



FAIR WORK
COMMISSION

16 July 2015

Mr Tim Higgs
President
Australian Maritime Officers' Union

sent to: amou@amou.com.au

Dear Mr Higgs

Re: Lodgement of Financial Statements and Accounts – Australian Maritime Officers' Union - for year ended 31 December 2014 (FR2014/428)

I acknowledge receipt of the financial report of the Australian Maritime Officers' Union. The documents were lodged with the Fair Work Commission on 10 July 2015. The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and Reporting Guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 December 2015 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

Disclosure of grants or donations

Reporting Guideline 16(e) requires that where grants or donations have been paid, the total amount paid is to be disclosed as follows:

- i. grants that were \$1,000 or less;
- ii. grants that exceeded \$1,000;
- iii. donations that were \$1,000 or less; and
- iv. donations that exceeded \$1,000

Note 5 only disclosed a total of \$1,750 paid for (iii) donations of \$1,000 or less. [REDACTED]

[REDACTED]. Reporting Guideline 17 states that if any activities described in Reporting Guideline 16 did not occur during the reporting period, a statement to that effect¹ must be included in the general purpose financial report. Nil balances for (i) grants \$1,000 or less, for (ii) grants exceeding \$1,000 and for (iv) donations exceeding \$1,000 should also therefore have been disclosed at Note 5.

¹ or a nil balance, as per the model financial statements

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or by email at stephen.kellett@fwc.gov.au.

Yours sincerely

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

From: KELLETT, Stephen
Sent: Thursday, 16 July 2015 12:37 PM
To: 'amou@amou.com.au'
Cc: 'Christine@amou.com.au'
Subject: Attention Mr Tim Higgs - financial reporting - y/e 31 Dec 2014 - filing

Dear Mr Higgs,

Please see attached my letter in relation to the above.



AMOU FR2014 428
(primary final).pdf

Yours sincerely

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6746 3283
(email) stephen.kellett@fwc.gov.au

From: Christine Russell [<mailto:Christine@amou.com.au>]
Sent: Friday, 10 July 2015 10:27 AM
To: Orgs
Subject: On CMS FR2014/428 AMOU FR2014/428 documents

FR2014/428

To whom it may concern

Please find attached the AMOU FWC Annual Officers Certificate and the AMOU Financial Statements Report 2014.





AMOU FWC annual
officers cert.pdf



Financial Statements
Dec 2014_Ref14230C

Yours faithfully
Christine Russell

Christine Russell | Administration Officer

Australian Maritime Officers Union | 🏢 Suite 1, Level 5, 377 Sussex Street,
SYDNEY NSW 2000 | ✉ PO Box 407 HAYMARKET NSW 1240 | ☎ 02 9264 2388 | 📄 02
9267 4766 | admin@amou.com.au | | Follow us on  and 

FAIR WORK AUSTRALIA

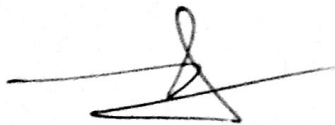
FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

DESIGNATED OFFICER'S CERTIFICATE
s. 268 Fair Work (Registered Organisations) Act 2009

FR2014/428

I, Tim Higgs, being the President of the Australian Maritime Officers' Union certify:

1. that the documents lodged herewith are copies of the full report referred to in s.265 of the Act;
2. the full report was published on the AMOU website on 28 May 2015;
3. a Notice of Meeting for Executive Council Report was sent by mail to members on 28 May 2015;
4. the Notice of Meeting for Executive Council Report informed members that the full report was available on the AMOU website and that members could contact the AMOU and request a printed copy of the full report which would be posted to their address; and
3. that the full report was presented to members at the Meeting for Executive Council Report of the reporting unit on 25, 29 and 30 June 2015 in accordance with s.266 of the Act.



Tim Higgs
President
Australian Maritime Officers' Union

Dated: 9th July 2015



AUSTRALIAN MARITIME OFFICERS' UNION

A.B.N. 56 181 230 800

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2014**

AUSTRALIAN MARITIME OFFICERS' UNION

A.B.N. 56 181 230 800

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AUSTRALIAN MARITIME OFFICERS' UNION

A.B.N. 56 181 230 800

OPERATING REPORT

Your Executive Council present their report on the Australian Maritime Officers' Union (the "Union") for the financial year ended 31 December 2014.

Union Officials

The names of the officials in office at any time during the financial year and up to the date of this report are:

Moore, W *	President
Higgs, T *	Vice President (Appointed on 18th November 2014)
Ellis, K *	Vice President (Resigned on 18th November 2014)
Hunter, N *	Southern Area President
Heyne, A *	Western Area President
Stone, G *	Southern Area Vice President
Dolan, P *	Western Area Vice President
Midgley, S *	Eastern Area Vice President
Groves, S *	Southern Area Secretary
Pearson, D	Western Area Secretary
Barnes, R *	Eastern Area Secretary
Bullock, K *	National Delegate
Wild, A *	National Delegate
Higgs, T *	Offshore Delegate
McDonald, J *	Offshore Delegate
Dorron, D *	Port Delegate

** Honorary officials*

The Union Officials have been in office since the start of the financial year to the date of this report unless otherwise stated. During the year, all Union officials attended the council meeting with no apologies.

Review of operations

The deficit of the Union for the financial year amounted to \$176,482 (2013 surplus: \$353,638).

The number of members of the Union at 31 December 2014 was 2,055 full members, 131 deferred members, 649 associate members and 15 life members.

The number of employees of the union at the end of the financial year was 9 full time employees and 4 part time employees.

The right of members to resign from the organisation is set out in Section 8 of the Union Rules.

Significant Changes in State of Affairs

No significant changes in the Union's state of affairs occurred during the financial year.

AUSTRALIAN MARITIME OFFICERS' UNION

A.B.N. 56 181 230 800

OPERATING REPORT

Principal Activities

The principal activity of the Union during the financial year was the provision of trade union services to its members. The objectives of the Union are set out in Section 4 of the Rules. No significant changes in the nature of these activities occurred during the year.

Events Subsequent to the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Union, the results of those operations or the state of affairs of the Union in future financial years.

The Union's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Indemnification of Officers

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 Union.

Proceedings on behalf of the Union

No person has applied for leave of court to bring proceedings on behalf of the Union or intervene in any proceedings to which the Union is a party, for the purpose of taking responsibility on behalf of the Union for all or any part of those proceedings.

Superannuation Fund Office Holders

No officer or member of the Union is a trustee (or a director of a company that is a trustee) of a superannuation entity, where a criteria for them being a trustee (or a director) is that they are an officer or member of the Union.

Auditors' Independence Declaration

The auditors' independence declaration for the year ended 31 December 2014 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Executive Council.



Wayne Moore
President

Signed at Sydney this 18th day of March 2015

Principal: David Robinson MCom BEc FCA CTA

Level 3, 2 Bulletin Place
Circular Quay, Sydney NSW 2000

Postal Address: GPO Box 4605
Sydney NSW 2001 Australia

Telephone: 02 9247 2227

Facsimile: 02 9247 8550

E-mail: mail@harveys.com.au

Internet: www.harveys.com.au



AUDITOR'S INDEPENDENCE DECLARATION TO THE EXECUTIVE COUNCIL OF AUSTRALIAN MARITIME OFFICERS' UNION

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2014, there have been:

- i. no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Harveys Accountants

David P. Robinson, FCA

Principal

Approved Auditor

Member of The Institute of Chartered Accountants in Australia

Level 3, 2 Bulletin Place
Sydney, NSW 2000

Dated this 18th day of March 2015

AUSTRALIAN MARITIME OFFICERS' UNION

A.B.N. 56 181 230 800

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$	2013 \$
Revenue	2	2,534,256	2,809,865
Other income	2	86,098	114,247
Employee benefits expense	3	(1,886,419)	(1,840,618)
Depreciation and amortisation expenses	4	(39,798)	(40,453)
Other expenses from ordinary activities	5	(870,618)	(689,403)
Current year (deficit)/surplus before income tax		(176,481)	353,637
Income taxes		-	-
Current year (deficit)/surplus		(176,481)	353,637
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss:			
Gain on revaluation of property	9	444,000	-
		<u>444,000</u>	<u>-</u>
Items that may be reclassified subsequently to profit and loss:			
Net fair value gain on available-for-sale investments during the year		91,798	89,710
		<u>91,798</u>	<u>89,710</u>
Other comprehensive income for the year		<u>535,798</u>	<u>89,710</u>
Total comprehensive income for the year		<u>359,317</u>	<u>443,347</u>
Total comprehensive income attributable to:			
Members of the Union		<u>359,317</u>	<u>443,347</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN MARITIME OFFICERS' UNION

A.B.N. 56 181 230 800

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	357,675	700,070
Trade and other receivables	7	115,487	197,328
TOTAL CURRENT ASSETS		473,162	897,398
NON-CURRENT ASSETS			
Investments	8	1,867,246	1,733,452
Property, plant and equipment	9	2,341,114	1,901,201
Intangibles	10	19,100	28,650
TOTAL NON-CURRENT ASSETS		4,227,460	3,663,303
TOTAL ASSETS		4,700,622	4,560,701
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	167,706	186,679
Short term provisions	12	452,631	502,010
TOTAL CURRENT LIABILITIES		620,337	688,689
NON-CURRENT LIABILITIES			
Long term provisions	12	233,073	384,115
TOTAL NON-CURRENT LIABILITIES		233,073	384,115
TOTAL LIABILITIES		853,409	1,072,804
NET ASSETS		3,847,213	3,487,897
MEMBERS' FUNDS			
Retained funds		1,998,863	2,175,345
Cumulative changes in fair value		224,246	132,448
Asset revaluation reserve		1,624,104	1,180,104
TOTAL MEMBERS' FUNDS		3,847,212	3,487,897

The accompanying notes form part of these financial statements.

AUSTRALIAN MARITIME OFFICERS' UNION

A.B.N. 56 181 230 800

STATEMENT OF CHANGES IN MEMBERS' FUNDS AS AT 31 DECEMBER 2014

	Asset Revaluation Reserve \$	Cumulative Change in Fair Value \$	Retained Funds \$	Total Funds \$
Balance at 1 January 2013	1,180,104	42,738	1,821,707	3,044,549
Surplus for the year	-	-	353,637	353,637
Other comprehensive income for the year	-	89,710	-	89,710
Total comprehensive income for the year	-	89,710	353,637	443,347
Balance at 31 December 2013	1,180,104	132,448	2,175,344	3,487,896
(Deficit) for the year	-	-	(176,481)	(176,481)
Other comprehensive income for the year	444,000	91,798	-	535,798
Total comprehensive income for the year	444,000	91,798	(176,481)	359,317
Balance at 31 December 2014	1,624,104	224,246	1,998,863	3,847,212

The accompanying notes form part of these financial statements.

AUSTRALIAN MARITIME OFFICERS' UNION

A.B.N. 56 181 230 800

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		2,599,319	2,692,419
Interest received		17,255	39,682
Other income received		-	6,094
Payments to suppliers and employees		(2,957,064)	(2,364,968)
Net cash flows (used in)/from operating activities	22	<u>(340,490)</u>	<u>373,227</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of investments		(850,996)	(886,109)
Proceeds from maturity of term deposits		435,273	-
Investment income received		66,251	70,358
Proceeds from sale of investments		373,728	588,061
Purchase of property, plant and equipment and intangible assets		(26,161)	(22,968)
Net cash flows (used in) investing activities		<u>(1,905)</u>	<u>(250,659)</u>
Net (decrease)/increase in cash and cash equivalents held		(342,395)	122,568
Cash and cash equivalents at beginning of the year		700,070	577,502
Cash and cash equivalents at end of the year	22	<u>357,675</u>	<u>700,070</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN MARITIME OFFICERS' UNION

A.B.N. 56 181 230 800

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover the Australian Maritime Officers' Union (the "Union") as an individual entity. The Union is a registered Trade Union pursuant to the federal legislation 'Fair Work (Regulated Organisations) Act 2009' and is domiciled in Australia.

The financial statements were authorised for issue on the 18th day of March 2015 by the Executive Council.

Basis of Preparation

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Union is a not-for-profit entity.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS) as issued by the IASB. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable by the measurement at fair value of selected non-current assets and financial assets. All amounts are presented in Australian dollars (\$).

Accounting Policies

a) Income tax

No provision for income tax is necessary as "Trade Unions" are exempt from income tax under section 50-15 of the Income Tax Assessment Act 1997.

b) Property, plant and equipment

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

Property

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

AUSTRALIAN MARITIME OFFICERS' UNION

A.B.N. 56 181 230 800

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Property, plant and equipment (cont'd)

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income and accumulated within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

Freehold land is not depreciated.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by officials to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Union and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Depreciation is recognised in the statement of profit or loss.

The depreciation rates used for each class of depreciable assets are:

Class	Rates
Buildings	2.5% - Straight-line method
Office furniture & equipment	4-67% - Diminishing balance method
Library	10% - Diminishing balance method

AUSTRALIAN MARITIME OFFICERS' UNION

A.B.N. 56 181 230 800

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Property, plant and equipment (cont'd)

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss.

c) Intangible assets

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

d) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Union commits itself to either purchase or sell the asset.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to the statement of profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled between knowledgeable and willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition, less principal repayments, plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method, less any reduction for impairment.

AUSTRALIAN MARITIME OFFICERS' UNION

A.B.N. 56 181 230 800

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Financial instruments (cont'd)

Classification and subsequent measurement (cont'd)

The effective interest method is used to allocate interest income or expenses over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when they cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset. Revisions to the expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of income or expense in profit or loss.

The Union does not designate any interests in subsidiaries as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains and losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Union's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity, nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

AUSTRALIAN MARITIME OFFICERS' UNION

A.B.N. 56 181 230 800

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Financial instruments (cont'd)

Classification and subsequent measurement (cont'd)

(iv) *Available-for-sale financial assets (cont'd)*

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains and losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Impairment

At the end of each reporting period, the Union assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account, or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would have otherwise been past due or impaired have been renegotiated, the Union recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

AUSTRALIAN MARITIME OFFICERS' UNION

A.B.N. 56 181 230 800

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Financial instruments (cont'd)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire, or the asset is transferred to another party whereby the Union no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

e) Impairment of assets

At the end of each reporting period, the Union assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

f) Employee benefits

Short-term obligations

Provision is made for the Union's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Union's obligations for short-term employee benefits, such as wages, salaries and sick leave, are recognised as a part of current trade and other payables in the statement of financial position.

Other Long-term obligations

The Union classifies employees' long service leave and annual leave entitlements as other long-term employee benefits, as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Union's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f) Employee benefits (cont'd)

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the Union receive defined contribution superannuation entitlements, for which the Union pays the fixed superannuation guarantee contribution to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Union's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Union's statement of financial position.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Union recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

g) Employee Retention Incentive Provision

Employees with greater than 15 years service are entitled to a service termination payment of one week for every year of service, in addition to their standard Notice of Termination payment. This scheme was introduced in the 2006 financial year with the primary purpose of maintaining key personnel. The provision includes relevant on-costs.

h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. When bank overdraft facilities are used, the overdraft would be shown within short-term borrowings in current liabilities in the statement of financial position.

i) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. The difference between the amount initially recognised, and the amount ultimately received, is interest revenue.

The Union recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Union, and specific criteria have been met for each of the Union's activities, as described below;

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i) Revenue and other income (cont'd)

(i) *Subscription fees and levies*

Revenues from subscription fees and levies are recognised when no significant uncertainty as to its collectability exists.

The Union membership year runs from January to December. A subscription payment form is sent to members in December, and all subscriptions must be paid by 30 September of the following year for the member to remain 'financial' for that year. Membership subscriptions are not paid in advance.

(ii) *Sale of goods*

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

(iii) *Donations and grants*

Donations are recognised as revenue when received, unless they are designated for a specific purpose, where they are carried forward as prepaid income on the statement of financial position.

When a grant revenue is received, whereby the Union has the obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor. Otherwise, the grant is recognised as income on receipt.

(iv) *Interest revenue*

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

(v) *Investment income*

Investment income is recognised when the right to receive the income has been established.

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

j) Trade and other receivables

Trade and other receivables include amounts due from member contributions as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Union during the reporting period which remain unpaid. The balance is recognised as a current liability, with the amounts normally paid within 30 days of recognition of the liability.

l) Goods and services tax

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

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

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of the investing and financing activities, which are disclosed as operating cash flows.

m) Critical accounting estimates and judgments

The officials evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Union.

Key estimates and judgments

Impairment

The Union assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions. There is no impairment in the accounts for this year.

Valuation of freehold land and buildings

At 31 December 2014, the Council have performed a valuation on freehold land and buildings. The directors have reviewed the key assumptions adopted by the valuers and do not believe there has been a significant change in the assumptions at 31 December 2014. They directors believe the carrying amount of the land correctly reflects the fair value less cost to sell at 31 December 2014.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

m) Critical accounting estimates and judgments (cont'd)

Available-for-sale investments

The Union maintains a portfolio of securities with a carrying amount of \$1,717,246 at the end of the reporting period (2013: \$1,148,179). Certain individual investments have declined in value recently by up to 5%. The Executive Council does not believe this decline constitutes a significant or prolonged decline below cost at this stage, and hence no impairment has been recognised. Should share values decline to a level which is in excess of 20% below cost, or should prices remain at levels below cost for a period in excess of 12 months, the Executive Council has determined that such investments will be considered impaired in the future.

n) Comparative figures

When the Union changes the presentation or classification of items in its financial statements, comparative amounts shall be reclassified unless the reclassification is impracticable.

When comparative amounts are reclassified, the following are disclosed:

- (a) the nature of the reclassification;
- (b) the amount of each item or class of items that are reclassified; and
- (c) the reason for the reclassification.

When it is impracticable to reclassify comparative amounts, the reason for not reclassifying the amounts is disclosed.

o) Fair Value of Assets and Liabilities

The Union measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

"Fair value" is the price the Union would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie, unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the Union at the end of the reporting period (ie, the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use, or to sell it to another market participant that would use the asset in its highest and best use.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

o) Fair Value of Assets and Liabilities (cont'd)

The fair value of liabilities and the Union's own equity instruments (if any) may be valued where there is no observable market price in relation to the transfer of such financial instrument by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

p) New and Amended Accounting Policies

AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities

This Standard provides clarifying guidance relating to the offsetting of financial instruments and does not impact the not-for-profit Union's financial statements.

AASB 2013-4: Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting

AASB 2013-4 makes amendments to AASB 139: Financial Instruments: Recognition and Measurement to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations.

This Standard is not expected to significantly impact the Union's financial statements.

AASB 2013-6: Amendments to AASB 136 arising from Reduced Disclosure Requirements

This Standard amends the reduced disclosure requirements in AASB 136: Impairment of Assets in light of amendments made by AASB 2013-3: Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets pertaining to the use of fair value in assessment of impairment. Since there has been no impairment testing in the current financial year, the adoption of this Standard has no impact on the Union's financial statements.

Interpretation 21: Levies

Interpretation 21 clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date, or progressively over a period of time.

This Interpretation is not expected to significantly impact the Union's financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	\$	\$
2 Revenue		
Members' contributions	2,534,256	2,809,865
Capitation fees	-	-
Grants or donations	-	-
Receipts from other reporting units	-	-
Levies	-	-
	<u>2,534,256</u>	<u>2,809,865</u>
Other income		
Interest income	17,255	37,795
Income from managed investments	66,515	70,358
Sundry income	2,328	6,094
	<u>86,098</u>	<u>114,247</u>
3 Employee Benefit Expenses		
STAFF		
Salaries and wages	1,090,335	1,153,169
Superannuation contributions	256,941	223,186
Annual leave entitlement	44,046	16,981
Long service leave entitlement	28,497	7,367
Retention incentive entitlement	11,182	25,501
Employee on cost entitlement	6,667	15,761
Separation and redundancies	-	5,546
	<u>1,437,669</u>	<u>1,447,510</u>
OFFICIALS		
Salaries and wages	311,305	299,514
Superannuation contribution	64,125	58,405
Annual leave entitlement	27,639	13,687
Long service leave entitlement	5,794	7,738
Retention incentive entitlement	2,275	8,604
Employee on cost entitlement	13,614	5,160
Separation and redundancies	24,001	-
	<u>448,751</u>	<u>393,108</u>
TOTAL	<u>1,886,419</u>	<u>1,840,618</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	\$	\$
4 Depreciation and amortisation		
Depreciation		
Land and Building	11,500	11,500
Plant and equipment	18,748	19,403
Total depreciation	<u>30,248</u>	<u>30,903</u>
Amortisation		
Intangibles	9,550	9,550
Total amortisation	<u>9,550</u>	<u>9,550</u>
TOTAL	<u><u>39,798</u></u>	<u><u>40,453</u></u>
5 Other expenses from ordinary activities		
Affiliation fees		
Australian Council of Trade Unions	10,295	11,940
ITF Seafarers	616	4,637
SA Unions	702	714
Union Shopper	2,356	2,310
Union NSW	834	1,084
Union WA	1,834	2,223
ITF London	5,283	-
	<u>21,920</u>	<u>22,908</u>
Auditor's remuneration		
Audit fees	13,450	13,000
Other services	13,566	14,100
	<u>27,016</u>	<u>27,100</u>
Conferences and meeting expenses	14,007	11,343
Donations (\$1,000 or less only)	1,750	950
Fees/allowances - conferences and meetings	-	2,850
Legal costs - other matters	110,271	25,146
Consideration to employees for payroll deduction	-	-
Capitation fees paid	-	-
Compulsary levies paid	-	-
Penalties-via RO Act or RO Regulation	-	-
Others	695,654	599,106
	<u><u>870,618</u></u>	<u><u>689,403</u></u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013		
	\$	\$		
6 Cash and cash equivalents				
Cash on hand	1,000	1,000		
Cash management account	198,268	595,447		
Sydney branch account	11,225	20,024		
Melbourne branch account	-	1,283		
Fremantle branch account	1,295	1,590		
EFT deposit account	15,012	10,195		
Macquarie cash management account	130,875	70,531		
	357,675	700,070		
7 Trade and other receivables				
Trade receivables	90,736	172,681		
Prepaid expenses	15,848	16,008		
Accrued interest receivable	8,903	8,639		
	115,487	197,328		
8 Investments				
Available-for-sale investments	1,717,246	1,148,179		
Term deposits held	150,000	585,273		
	1,867,246	1,733,452		
9 Property, plant and equipment				
	<i>Land and buildings</i>	<i>Office furniture and equipment</i>	<i>Library</i>	<i>Total</i>
Carrying amount at 1/1/2013	1,847,000	60,893	1,243	1,909,136
Additions	-	22,968	-	22,968
Depreciation expense	(11,500)	(19,279)	(124)	(30,903)
Carrying amount at 31/12/2013	1,835,500	64,582	1,119	1,901,201
Carrying amount at 1/1/2014	1,835,500	64,582	1,119	1,901,201
Revaluation increase	444,000	-	-	444,000
Additions through acquisitions	-	26,161	-	26,161
Depreciation expense	(11,500)	(18,636)	(112)	(30,248)
Carrying amount at 31/12/2014	2,268,000	72,107	1,007	2,341,114

Land and buildings are stated at fair value, which has been determined based on market appraisal and adopted by the Council.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	\$	\$
10 Intangibles		
Website Forum at cost	11,200	11,200
Less: Accumulated Amortisation	(5,600)	(2,800)
	5,600	8,400
Unison Database	27,000	27,000
Less: Accumulated Amortisation	(13,500)	(6,750)
	13,500	20,250
	19,100	28,650
11 Trade and other payables		
CURRENT		
Trade payables	44,353	34,973
Income in advance	38,355	55,236
GST payable	24,866	26,102
Payroll liabilities	40,933	38,189
Accrued charges	19,200	18,749
Consideration to employers for payroll deduction	-	-
Payable to other reporting units	-	-
Accrued legal costs	-	13,430
	167,706	186,679
12 Provisions		
CURRENT		
Provision for annual leave		
Officials	28,992	161,793
Employees	423,638	340,217
Provision for separation and redundancies	-	-
Others	-	-
	452,631	502,010
NON-CURRENT		
<i>Officials</i>		
Provision for long service leave	13,702	73,240
Provision for retention incentive	-	132,989
Provision for separation and redundancies	-	-
Others	-	-
<i>Employees</i>		
Provision for long service leave	133,331	104,386
Provision for retention incentive	86,040	73,500
Provision for separation and redundancies	-	-
Others	-	-
	233,073	384,115

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	\$	\$
12 Provisions (Cont'd)		
CURRENT		
Aggregate employee entitlement liability	685,703	886,125
Number of employees at year end were:	14	14

A provision has been recognised for employee benefits relating to holiday leave, long service leave and termination entitlements for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data.

No provision for separation or redundancies was made during the financial year.

13 Officials' remuneration

The aggregate remuneration received by Officials from the Union during the year was \$518,984.

The number of officials whose income from the Union, or any related parties, was within the following

Opening		Closing	No.
\$140,000	-	\$149,999	1
\$170,000	-	\$179,999	1
\$190,000	-	\$199,999	1

The names of the Officials who have held office during the financial year and up to the date of the report are:

S. Groves
D. Pearson
T. Higgs

15 Key management personnel compensation

There was no remuneration paid to the Key Management Personnel (KMP) of the Union. The KMP acts on a volunteer basis and receives no allowance.

16 Financial risk management

The Union's financial instruments consist of deposits with banks, listed shares and equities and trade receivables and payables.

The total for each category of financial instruments, measured in accordance with AASB 139, as detailed in the accounting policies to these financial statements, are as follows:

	2014	2013
	\$	\$
(a) Cash and cash equivalents	357,675	700,070
Term deposits held	150,000	585,273
Trade and other receivables	115,487	197,328
Available-for-sale investments	1,717,246	1,148,179
Total financial assets	<u>2,340,408</u>	<u>2,630,850</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	\$	\$
16 Financial risk management (cont'd)		
Trade and other payables	167,706	186,679
Total financial liabilities	<u>167,706</u>	<u>186,679</u>

(b) Fair Values:

i) For listed available-for-sale financial assets, the fair values have been based on closing quoted bid prices at the end of the reporting period

ii) Fair values of held-to-maturity investments are based on quoted market prices at the end of the reporting period.

iii) Fair values of other assets and liabilities approximate their carrying values at the end of the reporting period.

(c) Credit Risk and Liquidity Risk

The Union does not have material exposure to credit risk. No large concentration of debtors exist. Inactive debtors are classified as unfinancial and are suspended until such time all arrears are collected.

The Union is liquid and is not exposed to material liquidity risk that will significantly affect the ability to continue as a going concern.

(d) Equity price risk

Equity price risk arises from available-for-sale equity securities held by the union. Management monitors the mix of debt and equity securities in its investment portfolio based on market indices. The Union is assisted by external advisors in this regard.

The primary goal of the Union's investment strategy is to maximise investment returns in order to meet partially the unfunded employee entitlement costs.

(e) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Union's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Union's operations.

The Union's objective is to manage operational risk so as to balance the avoidance of financial losses and damages to the Union's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

16 Financial risk management (cont'd)

(e) Operational risk (cont'd)

The primary responsibility for the development and implementation of controls to address operational risk is assigned to the Executive Council. This responsibility is supported by the development of overall Union standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties wherever possible, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective

Compliance with Union standards is supported by regular meetings undertaken by the Committee. The Union's standards are documented in the 'Union Rules'.

17 Events after the reporting period

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

18 Related party transactions

The Executive Council receives an allowance for attending meetings of the Council. The aggregate allowance received by the Officials can be found in Note 3.

There were no other related party transactions during the reporting period.

19 Information to be provided to Members or General Manager under Section 272, of the Fair Work (Registered Organisations) Act 2009.

(1) A member of a reporting unit, or the General Manager, 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 the application made under subsection (1).

Note: The subsection is a civil penalty provision (see section 305).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

20 Information required under the Reporting Guidelines for the purposes of Section 253, of the Fair Work (Registered Organisations) Act 2009.

(1) There was no recovery of wages activity undertaken by the Union during the financial year (2013: Nil).

(2) The Union does not keep any special funds for any specific purpose (2013: Nil).

(3) The Union is liquid and does not rely on other entities to continue as a going concern. No financial support was received or given to/from other entities during or since the end of financial year (2013: Nil).

(4) The Union did not acquire any assets or liabilities during the financial year (2013: Nil) as a result of amalgamation, restructuring of branches, business combination or determination and revocation by the General Manager.

21 Union details

The registered office and the principal place of business of the Union are located at:

Suite 1

Level 5, 377 Sussex Street,
SYDNEY, NSW, 2000

22 Cash flow Information

(a) Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2014	2013
	\$	\$
Cash on hand	1,000	1,000
Cash management account	198,268	595,447
Sydney branch account	11,225	20,024
Other branch accounts	1,295	2,873
EFT deposit account	15,012	10,195
Macquarie cash management account	130,875	70,531
	<u>357,675</u>	<u>700,071</u>

(b) Reconciliation of cash flows from operations to profit after tax

Operating profit	(176,482)	353,637
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Non cash flows in profit from ordinary activities:

Amortisation expense	9,550	9,550
Depreciation expense	30,248	30,903
Realised (gain) from investment	(66,515)	(70,358)

Changes in assets and liabilities:

(Increase) in trade and other receivables	82,105	(157,807)
Increase/(decrease) in provision for employee entitlements	(200,423)	100,799
Increase/(decrease) in trade and other payables	(18,973)	97,023
Increase/(decrease) in goods and services tax liability	-	9,479

Cash provided by/(used in) operations	<u>(340,490)</u>	<u>373,226</u>
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(c) Cash Flow Information

There are no cash inflows and cash outflows from any other entities controlled by the Union.

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EXECUTIVE COUNCIL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

On 18th of March 2015, the Executive Council of the Australian Maritime Officers' Union (the "Union") passed the following resolution in relation to the general purpose financial reports (GPFR) of the Union for the financial year ending 31 December 2014.

In accordance with the resolution of the Executive Council, we state that in the opinion of the council:

- (a) the financial statements and notes comply with the Australian Accounting Standards.
- (b) the financial statements and notes comply with the reporting guidelines as issued by the General Manager of Fair Work Australia;
- (c) the accompanying financial statements and notes are drawn up so as to give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year ended 31 December 2014;
- (d) there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the financial statements relate and since the end of the year:
 - (i) meetings of the Executive Council of the Union were held in accordance with the rules of the Union, including the rules of any branch concerned; and
 - (ii) the financial affairs of the Union have been managed in accordance with the rules of the Union, including the rules of any branch concerned; and
 - (iii) the financial records of the Union have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
 - (iv) to the knowledge and belief of the Executive Council, during the financial year to which the financial report relates, there have been no instances where records of the organisation or other documents or copies of those records or other documents, have not been furnished, or made available to members of the organisation or the Registrar in accordance with section 272 of the Fair Work (Registered Organisations) Act 2009
 - (v) where the Union consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the Union; and
 - (vi) with regard to funds of the organisation raised by the compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated; and
 - (vii) no orders have been made by the General Manager under section 273 of the *Fair Work (Registered Organisations) Act 2009* during the period.
- (f) there was no recovery of wages activity undertaken by the Union during the financial year

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



Wayne Moore

President

For the Executive Council

Signed at SYDNEY this 18th day of March 2015



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN MARITIME OFFICERS' UNION

Report to the Financial Report

We have audited the accompanying financial report of Australian Maritime Officers' Union (the "Union"), which comprises the statement of financial position as at 31 December 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification by members of the Executive Council on the annual statements giving a true and fair view of the financial position of the Union.

Executive Council's Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN MARITIME OFFICERS' UNION -
continued**

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001* and APES 110 - Code of Ethics for Professional Accountants.

Opinion

As part of the audit of the financial statements, we have concluded that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

In our opinion; the financial report of Australian Maritime Officers' Union gives a true and fair view of the Union's financial position as at 31 December 2014, and of its performance for the year ended on that date and is presented fairly in accordance with:

- i. the 'Fair Work (Registered Organisations) Act 2009' and
- ii. the 'Australian Accounting Standards'

In accordance with the Reporting Guidelines for the purposes of Section 253, the following declarations are made in reference to the auditor, who:

- i. is a registered company auditor and a director of Harveys Accounting Pty
- ii. is a fellow of the Institute of Chartered Accountants in Australia, and holds a current Public Practice Certificate.

Harveys Accountants



David P. Robinson, FCA
Principal

Level 3, 2 Bulletin Place
Sydney, NSW 2000

Dated this 18th day of March 2015

AUSTRALIAN MARITIME OFFICERS' UNION

A.B.N. 56 181 230 800

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	\$	\$
MEMBERSHIP INCOME		
Subscriptions, levies and joining fees	2,534,255	2,809,864
OTHER INCOME		
Sundry income	2,328	6,094
	2,328	6,094
TOTAL OPERATING INCOME	2,536,583	2,815,958
EXPENSES		
Advertising	(58)	2,829
Advisory fees	20,000	20,000
Affiliation fees	21,920	22,908
Accounting and audit fees	27,016	28,419
Amortisation	9,550	9,550
Bank charges	15,261	17,536
Conference and meeting expenses	14,007	11,343
Consultants fees	5,737	7,793
Computer software and maintenance	2,994	5,522
Delegate fees and expenses	1,483	-
Depreciation	30,248	30,903
Donation expenses	1,750	950
Electricity and gas	7,931	9,674
Employee amenities	7,231	2,498
Equipment write-off	5,812	1,053
Flowers and gifts	2,397	2,627
General expenses	98	51
Insurance	51,019	22,325
Legal costs	110,271	25,146
Library services and publications	11,240	9,163
Payroll tax	74,286	45,862
Permits	-	363
Postage	10,825	12,006
Printing and stationery	28,791	27,184
Annual leave expense	71,685	30,668
Long service leave expense	34,290	15,104
Employee entitlement - on cost	20,281	20,922
Incentive provision expense	13,457	34,105
Rates and taxes, branch properties	16,835	10,632
Refunds	4,181	4,219
Rejected DD payment	5,065	520
Rent and cleaning	81,440	76,864

AUSTRALIAN MARITIME OFFICERS' UNION

A.B.N. 56 181 230 800

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	\$	\$
Repairs and maintenance	34,547	30,596
Salaries	1,425,641	1,458,229
Staff training	(152)	1,595
Superannuation	321,065	281,591
Telephone and internet	23,478	53,370
Travelling expenses	285,213	236,353
TOTAL EXPENSES	<u>2,796,838</u>	<u>2,570,474</u>
OPERATING (DEFICIT)/SURPLUS	<u>(260,253)</u>	<u>245,485</u>
NON-OPERATING INCOME		
Interest income	17,255	37,795
Income from managed investments	66,515	70,358
TOTAL NON-OPERATING INCOME	<u>83,770</u>	<u>108,153</u>
NET PROFIT	<u>(176,482)</u>	<u>353,638</u>
OTHER COMPREHENSIVE INCOME		
Change in fair value of property, plant & equipment	444,000	-
Change in fair value of available-for-sale investments	91,798	89,710
TOTAL OTHER COMPREHENSIVE INCOME	<u>535,798</u>	<u>89,710</u>
TOTAL COMPREHENSIVE INCOME	<u>359,316</u>	<u>443,348</u>



12 June 2015

Captain Wayne Stephen Moore
President
The Australian Maritime Officers' Union
Sent via email: amou@amou.com.au

Dear Captain Moore,

Lodgement of Financial Report - Reminder to lodge on or before 15 July 2015

The Fair Work Commission's (the FWC) records disclose that the financial year of The Australian Maritime Officers' Union (the reporting unit) ended on the 31 December 2014.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the completion of the financial reporting process is six months and 14 days after the expiry date of its financial year (s.253, s254, s265, s.266, s.268). For your reporting unit that requires lodgement of its financial report on or before **15 July 2015, and in any event no later than 14 days after the relevant meeting.**

The FWC encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the General Manager instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the General Manager following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$51,000 per contravention on the organisation and up to \$10,200 per contravention on the individual officer.

We encourage you to lodge the full financial report directly to orgs@fwc.gov.au. That is the official email address for electronic lodgements of material related to registered organisations matters.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7936 or via email at robert.pfeiffer@fwc.gov.au.

Yours sincerely,

Robert Pfeiffer
Senior Adviser
Regulatory Compliance Branch



13 January 2015

Captain Wayne Stephen Moore
President
The Australian Maritime Officers' Union
Sent via email: amou@amou.com.au

Dear Captain Moore,

**Re: Lodgement of Financial Report - [FR2014/428]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of The Australian Maritime Officers' Union (the reporting unit) ended on 31 December 2014.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date, namely 15 July 2015 (being the expiry date of 6 months and 14 days from the end of the financial year), under s.268 of the RO Act.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Further, the General Manager's updated Reporting Guidelines that apply to all financial reports prepared on or after 30 June 2014 are also available on the website which includes a webinar presentation on the Reporting Guidelines.

The Fair Work Commission has also developed a model set of financial statements. There is no requirement to use this model but it may be a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. All of the above information can be accessed through our website under [Financial Reporting](#).

I request that the financial report and any statement of loans, grants or donations made during the financial year (statement must be lodged within 90 days of end of financial year) be emailed, rather than posted, to orgs@fwc.gov.au. A sample statement of loans, grants or donations is available at [sample documents](#).

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$51,000 for a body corporate and \$10,200 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7936 or via email at robert.pfeiffer@fwc.gov.au.

Yours sincerely,

Robert Pfeiffer
Senior Adviser
Regulatory Compliance Branch

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
<p>(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.</p> <p>(b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).</p>	/ /	As soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<p>Within a reasonable time of having received the GPFR</p> <p>(NB: Auditor's report must be dated on or after date of Committee of Management Statement</p>
<p>Provide full report free of charge to members – s265</p> <p>The full report includes:</p> <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /	<p>(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,</p> <p>or</p> <p>(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.</p>
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.