



FAIR WORK
AUSTRALIA

13 August 2012

Ms Barbara Connolly
Executive Director
Building Service Contractors Association of Australia, New South Wales Division
PO Box 554
CROWS NEST NSW 1585

Dear Ms Connolly



Re: Lodgment of Financial Statements and Accounts - Fair Work (Registered Organisations) Act 2009 - Building Service Contractors Association of Australia, NSW Division – for year ending 31 December 2011 (FR2011/2921)

Thank you for your letter dated 8 August 2012 which was received by Fair Work Australia on 10 August 2012.

I note your advice in relation to the sequence of meetings and your undertaking in relation to the provision of signed statements to the members 21 days prior to the Annual General Meeting in future.

For your future reference, I also draw your attention to the following details.

- (1) Paragraph 11 of the Reporting Guidelines provides “Balances for the following items of expense must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the profit and loss statement in accordance with Australian Accounting Standards:

(g) employee benefits to holders of office of the reporting unit;

(h) employee benefits to employees (other than holders of offices) of the reporting unit;

The Operating Report indicated that the “Association had 2 full time employees during the year”. The Income Statement showed a single balance of \$108,037 for “Salary”. It might be possible to assume that this amount represented the total figure applicable to the two employees, but for the avoidance of doubt I would recommend that the Income Statement make it clear whether the balance reported is for “employees” or for “holders of office”.

- (2) The report did not include the Notice required by section 272 of the Act. Subsection 272(5) provides: (5) [Notice in reports] A general purpose financial report prepared under section 253, **must include a notice drawing attention to subsections (1), (2) and (3) of this section and setting out those subsections.**

Subsections 272(1), (2) and (3) are worded as follows:

(1) A member of a reporting unit, or a Registrar, 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).

This Notice is usually located in the Notes to the Financial Statements.

There is no further action required in respect of the financial return. The documents have been filed. Please do not hesitate to contact me on (02) [REDACTED] if you have any queries in relation to the above.

Yours sincerely



Stephen Kellett
Organisations, Research and Advice Branch

The logo for the Building Service Contractors Association of Australia (bscaa) features the lowercase letters 'bscaa' in a bold, white, sans-serif font against a dark, circular background.

building service contractors
association of australia inc.

sydney, melbourne, brisbane, adelaide, perth, canberra, hobart
www.bscaa.com

ABN 13 033 709 955

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8 August 2012

Mr Stephen Kellett
Organisations, Research and Advice Branch
Fair Work Australia
Terrace Towers
80 William Street
EAST SYDNEY NSW 2011

Dear Mr Kellett

I refer to your letter of 25 July 2012 and our recent conversation and respond on behalf of Mr Roderick Gesterkamp who is currently on leave.

The financial statements and Accounts lodged by the Building Service Contractors Association of Australia, NSW Division for the year ending 31 December 2011 were the first lodged by BSCAA under the requirements of the *Fair Work (Registered Organisations) Act 2009* and I regret to say that we misinterpreted some of the requirements of the Act, specifically we did not appreciate that the completed and signed Financial Statements had to be made available to members 21 days prior to the Annual General Meeting. This is now clearly understood and will be adhered to in future.

As explained during our recent conversation, the draft report was presented to the NSW Executive Committee, which represents 12 of our members including most of the major cleaning contractors in NSW, on 30th March for review and returned to the auditor for minor amendments. The document was not distributed to a wider membership at this time as it was not complete.

The report was represented to the Executive on 25 May for final approval but as there was not a quorum present this could not be done and it was noted that there was an error in the list of the Committee and Management and the document was returned to the auditor for correction.

The next meeting of the Executive Committee was the 6th June 2012, the day of the Annual General Meeting and the Committee of Management approved the Report and resolved that it should be signed by the President, Rick Gesterkamp on behalf of the Committee which was done on the 6th and 7th of June. Unsigned copies of the Financial Report were made available for inspection by the members present at the AGM and an explanation made that signed copies would be distributed to members when available. The



Representing
contractors for:

- Cleaning
- Facilities Management
- Grounds Maintenance
- Security
- Building Maintenance



The auditor signed the Report on 28th June. During the first week of July a statement was placed on the BSCAA NSW website home page notifying members that a copy of the Financial Report for the Year Ended 31 December 2011 and the President's Report for June 2011/July 2012 was available for inspection on the Members Only section of the site to which all members have individual coded access.

It was certainly not our intention to provide misleading information in our letter of 11 July and I thank you for your explanation of the Act and your patience and understanding.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Barbara Connolly', with a stylized flourish at the end.

Barbara Connolly
Executive Director
BSCAA NSW Division



FAIR WORK
AUSTRALIA

25 July 2012

Mr Roderick Gesterkamp
President
Building Service Contractors Association of Australia, New South Wales Division
PO Box 554
CROWS NEST NSW 1585



Dear Mr Gesterkamp

Re: Lodgment of Financial Statements and Accounts - Fair Work (Registered Organisations) Act 2009 - Building Service Contractors Association of Australia, NSW Division – for year ending 31 December 2011 (FR2011/2921)

I refer to the above financial statements and accounts lodged in accordance with the *Fair Work (Registered Organisations) Act 2009* with Fair Work Australia on 11 July 2012.

Before filing the documents I seek your advice about the sequence followed in the preparation and provision of the audited report.

Your Certificate dated 11 July 2012 certified that “the report was provided to members on 30th March 2012” and that “it was presented to a general meeting of members on 7th June 2012”. However, the Committee of Management Statement was signed on 7 June 2012, the Operating Report was signed on 6 June 2012, and the Auditor’s Report was signed on 28 June 2012.

This suggests that the report provided to members on 30 March did not include these signed statements and that the report presented on 7 June did not include the Auditor’s report. If this is so, then on the face of things it cannot be said that the members were provided with a copy of the audited report.

Subsection 257(9) provides:

“The auditor’s report must be dated as at the date that the auditor signs the report and must be given to the reporting unit within a reasonable time of the auditor having received the general purpose financial report”.

The relevant extract from paragraph 26 of the General Manager’s Reporting Guidelines provides:

26. The committee of management statement must: (d) be dated as at the date the designated officer signs the statement.

Subsection 254(1) provides:

“As soon as practicable after the end of each financial year, the committee of management of a reporting unit must cause an operating report to be prepared....”

Subsection 265(1) provides:

“A reporting unit must provide free of charge to its members...(a) a full report consisting of (i) a copy of the report of the auditor.....(iii) a copy of the operating report.....”

Terrace Towers Telephone: (02) 8374 6666
80 William Street International: (612) 8374 6666
East Sydney NSW 2011 Facsimile: (02) 9380 6990
Email: sydney@fwa.gov.au

These references make clear that the Operating Report, the Committee of Management Statement and the Auditor's Report must all have been completed and signed and dated before the report is provided to the members.

I ask you to advise in writing the following:

1. what documents were provided to the members;
2. how they were provided;
3. why these documents were signed after the report had been provided to the members, specifically, why the Committee of Management Statement shows a date of signing on the same day your certificate certifies the report was presented, and why the Auditor's report was not signed until 3 weeks after the report was presented.

Please do not hesitate to contact me on (02) [REDACTED] if you have at any time any queries in relation to the above.

Yours sincerely



Stephen Kellett
Organisations, Research and Advice Branch



ABN 30 881 326 071

sydney, melbourne, brisbane, adelaide, perth, canberra, hobart

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NSW DIVISION
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Mr Stephen Kellett
Organisations, Research & Advice Branch
Fair Work Australia
Terrace Towers
80 William Street
EAST SYDNEY NSW 2011

**Lodgement of Financial Statements and Accounts
Building Service Contractors Association of Australia, NSW Division
for year ended 31 December 2011 (FR2011/2921)**

Dear Mr Kellett

I being Roderick Gesterkamp being the President of BSCAA NSW Division certify:

- that the documents lodged herewith are copy of the full report referred to in S268 of the *Fair Work (Registered Organisations) Act 2009* and
- that the report was provided to members on 30th March 2012
- that the report was presented to a general meeting of members on 7th June 2012 in accordance with S266 of the *Fair Work (Registered Organisations) Act 2009*.

Roderick Gesterkamp
President BSCAA NSW Division
11 July 2012.

Representing
Contractors for:

- ⊗ Cleaning
- ⊗ Facilities Management
- ⊗ Grounds Maintenance
- ⊗ Security

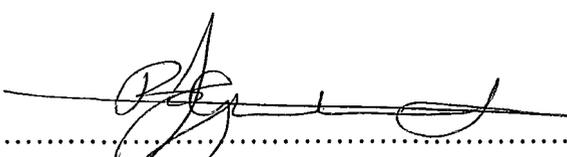
Committee of Management Statement

On 7/6/2012 the Committee of Management of the Building Service Contractors Association of Australia NSW Division, passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31st December 2011:

The Committee of Management declares in relation to the GPFR that in its opinion:

- a. the financial statements and notes comply with the Australian Accounting Standards;
- b. the financial statements and notes comply with the reporting guidelines of the Fair Work Australia;
- c. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d. there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- e. during the financial year to which the GPFR relates and since the end of that year;
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been kept and maintained in accordance with the rules of the organisation including the rules of the branch concerned; and
 - (iii) the financial records of the reporting unit 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) 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 to each of the other reporting units of the organisation; and
 - (v) no information has been sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the Fair Work (Registered Organisations) Act 2009;
 - (vi) no orders have been made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.
- f. in relation to recovery of wages activity;
there was no recovery of wages activity during the year.

For the Committee of Management:


.....
Rick Gesterkamp (President)
Dated this 7th day of June 2012



Mitchell & Partners
CHARTERED ACCOUNTANTS



BUILDING SERVICE CONTRACTORS ASSOCIATION OF AUSTRALIA
NSW DIVISION
A.B.N. 13 033 709 955

FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2011

All mail to: G.P.O. Box 5460 Sydney NSW 2001 Australia

Level 7 | 10 Barrack Street Sydney | NSW 2000 Australia | TELEPHONE: 02 9392 8686 | FACSIMILE: 02 9299 8195 | EMAIL: reception@mitchellpartners.com.au

Building Service Contractors Association Of Australia NSW Division

ABN 13 033 709 955

Financial Report for the Year Ended 31 December 2011

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OPERATING REPORT

This Operating Report covers the activities of the Building Service Contractors Association Of Australia NSW Division (the Association) for the financial year ended 31st December 2011, the results of those activities and any significant changes in the nature of those activities during the year.

1. Principal Activities of the Association

The principal activity of the Association during the financial year was the provision of services to members in the contract cleaning and security industries.

The Association negotiates with industry stakeholders to improve the working conditions for its members and enhance the image of both industries.

Members are kept up to date by way of regular postal and emailed information on industrial relations and other issues concerning their industry. Networking opportunities are provided by quarterly members meeting.

2. Operating result

The profit of the association for the financial year amounted to \$ 100,043 (2010:\$57,244).

3. Membership of the Association

At the end of the financial year the number of members was 83 for the cleaning division and 391 for the security division.

4. Members Right to Resign

All members of the Association have the right to resign from the Association in accordance with Rule 9 of the Association rules, and Chapter 6 Part 3 Section 174 of Fair Work (Registered Organisations) Act 2009, by providing written notice addressed and delivered to the BSCCA NSW office. Detail of Rule 9 is as follows:-

9. - RESIGNATION OF MEMBERSHIP

- 9.1 A BSCAA NSW member may resign from membership by written notice addressed and delivered to the Executive Director.
- 9.2 Where a BSCAA NSW member ceases to be eligible to become a member of BSCAA NSW a notice of resignation of membership takes effect on whichever of the following is later:
 - (a) on the day the notice is received by BSCAA NSW; or
 - (b) on the day specified in the notice of resignation, which is a day not earlier than the day when the BSCAA NSW member ceases to be eligible to become a BSCAA NSW member.
- 9.3 Where a BSCAA NSW member resigns membership for reasons other than set out in Rule 9.2 notice of resignation takes effect on whichever of the following is later:
 - (a) at the end of 2 weeks after the notice is received by BSCAA NSW; or
 - (b) on the day specified in the notice.
- 9.4 Any dues payable but not paid by a former BSCAA NSW member in relation to a period before that former BSCAA NSW member's resignation from BSCAA NSW took effect, may be sued for and recovered in the name of BSCAA NSW in a court of competent jurisdiction, as a debt due to BSCAA NSW.
- 9.5 A notice delivered to the Executive Director is taken to have been received by BSCAA NSW when it was delivered.
- 9.6 A notice of resignation that has been received by BSCAA NSW is not invalid because it was not addressed and delivered in accordance with Rule 9.1.
- 9.7 A resignation from membership of BSCAA NSW is valid even if it is not effected in accordance with these Rules if the BSCAA NSW member is informed in writing by or on behalf of BSCAA NSW that the resignation has been accepted.

5. Members of the Committee of Management

The following persons were members of the Committee of Management;

Adam Atkin (Acting president appointed 7 October 2011)
Terry Corby (President retired 7 July 2011)
Jamie Halfhide (Vice President resigned on 26 August 2011)
Julian Claxton (Security Division Chairman)
Christian Barrionuevo (retired on 31 March 2011)
Aimee Bleasdale (appointed on 7 July 2011)
Tony Carmona
Tony Di Bello (retired 7 July 2011)
Roderick Gesterkamp
Ravindra Naidoo
Martin Stack
Lemi Stipcevic
George Tsivis
Raelene Verran
Peter Warren

6. Superannuation Trustees

No Officer or member of the Association is:

- (1) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (2) A director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and

Where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

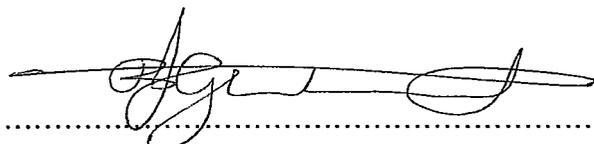
7. Employees of the Association

The Association had 2 full time employees during the year.

8. Significant Changes

There were no significant changes in the Association's state of affairs during the year.

Signed in accordance with the resolution by the Committee of Management



.....
Rick Gesterkamp (President)

Dated this 6th day of June 2012

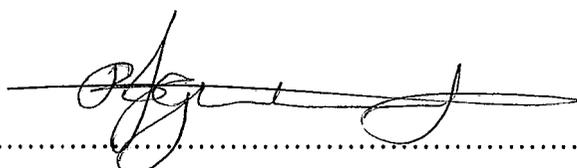
Committee of Management Statement

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The Committee of Management declares in relation to the GPFR that in its opinion:

- a. the financial statements and notes comply with the Australian Accounting Standards;
- b. the financial statements and notes comply with the reporting guidelines of the Fair Work Australia;
- c. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d. there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- e. during the financial year to which the GPFR relates and since the end of that year;
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been kept and maintained in accordance with the rules of the organisation including the rules of the branch concerned; and
 - (iii) the financial records of the reporting unit 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) 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 to each of the other reporting units of the organisation; and
 - (v) no information has been sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the Fair Work (Registered Organisations) Act 2009;
 - (vi) no orders have been made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.
- f. in relation to recovery of wages activity;
there was no recovery of wages activity during the year.

For the Committee of Management:



.....
Rick Gesterkamp (President)

Dated this 7th day of June 2012

Building Service Contractors Association Of Australia NSW Division
ABN 13 033 709 955

INCOME STATEMENT FOR THE YEAR END 31 DECEMBER 2011

	Note	2011	2010
INCOME			
Members' subscriptions		274,066	258,079
Members meeting income		3,750	3,549
NUCCA		-	1,790
Insurance Commission		2,090	891
Excellence Awards		9,773	12,691
Sponsorship		23,000	17,500
Interest Income		6,405	850
Sundry income		61	1,872
Administration Fee from National office		20,000	-
Reimbursement (Interstate and Singapore)		8,128	-
		347,273	297,222
EXPENDITURE			
Audit		3,000	3,000
Bank charges		3,257	1,780
Computer expenses		1,164	218
Depreciation		3,508	114
Excellence Awards		27,371	25,909
Industrial Advocacy		3,980	15,389
Insurance		4,157	4,407
Members meetings		6,443	4,271
National Office expenses		2,114	700
Postages		4,086	3,233
Printing & stationary		8,698	9,110
Provision for annual leave/long services leave		4,658	(893)
Provision for impairment		(23,995)	22,429
Rent & outgoings		19,636	20,094
Security expenses		98	(6,766)
Subscription expenses		3,216	2,675
Salary		108,037	73,041
Salary sacrifice super		36,504	31,961
Superannuation		12,868	9,365
Sundry expenses		1,900	2,487
Telephone		4,589	5,110
Temporary staff		-	4,522
Travel		5,244	4,510
Website development		300	3,312
WFBSC Congress 2011		1,783	-
Singapore delegation		4,613	-
		247,230	239,978
Operating Surplus		100,043	57,244

Building Service Contractors Association Of Australia NSW Division
ABN 13 033 709 955

BALANCE SHEET AS AT 31 DECEMBER 2011

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents		156,890	75,889
Trade and other receivables	3	33,998	18,292
TOTAL CURRENT ASSETS		190,888	94,181
NON CURRENT ASSETS			
Plant and equipment	4	12,173	229
TOTAL NON CURRENT ASSETS		12,173	229
TOTAL ASSETS		203,061	94,410
CURRENT LIABILITIES			
Trade and other payables	5	20,297	16,347
Other provisions	6	25,358	20,700
TOTAL CURRENT LIABILITIES		45,655	37,047
TOTAL LIABILITIES		45,655	37,047
NET ASSETS		157,406	57,363
MEMBERS' FUNDS			
Accumulated surplus		157,406	57,363
TOTAL MEMBERS' FUNDS		157,406	57,363

The accompanying notes form part of these financial statements.

Building Service Contractors Association Of Australia NSW Division
ABN 13 033 709 955

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2011

	Accumulated Surplus \$	Financial Assets Reserve \$	General Reserves \$	Total \$
Balance at 1 January 2010	13,973	-	-	13,973
Reverse accumulated surplus re National	(13,854)	-	-	(13,854)
Operating surplus	57,244	-	-	57,244
Balance at 31 December 2010	57,363	-	-	57,363
Operating surplus	100,043	-	-	100,043
Balance at 31 December 2011	157,406	-	-	157,406

The accompanying notes form part of these financial statements.

Building Service Contractors Association Of Australia NSW Division
ABN 13 033 709 955

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		262,110	251,496
Other operating receipts		40,052	17,245
Receipts from sponsorship		23,000	17,500
Payments to suppliers and employees		(267,275)	(218,563)
Interest received		6,405	850
Net cash provided by operating activities	7	72,459	68,538
CASH FLOWS FROM INVESTING ACTIVITIES			
Loan repayment from National Office		12,230	-
Purchase of property, plant and equipment		(3,688)	(343)
Net cash used in investing activities		8,542	(343)
Net increase in cash held		81,001	68,195
Cash and cash equivalents at beginning of financial year		75,889	7,694
Cash and cash equivalents at end of financial year	2	156,890	75,889

The accompanying notes form part of these financial statements.

Building Service Contractors Association Of Australia NSW Division
ABN 13 033 709 955

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

Note 1: Summary of Significant Accounting Policies

Basis of Accounting

The financial report is a general purpose financial report that has been prepared in accordance *the Fair Work (Registered Organisations) Act 2009* and applicable Accounting Standards, Urgent Issues Group Consensus Views and other Authoritative Pronouncements of the Australian Accounting Standards Board.

The report is also prepared under the historical cost convention and except where stated does not take into account changing money values or current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous year unless otherwise stated, have been adopted in the preparation of this report;

a. Income Tax

The income of the Building Service Contractors Association of Australia NSW Division is exempt from Income Tax Section 50 of the *Income Tax Assessment Act*, being a registered union of employers *Fair Work (Registered Organisations) Act 2009*.

b. Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

c. Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

d. Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting year.

e. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

f. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Revenue from the provision of membership subscriptions is recognised when invoices are raised.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Building Service Contractors Association Of Australia NSW Division
ABN 13 033 709 955

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

Note 1: Summary of Significant Accounting Policies

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

g. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the 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 in the assets and liabilities statement are shown inclusive of GST.

NOTE 2: CASH AND CASH EQUIVALENT	2011	2010
	\$	\$
Cash on hand	400	400
Cash at bank	51,644	24,639
Cash on deposit	104,846	50,850
	156,890	75,889
NOTE 3: TRADE AND OTHER RECEIVABLES		
Trade receivable	33,443	14,880
BSCAA – National Office	58,434	82,429
Provision for doubtful debts	(58,434)	(82,429)
GST receivable	556	3,412
	33,998	18,292
NOTE 4: PLANT AND EQUIPMENT		
Plant and equipment – at cost	33,181	343
Less accumulated depreciation	(21,008)	(114)
	12,173	229
NOTE 5: TRADE AND OTHER PAYABLE		
Trade creditor	1,120	11,070
Accrual	8,800	3,300
PAYG withholding	4,953	1,977
Super payable	1,788	-
Salary sacrifice	3,042	-
BSCAA - WA	430	-
BSCAA - SA	164	-
	20,297	16,347
NOTE 6: PROVISION		
Provision for annual leave	25,358	20,700

Building Service Contractors Association Of Australia NSW Division
ABN 13 033 709 955

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	\$	\$
NOTE 7: CASH FLOW STATEMENT		
A. Reconciliation of Net Cash Provided by operating activities to Operating surplus/(deficit)	100,043	57,244
Depreciation	3,508	114
Provision for impairment	(23,994)	22,429
Provision for employee entitlement	4,658	(890)
Increase in Debtors	(15,706)	(11,179)
Increase in Creditors	3,950	820
	72,459	68,538

NOTE 8: SEGMENT REPORTING

The Association operates predominantly in one business and geographical segment, being a Association of employees providing industrial and workplace relations services to its members in New South Wales.

NOTE 9: FINANCIAL INSTRUMENT

Interest Rate Risk

The Association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets is not material.

Credit Risk

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 value of those assets, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to and forming part of those financial statements.

The Association does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Association.

Net Fair Values

Assets and liabilities have been valued at their net fair value at balance date. This value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying value exceeds fair net values have not been written down as the company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to and forming part of the financial statements.

Building Service Contractors Association Of Australia NSW Division
ABN 13 033 709 955

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 10: ASSOCIATION DETAIL

The registered office of the Association is:

Building Service Contractors Association Of Australia NSW Division, Suite 3,139 Alexander St, Crows Nest NSW 2065.

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF BUILDING SERVICE CONTRACTORS ASSOCIATION OF
AUSTRALIA NSW DIVISION**

Scope

We have audited the accompanying general purpose financial report of the Building Service Contractors Association of Australia NSW Division for the year ended 31 December 2011 comprising Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Notes to and Forming Part of the Financial Statements.

The Association's Committee is responsible for the preparation and true and fair presentation of the financial report and the information they contain. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

Our audit has been conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material aspects, the financial report is presented fairly in accordance with statutory requirements so as to present a view which is consistent with our understanding of the Association's financial position and as represented by the results of its operations and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

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

Audit opinion

In our opinion,

- (a) the financial report is properly drawn up so as to present fairly the financial position of the Association as at 31 December 2011 and its performance for the year ended on that date;
- (b) the financial report is in accordance with the provisions of the *Fair Work Act 2009* and Australian Accounting Standards; and
- (c) complying with the requirement of Part 3 of Charter 8 of the *Fair Work (Registered Organisations) Act 2009*

Mitchell & Partners
Chartered Accountants

Kim Bun Lee

Date: 28th June 2012



The audit opinion expressed in this report has been formed on the above basis.