

CPSU, the Community & Public Sector Union (SPSF Group) New South Wales Branch

Financial Statements

For the Year Ended 30 June 2019

Contents

For the year ended 30 June 2019

	Page
Financial Statements	
Independent Audit Report	1
Report required under subsection 255(2A)	4
Operating Report	5
Statement by Members of the Branch Council	8
Statement of Profit or Loss and Other Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13
Officer Declaration Statement	25

ROTHSAY

Audit & Assurance Pty Ltd

INDEPENDENT AUDITOR'S REPORT

To the members of CPSU, the Community & Public Sector Union (SPSF Group) New South Wales Branch

Opinion

I have audited the financial report of CPSU, the Community & Public Sector Union (SPSF Group) New South Wales Branch, which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2019, notes to the financial statements, including a summary of significant accounting policies, the Statement by Members of the Branch Council, the subsection 255(2A) report and the Officer Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the CPSU, the Community & Public Sector Union (SPSF Group) New South Wales Branch as at 30 June 2019, and its financial performance and its cash flows for the year ended on that date in accordance with:

- 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 RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the CPSU, the Community & Public Sector Union (SPSF Group) New South Wales Branch is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of CPSU, the Community & Public Sector Union (SPSF Group) New South Wales Branch in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion

Information Other than the Financial Report and Auditor's Report Thereon

The CPSU, the Community & Public Sector Union (SPSF Group) New South Wales Branch Council (Branch Council) is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

A Level 1/12 O'Connell Street
Sydney NSW 2000

GPO Box 542
Sydney NSW 2001

P 02 8815 5400
F 02 8815 5401

E info@rothsay.com.au
W www.rothsay.com.au

INDEPENDENT AUDITOR'S REPORT (continued)

Responsibilities of Committee of Management for the Financial Report

The Branch Council of the CPSU, the Community & Public Sector Union (SPSF Group) New South Wales Branch is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Branch Council determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Branch Council is responsible for assessing the CPSU, the Community & Public Sector Union (SPSF Group) New South Wales Branch's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Branch Council either intend to liquidate the CPSU, the Community & Public Sector Union (SPSF Group) New South Wales Branch or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 CPSU, the Community & Public Sector Union (SPSF Group) New South Wales Branch internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Branch Council.
- Conclude on the appropriateness of the Branch Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the CPSU, the Community & Public Sector Union (SPSF Group) New South Wales Branch's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.

INDEPENDENT AUDITOR'S REPORT (continued)

However, future events or conditions may cause the CPSU, the Community & Public Sector Union (SPSF Group) New South Wales Branch to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Union to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the CPSU, the Community & Public Sector Union (SPSF Group) New South Wales Branch audit. I remain solely responsible for my audit opinion.

I communicate with the Branch Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an auditor registered under the RO Act.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act. There were no matters to report.

Rothsay Audit & Assurance Pty Ltd



Michael Payne
Director

Sydney
21 November 2019

Registration number (as registered by the RO Commissioner under the RO Act): AA2018/15

Report Required Under Subsection 255(2A)

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

Categories of expenditures	2019	2018
	\$	\$
Remuneration and other employment-related costs and expenses - employees	-	-
Advertising	-	-
Operating costs	822,817	785,712
Donations to political parties	-	-
Legal costs	-	-

Signature of designated officer: 

Name and title of designated officer: STEWART LITTLE, BRANCH SECRETARY

Dated: 28 October 2019

Operating Report For the year ended 30 June 2019

The Members of the Branch Council present their report on the CPSU, Community & Public Sector Union (SPSF Group) New South Wales Branch for the financial year ended 30 June 2019.

1. General information

Members of the Branch Council

The names of the members of the CPSU, Community & Public Sector Union (SPSF Group) New South Wales Branch Council (Branch Council), and positions held, in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
Mary Court	President	
Nicole Jess	Vice President	
Rebecca Reilly	Vice President	
Jenny Singleton	Vice President	Resigned: 10 th September 2018
Kylie McKelvie	Vice President	Appointed: 10 th September 2018
Stewart Calder-Little	Branch Secretary	
Troy Wright	Assistant Secretary	
Kirsten Cameron	Assistant Secretary	Resigned: 10 th September 2018
Shelley Odewahn	Assistant Secretary	Appointed: 10 th September 2018
Sage Benishay	Branch Councillor	
Kellie Bottrell	Branch Councillor	Resigned: 29 th November 2018
Jason Charlton	Branch Councillor	Appointed: 10 th September 2018
Brook Down	Branch Councillor	Appointed: 10 th September 2018
Shane Elliott	Branch Councillor	
Angela Field	Branch Councillor	Resigned: 4 th September 2018
Wendy Hurry	Branch Councillor	Appointed: 29 th November 2018
Anabel Morales-Nogues	Branch Councillor	
Matte Rochford	Branch Councillor	
Heather Shields	Branch Councillor	
Jeff Walters	Branch Councillor	
Julie Westacott	Branch Councillor	

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

Principal activities

The principal activities of the CPSU, Community & Public Sector Union (SPSF Group) New South Wales Branch during the financial year were to operate as an industrial organisation, providing advice to its members within the areas of industrial disputes, pay negotiations, unfair dismissals etc.

No significant changes in the nature of the CPSU, Community & Public Sector Union (SPSF Group) New South Wales Branch's activity occurred during the financial year.

Operating Report

For the year ended 30 June 2019

2. Operating results and review of operations for the year

Operating results

The profit of the CPSU, Community & Public Sector Union (SPSF Group) New South Wales Branch amounted to \$ 17,220 (2018: \$ 24,528).

Review of operations

A review of the operations of the CPSU, Community & Public Sector Union (SPSF Group) New South Wales Branch during the financial year and the results of those operations are contained in the discussion and analysis of the financial statements.

3. Financial review

Discussion and analysis of the financial statements

During the 12 months to June 2019, the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch recorded an operating profit of \$17,220. This compares with an operating profit of \$24,528 achieved over the previous 12 months.

Membership numbers increased by approximately 3.5% over the period as opposed to a decline of 0.5% in 2018 and this is reflective of the increase in membership revenue for the period.

In regards to expenditure, Federal Capitation Fees increased approximately 3% as this is calculated on membership numbers. Further, the increase in administration expenses is attributed to the expenses of \$8,345 associated with the 2019 ACTU Congress held in February.

The CPSU, Community and Public Sector Union (SPSF) New South Wales Branch has again reported both positive cash flow and an overall operating profit for the third successive year resulting in the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch attaining a positive equity position for the first time since 30 June 2013. With continued focus on membership growth and implementation of expense management strategies the future financial outlook for the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch is much more positive.

4. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch during the year, except as noted above.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch, the results of those operations or the state of affairs of the Branch in future financial years.

Operating Report For the year ended 30 June 2019

Right of members to resign

It is declared that a member has the right to resign from membership, in accordance with Rule 58 of the SPSF Group Rules and under Section 174 of the Fair Work (Registered Organisations) Act 2009.

Officers and employees who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

No officer or member of the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch acts:

- (i) as a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) as a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Number of members

The number of members as at 30 June 2019 was 35,610 (2018: 34,392).

Number of employees

There were no employees employed by the organisation during the financial year

Joint employment arrangement

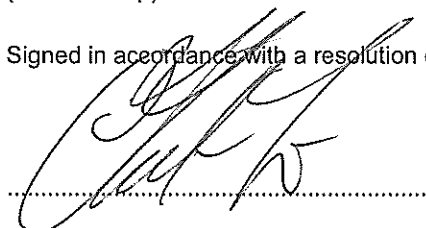
Employees of the Public Service Association of NSW (PSA NSW), who were declared to be "joint employees" of the Federal Office of the CPSU and the PSA NSW, were remunerated by the PSA NSW, but not by the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch, or the Federal Office. The employees were declared to be "joint employees" to obtain federal Right of Entry permits, in order to assist CPSU, Community and Public Sector Union (SPSF) New South Wales Branch members employed in the federal arena.

The number of "joint employees" at 30 June 2019 was 75 (2018 = 78)

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the CPSU, Community & Public Sector Union (SPSF Group) New South Wales Branch.

Signed in accordance with a resolution of the Branch Council:



Stewart Little (Branch Secretary)

Dated this 28th day of October 2019

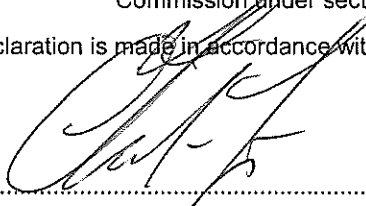
Statement by Members of the Branch Council

On 28 October 2019, the Members of the Branch Council of the CPSU, the Community and Public Sector Union (SPSF Group) New South Wales Branch (the "NSW Branch" or "reporting unit") passed the following resolution in relation to the general purpose financial report for the year ended 30 June 2019:

The Branch Council declares that in its opinion:

- (a) the financial statements and notes comply with Accounting Standards,;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the NSW Branch for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the NSW Branch will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the general purpose financial report relates, and since the end of that year:
 - (i) meetings of the Branch Council were held in accordance with the rules of the organisation, including the rules of the Branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, it has been provided to the member or the Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the Branch Council.



.....
Stewart Little (Branch Secretary)

Dated: 28 October 2019

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue			
Membership subscription	4	839,994	810,213
Levies	4b	-	-
Capitation fees and other revenue from another reporting unit	4	-	-
Interest		43	27
Total revenue		<u>840,037</u>	<u>810,240</u>
Other Income			
Grants and/or donations	4	-	-
Revenue from recovery of wages activity		-	-
Total other income		<u>-</u>	<u>-</u>
Total income		<u>840,037</u>	<u>810,240</u>
Expenses			
Capitation fees and other expense to another reporting unit	5	(788,884)	(767,454)
Administration expenses		(22,133)	(13,258)
Audit fees		(11,800)	(5,000)
Total expenses		<u>(822,817)</u>	<u>(785,712)</u>
Surplus for the year		17,220	24,528
Other comprehensive income		-	-
Total comprehensive income for the year		<u>17,220</u>	<u>24,528</u>

Statement of Financial Position
As at 30 June 2019

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		51,471	35,894
Trade and other receivables	6	<u>82,257</u>	<u>75,538</u>
TOTAL CURRENT ASSETS		<u>133,728</u>	<u>111,432</u>
TOTAL ASSETS		<u>133,728</u>	<u>111,432</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	7	13,728	13,258
Other payables	7	<u>118,326</u>	<u>113,720</u>
TOTAL CURRENT LIABILITIES		<u>132,054</u>	<u>126,978</u>
TOTAL LIABILITIES		<u>132,054</u>	<u>126,978</u>
NET ASSETS		<u>1,674</u>	<u>(15,546)</u>
EQUITY			
Retained earnings		<u>1,674</u>	<u>(15,546)</u>
TOTAL EQUITY		<u>1,674</u>	<u>(15,546)</u>

Statement of Changes in Equity

For the year ended 30 June 2019

2019

	Retained Earnings \$	Total equity \$
Balance at 1 July 2018	(15,546)	(15,546)
Surplus	17,220	17,220
Balance at 30 June 2019	1,674	1,674

2018

	Retained Earnings \$	Total equity \$
Balance at 1 July 2017	(40,074)	(40,074)
Surplus	24,528	24,528
Balance at 30 June 2018	(15,546)	(15,546)

Statement of Cash Flows

For the year ended 30 June 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members	865,158	833,541
Interest received	43	27
Payments to Federal CPSU	(577,803)	(560,180)
Payments to suppliers	(271,821)	(263,091)
Net cash provided by operating activities	15,577	10,297
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of borrowings	-	-
Net cash used by financing activities	-	-
Net increase in cash and cash equivalents held	15,577	10,297
Cash and cash equivalents at beginning of year	35,894	25,597
Cash and cash equivalents at end of financial year	51,471	35,894

Notes to the Financial Statements

For the year ended 30 June 2019

The financial report covers the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch (the "NSW Branch") as an individual entity. The NSW Branch is a not-for-profit domiciled in Australia.

The NSW Branch is treated as an individual reporting unit under the *Fair Work (Registered Organisations) Act 2009 (Cth)*. It is a Branch of the (Federal) CPSU, the Community and Public Sector Union, and although it has a separate ABN and separate GST registration, it is not a separate legal entity.

The functional and presentation currency of CPSU, Community and Public Sector Union (SPSF) New South Wales Branch is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board which apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable.

All revenue is stated net of the amount of goods and services tax (GST).

Donations and bequests are recognised as revenue when received.

Interest is recognised as revenue when received.

Revenue from subscriptions is accounted for on an accruals basis and is recorded as revenue in the year to which it relates.

Other income is recognised on an accruals basis when the NSW Branch is entitled to it.

Notes to the Financial Statements

For the year ended 30 June 2019

2 Summary of Significant Accounting Policies

(b) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(c) Financial Instruments

Financial instruments are recognised initially using trade date accounting (i.e. on the date that the NSW Branch becomes party to the contractual provisions of the instrument).

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

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 arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

Notes to the Financial Statements

For the year ended 30 June 2019

2 Summary of Significant Accounting Policies

(c) Financial instruments (cont.)

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The NSW Branch's trade and other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Branch renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Branch does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

The has no financial assets which are designated as financial assets at fair value through profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

(d) Impairment of non-financial assets

At the end of each reporting period the NSW Branch determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Notes to the Financial Statements

For the year ended 30 June 2019

2 Summary of Significant Accounting Policies

(d) Impairment of non-financial assets (cont.)

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) Going concern

The financial report has been prepared on the going concern basis. This basis has been adopted because:

- (i) the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch is a Branch of the Federal CPSU, and is not itself a (separate) legal entity;
- (ii) the Branch Council has now set the membership fee at \$7.50 per member per year and the PSA NSW has resolved to pay that fee to the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch;
- (iii) the Branch has operated at a Surplus over the past 3 financials years and forecasts indicate a Surplus for the 2020 financial year.

The CPSU, Community and Public Sector Union (SPSF) New South Wales Branch is not reliant on financial support of any other reporting unit to continue on a going concern basis.

(g) Adoption of new and revised accounting standards

The CPSU, Community and Public Sector Union (SPSF) New South Wales Branch has adopted all standards which became effective for the first time at 30 June 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch.

Notes to the Financial Statements

For the year ended 30 June 2019

2 Summary of Significant Accounting Policies

(h) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The members of the Branch Council have decided against early adoption of these Standards, but do not expect the adoption of these standards to have any impact on the reported position or performance of the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch.

(i) Capitation fees and levies

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

3 Critical Accounting Estimates and Judgments

The members of the Branch Council make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

4 Income

	2019	2018
	\$	\$
Operating revenue		
- member subscriptions	839,994	810,213
- donations from PSA	-	-
- capitation fees	-	-
- levies paid from PSA	-	-
- grants	-	-
	<u>839,994</u>	<u>810,213</u>
Finance income		
- other interest received	43	27
Total Revenue	<u><u>840,037</u></u>	<u><u>810,240</u></u>

Notes to the Financial Statements

For the year ended 30 June 2019

4 Income (cont.)

(a) Aggregate payables to workers attributable to recovered monies but not yet distributed

Payables balance	-	-
Number of workers to which the payables relate	-	-

(b) Fund or account operated for recovery of wages

There was no fund or account operated for recovery of wages.

(c) Recovery of wages activity

In accordance with Paragraph 35(f) of the Reporting Guidelines of the Fair Work Commission, it is declared that there was no activity relating to the recovery of wages.

	2019	2018
	\$	\$
Cash assets in respect of recovered money at the beginning of year	-	-
Receipts	-	-
Payments	-	-
Cash assets in respect of recovered money at the end of financial year	-	-
Number of workers to which the monies recovered relate	-	-

5 Result for the Year

The result for the year includes the following specific expenses, including specific amounts required to be reported under the *Reporting Guidelines for the Purposes of Section 253*:

	2019	2018
	\$	\$
Other expenses:		
ACTU Affiliation fees	210,104	206,494
Allowances - meetings	-	-
Auditors remuneration	11,800	5,000
Compulsory levies	-	-
Employee benefits expense	-	-
Federal CPSU capitation fees	578,780	560,960
Legal costs or other litigation expenses incurred	-	-
Conference and meeting expenses	8,345	-
Other	13,788	13,258
Total paid to employers for payroll deductions of membership subscriptions	-	-
Grants - total paid that were \$1,000 or less	-	-
Grants - total paid that exceeded \$1,000	-	-
Donations - paid that were \$1,000 or less	-	-
Donations - total paid that exceeded \$1,000	-	-
Penalties - via RO Act or RO Regulations	-	-

Notes to the Financial Statements

For the year ended 30 June 2019

6 Trade and other receivables

	2019	2018
	\$	\$
CURRENT		
Other receivables	79,235	75,538
Provision for doubtful debts	-	-
GST Receivable	3,022	-
Receivable from another reporting unit	-	-
Total current trade and other receivables	82,257	75,538

7 Trade and other payables

CURRENT		
Trade payables	13,728	13,258
GST payable	-	2,030
Sundry payables and accrued expenses	63,573	59,797
Payables to Federal CPSU	54,753	51,893
Consideration to employers for payroll deductions	-	-
Legal costs payable	-	-
Total current trade and other payables	132,054	126,978

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

8 Borrowings

	2019	2018
	\$	\$
CURRENT		
Unsecured liabilities:		
Other financial liabilities	-	-
Total current borrowings	-	-

9 Financial Risk Management

The CPSU, Community and Public Sector Union (SPSF) New South Wales Branch is exposed to a variety of financial risks through its use of financial instruments.

The CPSU, Community and Public Sector Union (SPSF) New South Wales Branch's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

Notes to the Financial Statements

For the year ended 30 June 2019

9 Financial Risk Management (cont.)

The CPSU, Community and Public Sector Union (SPSF) New South Wales Branch does not speculate in financial assets.

The most significant financial risks to which the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk and price risk

Financial instruments used

The principal categories of financial instrument used by the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch are:

- Trade receivables
- Cash at bank
- Trade and other payables

Objectives, policies and processes

Risk management is carried out by the Branch Council. The Branch Secretary has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch, these policies and procedures are then approved by the Branch Council.

Specific information regarding the mitigation of each financial risk to which the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch is exposed is provided below.

Liquidity risk

Liquidity risk arises from the Branch's management of working capital. It is the risk that the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch will encounter difficulty in meeting its financial obligations as they fall due.

The CPSU, Community and Public Sector Union (SPSF) New South Wales Branch's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The CPSU, Community and Public Sector Union (SPSF) New South Wales Branch maintains cash to meet its liquidity requirements for up to 30-day periods.

The CPSU, Community and Public Sector Union (SPSF) New South Wales Branch manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection.

Notes to the Financial Statements

For the year ended 30 June 2019

9 Financial Risk Management (cont.)

Liquidity risk (cont.)

The CPSU, Community and Public Sector Union (SPSF) New South Wales Branch's liabilities have contractual maturities which are summarised below:

	Not later than 1 month		1 to 3 months	
	2019	2018	2019	2018
	\$	\$	\$	\$
Trade payables	13,728	13,258	-	-
Other short term financial liabilities	-	-	-	-
Total	13,728	13,258	-	-
	3 months to 1 year		1 to 5 years	
	2019	2018	2019	2018
	\$	\$	\$	\$
Trade payables	-	-	-	-
Other short term financial liabilities	-	-	-	-
Total	-	-	-	-

Interest rate risk

The CPSU, Community and Public Sector Union (SPSF) New South Wales Branch is not exposed to significant interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The CPSU, Community and Public Sector Union (SPSF) New South Wales Branch has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a number of customers, primarily the Public Service Association of NSW, as the employer of the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch's members. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Board receives regular reports summarising the turnover, trade receivables balance.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Notes to the Financial Statements

For the year ended 30 June 2019

9 Financial Risk Management (cont.)

Credit risk (cont.)

The following table details the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount	Past due & impaired	Past due but not impaired (days overdue)				Within initial trade terms
			< 30	31 – 60	61 – 90	> 90	
	\$	\$	\$	\$	\$	\$	\$
2019							
Other Receivables	79,235	-	-	-	-	-	79,235
Total	79,235	-	-	-	-	-	79,235
2018							
Other Receivables	75,538	-	-	-	-	-	75,538
Total	75,538	-	-	-	-	-	75,538

10 Key Management Personnel Disclosures

No remuneration was paid to the key management personnel of the CPSU, Community & Public Sector Union (SPSF Group) New South Wales Branch during the year.

11 Remuneration of Auditors

	2019	2018
	\$	\$
Remuneration of the auditor, Rothsay Chartered Accountants, for:		
- auditing or reviewing the financial statements	11,800	5,000

12 Fair Value Measurement

No assets or liabilities were measured at fair value during, or after, the financial year.

Notes to the Financial Statements

For the year ended 30 June 2019

13 Contingencies

In the opinion of the Branch Council, the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch did not have any contingencies at 30 June 2019 (30 June 2018: None).

14 Related Parties

(a) The Branch's main related parties are as follows:

The ultimate parent entity, which exercises control over the CPSU, Community and Public Sector Union (SPSF) New South Wales Branch, is the Federal Community & Public Sector Union which is incorporated in Australia.

Although the CPSU, Community & Public Sector Union (SPSF Group) New South Wales Branch is treated as an individual reporting unit under the Fair Work (Registered Organisations) Act 2009 (Cth), it is a Branch of the (Federal) CPSU. The CPSU, Community & Public Sector Union (SPSF Group) New South Wales Branch has a separate ABN and separate GST registration, but it is not a separate legal entity

Key management personnel - refer to Note 10.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

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

The payment of Federal Capitation Fees to the Federal Office has been disclosed in Note 5.

The PSA undertakes accounting and administration services on behalf of the CPSU, Community & Public Sector Union (SPSF Group) New South Wales Branch. The following charges from the PSA were incurred by the CPSU, Community & Public Sector Union (SPSF Group) New South Wales Branch:

	2019	2018
	\$	\$
Accounting/Secretarial	5,328	5,258
Data Processing	8,400	8,000

The PSA also pays the following fees to the CPSU, Community & Public Sector Union (SPSF Group) New South Wales Branch on behalf of members:

Membership subscriptions	839,994	810,213
--------------------------	---------	---------

No other transactions occurred with related parties

15 Events Occurring After the Reporting Date

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the CPSU, Community & Public Sector Union (SPSF Group) New South Wales Branch, the results of those operations or the state of affairs of the CPSU, Community & Public Sector Union (SPSF Group) New South Wales Branch in future financial years

Notes to the Financial Statements

For the year ended 30 June 2019

16 Cash Flow Information

(a) Reconciliation of result for the year to cash flows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2019	2018
	\$	\$
Profit for the year	17,220	24,528
- impairment of receivables	-	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(6,719)	(2,116)
- increase/(decrease) in trade and other payables	5,076	(12,115)
	<hr/>	<hr/>
Cash flows from operations	<u>15,577</u>	<u>10,297</u>

17 Branch Details

The registered office of and principal place of business of the Branch is:

CPSU, Community & Public Sector Union (SPSF Group) New South Wales Branch
 160 Clarence Street
 Sydney NSW 2000

18 Other disclosures required under the Reporting Guidelines of the Fair Work Commission

(a) Financial support received from another reporting entity

As required by Paragraph 13 of the Reporting Guidelines, the the Branch Council confirms that the activity identified in Paragraph 10 of the Reporting Guidelines did not occur during the financial year.

(b) Other disclosures required:

As required by Paragraphs 13 of the reporting Guidelines, the Branch Council confirms that, the reporting unit has not agreed to provide financial support to ensure another reporting unit(s) has the ability to continue as a going concern (para 11);

(c) Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or the Commissioner:

- (1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (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).

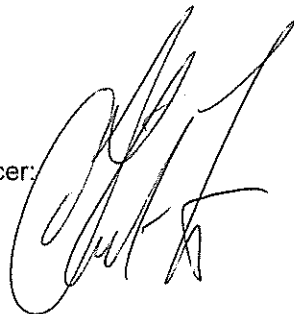
OFFICER DECLARATION STATEMENT

I, Stewart Little, being the Branch Secretary of the CPSU, Community & Public Sector Union (SPSF Group) New South Wales Branch, declare that the following activities did not occur during the reporting period ending 30 June 2019.

The reporting unit did not:

- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- pay any other expense to another reporting unit
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- receive cash flows from another reporting units and/or controlled entity

Signed by the officer:

A handwritten signature in black ink, appearing to be 'Stewart Little', written over a faint circular stamp or watermark.

Dated: 28 October 2019