
Depreciation			
Property, Plant & Equipment		<u>5,733</u>	<u>5,733</u>
Other Expenses			
ASU National Office – Capitation Fees		750,249	716,054
Bank Charges		304	769
TUCAR Donations		1,826	3,485
Professional Services	8	5,000	4,500
Clerk's Union History		<u>(6,148)</u>	<u>-</u>
		<u>751,231</u>	<u>724,808</u>
TOTAL EXPENDITURE		<u>756,964</u>	<u>730,541</u>
(DEFICIT)/SURPLUS FOR YEAR		<u>(2,680)</u>	<u>12,306</u>

(The attached Notes form part of the financial statements)

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH**

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	2010 \$	2009 \$
ASSETS			
Current Assets			
Cash & Cash Equivalents	5	8,142	3,215
Receivables	6	<u>64,966</u>	<u>54,963</u>
Total Current Assets		<u>73,108</u>	<u>58,178</u>
Non Current Assets			
Property, Plant and Equipment	7	<u>167,701</u>	<u>173,434</u>
Total Non Current Assets		<u>167,701</u>	<u>173,434</u>
TOTAL ASSETS		<u>240,809</u>	<u>231,612</u>
LIABILITIES			
Current Liabilities			
Payables	9	217,103	199,078
Provision for Recording Union History		<u>-</u>	<u>6,148</u>
Total Current Liabilities		<u>217,103</u>	<u>205,226</u>
TOTAL LIABILITIES		<u>217,103</u>	<u>205,226</u>
NET ASSETS		<u>23,706</u>	<u>26,386</u>
ACCUMULATED FUNDS		<u>23,706</u>	<u>26,386</u>

(The attached Notes form part of the financial statements)

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
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**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES
FOR THE YEAR ENDED 30 JUNE 2010**

	Accumulated Funds	Total
Balance at 30 June 2008	14,080	14,080
Net Surplus for the Year	12,306	12,306
Balance at 30 June 2009	<u>26,386</u>	<u>26,386</u>
Net Deficit for the Year	(2,680)	(2,680)
Balance at 30 June 2010	<u>23,706</u>	<u>23,706</u>

(The attached Notes form part of the financial statements)

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2010 \$	2009 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Members		52,101	54,995
Payment of ASU National Office Capitation Fees		(740,616)	(712,583)
Payments to Suppliers		(60,842)	(77,547)
Interest Received		27	125
Rent Received		30,936	29,733
Other Receipts		<u>723,321</u>	<u>712,989</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	11(b)	<u>4,927</u>	<u>7,712</u>
NET INCREASE IN CASH		4,927	7,712
CASH AT BEGINNING OF YEAR		<u>3,215</u>	<u>(4,497)</u>
CASH AT END OF YEAR	11(a)	<u>8,142</u>	<u>3,215</u>

(The attached Notes form part of the financial statements)

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL, ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Fair Work (Registered Organisations) Act 2009.

Compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS) except for:

- Segment reporting because AASB 114 "Segment Reporting" does not apply to not-for-profit organisations.
- Impairment of assets under AASB 136 "Impairment of assets"

BASIS OF PREPARATION

The financial report is for the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch and in accordance with the Fair Work (Registered Organisations) Act 2009 the Branch is a reporting unit. The Australian Municipal, Administrative, Clerical and Services Union is an organisation registered under the Fair Work (Registered Organisations) Act 2009. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the Branch are not subject to the Corporations Act 2001.

The financial report has been prepared on the basis of historical costs. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the Branch in the preparation of the financial report.

(a) Revenue

Contributions are accounted for on an accrual basis. In the previous year they were accounted for on a cash basis. This change in accounting policy is disclosed at Note 2 to the accounts.

(b) Income tax

No provision for Income Tax is necessary as Industrial Trade Unions are exempt from Income Tax under Section 50-15 of the Income Tax Assessment Act 1997.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and any impairment in value.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Branch commencing from the time the asset is ready for use. The depreciation rates used for each class of asset are:

Buildings	2%
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The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the income statement in the year that the item is derecognised.

(d) Impairment

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in the statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. For the purpose of assessing value in use of assets not held primarily to generate cash, this represents depreciated current replacement cost, as the Branch is a not-for-profit organisation.

(e) Receivables

Receivables are recognised at original invoice amounts. Collectability of receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off.

(f) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables on the statement of financial position are shown inclusive of GST.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(g) Accounting Standards Issued But Not Yet Effective

There have been no accounting standards issued which will impact the financial report in future periods and which are not yet effective.

2. CHANGE IN ACCOUNTING POLICY

For the year ended 30 June 2010 the branch has accounted for its contributions income on an accruals basis.

This is a change in accounting policy in that in previous years the branch had accounted for contributions income on a cash basis.

The effect of the change in accounting policy has not resulted in a change to the deficit or net assets for the year. Below is a summary showing the effect of the accounting policy change for the year ended 30 June 2010.

	2010
Statement of Comprehensive Income	
Increase in Contributions Income	4,768
(Increase) in Service Fee United Services Union	<u>(4,768)</u>
Overall Change in Deficit for the year	<u>-</u>
 Statement of Financial Position	
Increase in Contributions in Arrears	7,893
(Increase) in Contributions in Advance	(3,125)
(Increase) in Payable to United Services Union	<u>(4,768)</u>
Overall Change in Net Assets	<u>-</u>

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events 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 by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

(b) Critical judgments in applying the Branch's accounting principles

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (Cont'd)**

**4. INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER
OF FAIR WORK AUSTRALIA**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 the attention of members is drawn to the provisions of Sections 272 of Fair Work (Registered Organisations) Act 2009 which read as follows:

1. A member of a reporting unit, or the General Manager of Fair Work Australia, 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).

	2010 \$	2009 \$
5. CASH AND CASH EQUIVALENTS		
Cash at Bank	<u>8,142</u>	<u>3,215</u>
6. RECEIVABLES		
Current		
ASU National Office	41,530	40,206
Contributions in Arrears	7,893	-
Sundry Debtors	<u>15,543</u>	<u>14,757</u>
	<u>64,966</u>	<u>54,963</u>
7. PROPERTY, PLANT AND EQUIPMENT		
Property		
Property – Unit 6, ACTU Building, Canberra		
At Cost	286,665	286,665
Less Accumulated Depreciation	<u>118,964</u>	<u>113,231</u>
TOTAL PROPERTY PLANT AND EQUIPMENT	<u>167,701</u>	<u>173,434</u>

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (Cont'd)**

7. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

MOVEMENTS IN CARRYING AMOUNTS	Land and Buildings	Total
	\$	\$
Balance at 1 July 2009	173,434	173,434
Additions	-	-
Disposals	-	-
Depreciation	(5,733)	(5,733)
Balance at 30 June 2010	<u>167,701</u>	<u>167,701</u>
	2010	2009
	\$	\$

8. PROFESSIONAL SERVICES

Remuneration of Auditors for:

- Audit of the Financial Report	4,000	3,500
- Audit of the Financial Report - Prior Years	<u>1,000</u>	<u>1,000</u>
	<u>5,000</u>	<u>4,500</u>

9. PAYABLES

ASU National Office Capitation Fees	204,794	195,161
Contributions in Advance	3,125	-
United Services Union	5,128	360
Other	<u>4,056</u>	<u>3,557</u>
	<u>217,103</u>	<u>199,078</u>

10. RELATED PARTY TRANSACTIONS

Transactions with related parties are on normal terms and conditions no more favourable than those available to other parties, unless otherwise stated.

The ultimate controlling entity of the Branch is the Australian Municipal, Administrative, Clerical and Services Union. A related entity the New South Wales Local Government, Clerical, Administrative, Energy, Airlines and Utilities Union ("United Services Union") or ("The State Union") has the same Committee of Management, same members and substantively the same rules as the Branch.

Transactions with Ultimate Controlling Entity

(a) ASU National Office Capitation Fees are disclosed as an expense in the statement of comprehensive income and as a payment in the statement of cash flows.

(b) ASU National Office Capitation Fees payable are disclosed at Note 9 of the accounts.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (Cont'd)**

10. RELATED PARTY TRANSACTIONS (Cont'd)

Transactions with a Related Entity

- a) Contributions received for funding the branch from the United Services Union are disclosed as income in the statement of comprehensive income.
- b) Services Fees paid to the United Services Union are disclosed as an expense in the statement of comprehensive income.
- c) Amounts payable to the United Services Union are disclosed at Note 9 of the accounts.

	2010	2009
	\$	\$

11. CASH FLOW INFORMATION

- a) For the purposes of the statement of cash flows, cash at the end of the year is reconciled to the following items in the statement of financial position:

Cash at Bank	<u>8,142</u>	<u>3,215</u>
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- b) **RECONCILIATION OF CASH FLOW FROM
OPERATIONS WITH (DEFICIT) SURPLUS FOR YEAR**

(Deficit) Surplus for year	(2,680)	12,306
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Non-cash flows in (deficit) surplus

Depreciation	5,733	5,733
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Changes in Assets and Liabilities

(Decrease) in Provision for Union History	(6,148)	(12,344)
Increase in Creditors	18,025	2,971
(Increase) Decrease in Receivables	<u>(10,003)</u>	<u>(954)</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>4,927</u>	<u>7,712</u>
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**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (Cont'd)**

12. FINANCIAL RISK MANAGEMENT

Financial Instruments

	2010	2009
	\$	\$
Financial Assets		
Cash and cash equivalents	8,142	3,215
Loans and Receivables	49,423	40,206
	<u>57,565</u>	<u>43,421</u>
Financial Liabilities		
Sundry Liabilities	12,309	3,917
ASU National Office	204,794	195,161
	<u>217,103</u>	<u>199,078</u>

(a) General objectives, policies and processes

The Branch is exposed to risks that arise from its use of financial instruments. This note describes the Branch's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Branch's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Branch's financial instruments consist mainly of a bank account and sundry receivables and payables. The main risks the Branch is exposed to through its financial instruments are liquidity risk and credit risk.

The Branch Executive has overall responsibility for the determination of the Branch's risk management objectives and policies. The Branch Executive does not make any investment decisions as the Branch has no investments.

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Branch incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Branch.

The Branch's major debtor is the ASU National Office. There is no history of defaulting by this debtor to the Branch.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed below:

	2010	2009
	\$	\$
ASU National Office	41,530	40,206
Contributions in Arrears	7,893	-
	<u>49,423</u>	<u>-</u>

There has been no history of default and all receivables are likely to be repaid within the expected terms.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (Cont'd)**

12. FINANCIAL RISK MANAGEMENT (Cont'd)

(c) Liquidity Risk

Liquidity risk is the risk that the Branch may encounter difficulties raising funds to meet commitments associated with financial instruments.

The Branch manages liquidity risk by monitoring cash flows.

The total current liabilities of the Branch amounting to \$217,103 (2009 \$205,226) mature within six months.

The Branch is not significantly exposed to liquidity risk as the New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union has agreed to provide the financial support necessary to enable the Branch to pay its debts as and when they fall due.

There has been no history of default by the Union and all creditors are likely to be repaid within the expected terms.

(d) Market Risk

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk). The branch is not exposed to this risk.

(e) Interest Rate Risk

Interest rate risk is the risk that a financial instrument's value fluctuates as a result of changes in market interest rates. The Branch is not exposed to this risk.

(f) Other Price Risks

The Branch does not invest in shares or derivatives therefore it does not expose itself to the fluctuations in price that are inherent in such a market.

(g) Foreign Exchange Risk

The Branch is not exposed to foreign exchange rate risk.

13. FINANCIAL DEPENDENCE

The Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch is dependent upon the ongoing financial support of the New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union ("The State Union") in order to pay its debts as and when they fall due.

In this regard the branch entered into a deed with the State Union on the 13 January 2003 which states "The State Union will pay to the Branch of the Union such sums of money which will enable the Branch of the Union to meet its obligations to pay capitation or other amounts to the Union pursuant to the Rules of the Union. Such capitation or other amounts do not include or create any obligation for the State Union to pay any subscription fee for or on behalf of any member of the Branch of the Union".

The State Union has the financial capacity to provide such support.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (Cont'd)**

14. REGISTERED OFFICE

The registered office and principal place of business of the Branch is;
Level 8
321 Pitt Street
Sydney NSW 2000

INDEPENDENT AUDITOR'S REPORT

To the members of the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch.

We have audited the accompanying financial report of the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch, which comprises the statement of financial position as at 30 June 2010 statement of comprehensive income, statement of changes in accumulated funds and reserves, statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the branch executive's statement.

Branch Executive's and Branch Secretary's Responsibility for the Financial Report

The branch executive and branch secretary of the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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. These 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 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the branch executive and branch secretary, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Fair Work (Registered Organisations) Act 2009.



INDEPENDENT AUDITOR'S REPORT

Auditor's Opinion

In our opinion the general purpose financial report of Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

A stylized handwritten signature in black ink, appearing to read 'BDO'.

BDO Audit (NSW-VIC) Pty Ltd

A handwritten signature in black ink, appearing to read 'David McLean'.

David McLean

Director

Member of Institute of Chartered Accountants

And Holder of Current Public Practice Certificate

Registered Company Auditor

SYDNEY NSW 2000

6 September 2010