



24 November 2014

Mr Russ Collison
Branch Secretary
Greater New South Wales Branch
The Australian Workers' Union
rcollison@awu-nsw.asn.au

CC: Alan Fraser Lovatt, auditor, c/- nigel@gsaccountants.com.au
CC: Wendy Chen, wchen@awu-nsw.asn.au

Dear Mr Collison,

**The Australian Workers' Union - Greater New South Wales Branch
Financial Report for the year ended 30 June 2014 - [FR2014/219]**

I acknowledge receipt of the financial report of The Australian Workers' Union - Greater New South Wales Branch. The documents were lodged with the Fair Work Commission on 24 October 2014. Further information was received on 24 November 2014.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

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 30 June 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. The Fair Work Commission will confirm these concerns have been addressed prior to filing next year's report.

Notes to the financial statements

Application of Tier 1 reporting requirements

Paragraph 8 of the Reporting Guidelines states *'it is a requirement that all reporting units apply the Tier 1 reporting requirements as per the Australian Accounting Standard AASB 1053 Application for Tiers of Australian Accounting Standards'*. The notes to the financial statements state that the branch 'applies Tier 1 reporting requirements (Australian Accounting Standards - Reduced Disclosure Requirements) as set out in AASB 1053'. The reduced disclosure requirements are Tier 2 reporting. A registered organisation is required to undertake tier 1 reporting.

The requirement for tier 1 reporting was raised with the branch last year. The note is ambiguous in that it appears to identify both Tiers. However, the correspondence from the auditor on 24 November 2014 confirmed the unit had employed Tier 1 reporting. Please correct the note to remove the error.

Revenue recognition

The Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 117 and *AASB 118: Revenue* paragraph 35(a) requires that the entity must disclose the measurement basis or bases used in recognising revenue.

The accounting policy for member subscriptions for the branch has not been disclosed.

There is a note within the revenue policies that seems to apply to sustentation income. While sustentation is not apparent within the statements, the note would indicate that it is being recognised on a cash basis ('on a receipt basis'). The accounts must be presented in an accruals basis.

Auditor's Statement

The Auditor's Statement includes an outdated reference to the RAO Schedule. Please ensure that this is corrected to the *Fair Work (Registered Organisations) Act 2009*.

The Auditor's Statement is also dated 17 September 2014. The designated officer's certificate states that the report was provided to members on 16 September 2014. The designated officer's certificate also declares that a copy of the auditor's statement was provided to the members. If these dates are correct the auditor's statement was not provided to the members *with* the financial report. Section 265 requires that a copy of the full report is provided to members. This full report includes the auditor's statement. Therefore the Operating Report, the General Purpose Financial Report and the Auditor's Statement should be provided simultaneously. As such, the reports should not be provided to members prior to the auditor's statement being signed.

Please ensure next year, that the Auditor's report is signed and dated between the passing of the Committee of management resolution and the providing of the report to the members.

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 guideline 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](#).

If you have any queries regarding this letter, please contact me on (03) 8661 7974 or via email at catherine.bebbington@fwc.gov.au.

Yours sincerely



CATHERINE BEBBINGTON
Regulatory Compliance Branch

FAIR WORK COMMISSION

Tel: 03 8661 7974

Fax: 03 9655 0410

catherine.bebbington@fwc.gov.au

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

www.fwc.gov.au

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

19 November 2014

Fair Work Commission
Attention: Ms Catherine Bebbington

I have audited the Australian Workers' Union Greater New South Wales Branch, for the year ended 30 June 2014 based on Tier 1 requirements as set out in AASB 1053. The words appearing in the Financial Report for the year ended 30 June 2014 appearing on page 13, Note 1.1 (3rd paragraph) "Australian Accounting Standards – Reduced Disclosure Requirements)" is incorrect and should be deleted.



Alan Fraser Lovett – Registered Company Auditor

Signed on 19 November, 2014

**STRONGER
TOGETHER**

GREATER NEW SOUTH WALES BRANCH
New South Wales Registered Office
Level 2, 16-20 Good Street, Granville NSW 2142
PO Box 20, Granville NSW 2142
T: (02) 9897 3644 F: (02) 9897 1481
E: info@awu-nsw.asn.au W: www.nsw.awu.net.au
Members Hotline: 1300 763 223
RUSS COLLISON State Secretary



ABN 70 662 384 762

23rd October 2014

Fair Work Commission
Level 10 Terrace Tower
80 William Street
EAST SYDNEY NSW 2011

Via Email orgs@fwc.gov.au.

Dear Sir/Madam,

**RE: THE AUSTRALIAN WORKERS' UNION, GREATER NEW SOUTH WALES BRANCH
FINANCIAL STATEMENT FOR YEAR ENDING 30TH JUNE, 2014**

I certify that the enclosed copies of the general purpose financial report, Committee of Management statement, operating report, auditor's report, secretary's certificate of The Australian Workers' Union (AWU), Greater New South Wales Branch are copies of the documents were circulated and made available to members from 16th September 2014. A copy of the financial audit was also published on the AWU website.

The enclosed documents were subsequently brought to an Annual General Meeting of members held on 20th October 2014, and adopted.

Yours Sincerely,

Russ Collison
BRANCH SECRETARY

Enc. (1)



Australian Workers' Union
Greater New South Wales Branch

Operating Report

And

Financial Statements
For the year ended 30 June 2014

Auditor:
BGS & Associates Pty Limited
Level 1, 1 Bungan lane
Mona Vale NSW 2103
Phone: 02 9979 8502
Fax: 02 9999 2016
Email: nigel@bgsaccountants.com.au



TOGETHER

Contents

Operating Report	3
Branch Executive Committee Statement	6
Independent Auditor's Report	7
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Recovery of Wages Activity	12
Notes to the Financial Statements	13

**The Australian Workers' Union
Greater New South Wales Branch - ABN 70 662 384 762
Branch Executive Committee Operating Report and Statement
for the year ended 30 June 2014**

The Committee of Management for the Union is known as the Branch Executive Committee and presents on behalf of the reporting unit for the financial year ended 30 June 2014 in accordance with section 254 of the *Fair Work (Registered Organisations) Act 2009* (known as the "Fair Work RO Act").

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

The principal activities of the Union are to act on behalf of, and for the benefit of, members in respect of:

- negotiating enterprise agreements;
- varying State Awards;
- uphold the terms and conditions of employment agreements;
- assisting members in the resolution of disputes;
- representing members before industrial tribunals;
- representing members in unfair dismissals;
- training of delegates and members in workplace dispute resolution;
- assisting in the improvement of work, health and safety in the workplace;
- assisting members (including their carers and dependents) who have suffered or been injured in the course of their employment;
- providing additional membership benefits including journey cover insurance for financial members; and,
- workplace organising, recruitment, and public promotion of the interests of members.

The AWU continues to satisfactorily meet its stated objectives of the Union including the principal activities listed above. The Union has played a vital role in improving the terms and conditions of employment for members by renegotiating expiring enterprise agreements or establishing new agreements; ensured that these terms and conditions of employment were adhered to and where necessary were resolved at the Fair Work Commission. The introduction of journey insurance was a significant new benefit introduced to financial union members from the 1st July 2013. This cover was deemed necessary due to the draconian actions of the NSW Liberal Government that eliminated journey cover benefit from the *NSW Workers Compensation Act*.

There were no significant changes to the activities of the organisation during the financial year.

Operating Results

The net surplus for the financial year amounted \$840,925 (2012/13 period was \$84,173).

Significant Change in Financial Affairs

There were no significant changes in the Union's financial affairs during the financial year.

Right of Members to Resign

AWU Rule 14 – Resigning as a member – provides for resignation of members in accordance with s174 of the *Fair Work (Registered Organisations) Act 2009*.

Number of Members

Number of persons in register of members: 15,668 (30 June 2014); 16,319 (30 June 2013)

Officers and employees who are superannuation fund trustees(s) – including position details – or directors of a company that is a superannuation fund trustee:

The following AWU Officers have been appointed to represents its members with the stated superannuation funds:

Name	Organisation	Nature of Position
R K Collison	Prime Superannuation	Superannuation Board member appointed 27 August 2013.
S L Bali	Chifley Financial Services	Director and Chair of Investment Committee for the super fund. Chifley Financial Services transferred all its superannuation funds to Sunsuper effective being 15 April 2014.

Number of Employees

Number of employees (equivalent full time): 31.3 including officials and staff (2013: 35).

Names of Branch Executive Committee members and period positions held during the financial year:

All of the following members were elected on the 1st July 2013 and held their positions for the full financial year. There were no resignations during the course of the financial year.

Bali, S (Assistant Secretary)	Mason, C
Boreland, D	Morley, I
Buhler, J	Murray, P
Brown, K (Vice President)	Noack, P
Collison, R (Secretary)	O'Connor, T (Organiser)
Dawson, G	O'Neill, R (Hon. Vice President)
Dunn, R	Quirk, P
Fairless, L	Ryan, C
Farrow, P (Organiser)	Ryan, S
Fraser, R (Hon. President)	Scott, J
Freudenreich, J	Seton, G (Vice President)
Garay, A	Thomas, I
Hillary, R	Toner, G
Livioco, B	Tucker, L
Kelly, P (Hon. Vice President)	

Events after the reporting date:

No matters or circumstances have arisen since the end of the financial year which could significantly affect the operation of the Union.

Officers and employees who are directors of a company or member of a board:

Name	Organisation	Activity	Capacity (Private or Representing the AWU)
R K Collison	Racing Industry Consultation Group	Statutory body set up to consult with and make recommendations to Racing NSW.	AWU
R K Collison	Long Service Corporation Building and Construction Industry Committee	Administers a scheme which provides a portable long service benefit for workers in the building and construction industry.	AWU
R K Collison	Unions NSW	NSW Peak Body representing the union movement	AWU
R K Collison	Trades Hall Association Ltd	Administration of Unions NSW property	AWU
R K Collison	ALP NSW Administration Committee	Political Organisation appointed 20/06/2014	AWU
R K Collison	ALP National Executive	Political Organisation	Private
S L Bali	Unions NSW	NSW Peak Body representing the union movement	AWU
S L Bali	Chifley Financial Services Ltd	Service provider of financial advice, income protection, home loans.	AWU
S L Bali	Blacktown City Council	Local Government	Private
S L Bali	Mechanical & Electrical Redundancy Trust	Safeguard redundancy benefits for mechanical and electrical workers within the building and construction industry.	AWU
P Noack	Dust Diseases Board	Administers compensation to people who have developed a dust disease from occupational exposure.	AWU
V Falconer	Bankstown Sports Club	Recreational club with all profits towards the improvement of the club, junior sport and community.	Private

Other Information

There is no other information that the Union considers relevant.

Signature of designated officer:.....

Name and title of designated officer: Russell Kerry Collison, AWU GNSW Branch Secretary
Dated: 15th September, 2014

The Australian Workers' Union (Greater NSW Branch)
Branch Executive Committee Statement

On the 15th September, 2014 the Branch Executive Committee of the Australian Workers' Union (Greater NSW Branch) passed the following resolution in relation to the general purpose financial report (GPFR) of this reporting unit for the financial year ended 30 June 2014:

The Branch Executive Committee declares 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 General Manager of Fair Work (the "General Manager");
- (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; and,
- (e) during the financial year to which the General Purpose Financial Report relates and since the end of that year:
 - (i) meetings of the Branch Executive Committee were held in accordance with the rules of the organisation including the rules of the branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of the 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,
 - (iv) where the organisation 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 to each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been provided to the member or General Manager; and,
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the Fair Work (Registered Organisations) Act 2009, there has been compliance.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

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



Signature of designated officer:

Name and title of designated officer: Russell Kerry Collison, AWU GNSW Branch Secretary

Dated: 15th September, 2014

Australian Workers' Union Greater NSW Branch

Independent Auditor Report to the members of the Australian Workers' Union (Greater NSW Branch)

Scope

I have audited the Financial Statements of the Australian Workers' Union (Greater NSW Branch) for the year ended 30 June 2014 consisting of the Statement of Financial Position; Statement of Comprehensive Income; Statement of Changes in Equity; Cash Flow Statement; accompanying notes summarizing significant accounting policies and other explanatory information; and Branch Executive Committee Statement and I have concluded that management's use of the going concern basis of accounting in the preparation of the unit's financial statements is appropriate. The Branch Executive Committee and the Financial Controller are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*. I have conducted an independent audit of these Financial Statements in order to express an opinion on them to the members of the Australian Workers' Union (Greater NSW Branch).

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free from material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and statutory requirements so as to present a view which is consistent with my understanding of the organisation's its financial position and the results of its operations.

In accordance with the Act, I conducted a review of recovery of wages activity.

I received all the information and explanations that officers and employees of the branch were able to provide.

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

Independence

In conducting my audit, I have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.

Audit opinion

In my opinion, the Financial Statements of Australian Workers' Union (Greater NSW Branch) is in accordance with:

1. According to the records provided, I can confirm that the Branch has kept satisfactory accounting records including:

- (a) the records provided of the sources and nature of the income of the Branch; and
 - (b) the records provided of the nature and purposes of expenditure of the Branch.
-

2. As required under Section 257 of the Registration and Accountability of Organisations Schedule (being Schedule 1B of the Fair Work (Registered Organisations) Act 2009, I am able to state that in my opinion: -

(i) The General Purpose Financial Report is presented fairly in accordance with:

- (a) The requirements of the RAO Schedule;
- (b) Applicable Australian Accounting Standards;
- (c) Other mandatory professional reporting requirements;

(ii) I have complied with the independence requirements of the major Accounting Bodies.



Signed on 17 September, 2014:

Alan Fraser Lovett - Registered Company Auditor

Australian Workers Union Greater NSW Branch
Statement of Comprehensive Income
For the year ended 30 June 2014

		2014	2013
	Notes	\$	\$
Revenue			
Membership subscriptions		5,237,545	5,014,015
Interest received		207,245	224,655
Commissions received		37,539	19,935
Rents Received	10	348,939	319,791
OH & S Training course income		6,080	79,500
Sundry income		85,018	56,080
Total Revenue		<u>5,922,366</u>	<u>5,713,976</u>
Other Income			
Grants & Donations	10	46,700	12,500
Dividends received		300,000	150,000
Net gains from sale of assets	10	11,784	-
Total Other Income		<u>358,484</u>	<u>162,500</u>
Total income		<u>6,280,850</u>	<u>5,876,476</u>
Expenses			
Accountancy and audit expenses	2	17,844	17,166
Administration Expenses	13	238,892	304,098
Affiliation fees	13	65,363	122,897
Sustentation Fees – AWU National	12/14	625,887	650,270
Depreciation expenses	13	173,688	163,932
Grants & Donations	13	12,705	7,981
Property expenses	13	290,867	296,214
Union Activities	13	218,270	179,967
Legal costs	13	43,553	133,170
Organisers expenses	13	363,027	379,040
Employee Expenses	11	3,389,829	3,536,586
Total expenses		<u>5,439,925</u>	<u>5,792,303</u>
Profit (loss) for the year		<u>840,925</u>	<u>84,173</u>

The accompanying notes form part of these financial statements.

Australian Workers' Union Greater NSW Branch
Statement of Financial Position
As At 30 June 2014

	Note	2014 \$	2013 \$
Current Assets			
Cash assets	3	7,787,925	6,680,313
Receivables	4	<u>71,280</u>	<u>114,904</u>
Total Current Assets		<u>7,859,205</u>	<u>6,795,217</u>
Non-Current Assets			
Other financial assets	5	830,133	830,133
Receivables	5/14	211,218	211,218
Property, plant and equipment	6	<u>5,140,954</u>	<u>5,202,459</u>
Total Non-Current Assets		<u>6,182,305</u>	<u>6,243,810</u>
Total Assets		<u>14,041,510</u>	<u>13,039,027</u>
Current Liabilities			
Payables	7	717,722	592,668
Current tax liabilities	8	84,640	74,223
Employee entitlements	9	<u>357,161</u>	<u>356,355</u>
Total Current Liabilities		<u>1,159,523</u>	<u>1,023,246</u>
Non-Current Liabilities			
Employee entitlements	9	<u>916,220</u>	<u>890,939</u>
Total Non-Current Liabilities		<u>916,220</u>	<u>890,939</u>
Total Liabilities		<u>2,075,743</u>	<u>1,914,185</u>
Net Assets		<u>11,965,767</u>	<u>11,124,842</u>
Equity			
Reserves		831,300	831,300
Retained profits		<u>11,134,467</u>	<u>10,293,542</u>
Total Equity		<u>11,965,767</u>	<u>11,124,842</u>

The accompanying notes form part of these financial statements.

Australian Workers' Union Greater NSW Branch
Statement of Changes in Equity
As At 30 June 2014

	Note	2014 \$	2013 \$
Total equity at the beginning of the year		11,124,842	11,040,669
Operating surplus for the year		<u>840,925</u>	<u>84,173</u>
Total Equity		<u>11,965,767</u>	<u>11,124,842</u>

The accompanying notes form part of these financial statements.

Australian Workers' Union Greater NSW Branch
Statement of Cash Flows
For the year ended 30 June 2014

	Note	2014 \$	2013 \$
Cash Flow From Operating Activities			
Receipts from members		5,237,545	5,017,015
Payments to Suppliers and employees		(4,229,837)	(4,659,111)
Interest received		207,245	224,655
Interest and other costs of finance		(44,480)	(39,920)
Other income		37,539	19,935
Net cash provided by (used in) operating activities	15	1,208,012	562,574
Cash Flow From Investing Activities			
Payment for:			
Shares in other companies			
Payments for property, plant and equipment		(115,400)	(1,029,537)
Proceeds from disposal of:			
Proceeds from sale of property		15,000	
Net cash provided by (used in) investing activities	15	(100,400)	(1,029,537)
Net increase (decrease) in cash held		1,107,612	(466,963)
Cash at the beginning of the year		6,680,313	7,147,276
Cash at the end of the year	3	7,787,925	6,680,313

Australian Workers' Union Greater NSW Branch
Recovery of Wages Activity
For the year ended 30 June 2014

NIL

* Note: The Union did not charge for recovery of wages on behalf of members nor did the Union bank any monies on behalf of members. All recoveries went directly to members,

The accompanying notes form part of these financial statements.

Australian Workers' Union Greater NSW Branch
Notes to the Financial Statements

For the year ended 30 June 2014

Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is for the entity Australian Workers Union (Greater NSW Branch), as an individual entity. The Greater NSW Branch is an organisation of employees registered under the Fair Work (Registered Organisations) Act 2009. In accordance with the Act the Greater NSW Branch is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Greater NSW Branch is not subject to the Corporations Act 2001.

The financial report of the AWU Greater NSW Branch for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the AWU Greater NSW Branch Executive on 15 September 2014.

Note 1.1: 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 AWU Greater NSW Branch is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

Australian Workers Union (Greater NSW Branch) applies Tier 1 reporting requirements (Australian Accounting Standards - Reduced Disclosure Requirements) as set out in AASB 1053 Application of Tiers of Australian Accounting Standards because it is a not-for-profit private sector entity that does not have public accountability.

The significant accounting policies which have been adopted in the preparation of these financial statements are:

Note 1.2: ACCOUNTING POLICIES

(a) Income Tax

No provision for income tax is necessary as the Union is exempt from income tax under Section 23 (f) of the Income Tax Assessment Act.

(b) Property, Plant and Equipment

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

Australian Workers' Union Greater NSW Branch
Notes to the Financial Statements

For the year ended 30 June 2014

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Union commencing from the time the asset is ready for use.

The depreciation rates used for each class of

- asset are: Building 2.5% - 6.67%
- Office Equipment and Furniture 10%
- 40% Motor Vehicles 20%

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

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

(c) L e a s e s

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, which are transferred to the Union are classified as financial leases. Financial leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(d) Financial Instruments

Initial Recognition and

Measurement

Financial assets and financial liabilities are recognised when the entity 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 (that is, trade date accounting is adopted).

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 profit and loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at either fair value, 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, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Australian Workers' Union Greater NSW Branch
Notes to the Financial Statements

For the year ended 30 June 2014

Amortised cost is calculated as (i) the amount at which the financial asset or liability is measured at initial recognition (ii) less principal repayments (iii) 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; and (iv) less any reduction for impairment.

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

The Union does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial Assets at Fair Value through Profit and Loss

Financial assets are classified at 'fair value through profit and loss' when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying value being included in profit and loss. The Union has not held any financial assets at fair value through profit or loss in the current or comparative financial year.

(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.

(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. The Union has not held any held-to-maturity investments in the current or comparative financial year.

(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 determinable payments.

(v) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Australian Workers' Union Greater NSW Branch
Notes to the Financial Statements

For the year ended 30 June 2014

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Union assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability 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 the statement of comprehensive income.

(e) Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. These cash flows are discounted using market yields or national government bonds with terms to maturity that match the expected timing of cash flows.

Accrued Annual Leave

The accrual for employee entitlements to annual leave represents the amount which the Union has a present obligation to pay resulting from employee's services provided up to the balance date. The accrual has been calculated at nominal amounts based on current wage and salary rates plus leave loading.

Provision for Long-Service Leave

The liability for long-service leave of branch officials has only been accumulated in the books of account up to 31 December 2001. In accordance with the decision of the National Executive, the branch is now required to bring to account the annual indebtedness to long service leave of its officials.

(f) Provisions

Provisions are recognised when the branch 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 using the best estimate of the amounts required to settle the obligation at balance date.

Australian Workers' Union Greater NSW Branch
Notes to the Financial Statements

For the year ended 30 June 2014

(g) Cash and Cash Equivalents

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

(h) Revenue and Other Income

(i) Revenue from sustentation income by the branch is recognised on a receipt basis and in turn recognised upon the monthly returns submitted, on an accruals basis by National Office.

(ii) 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.

(iii) Revenue from rendering of a service is recognised upon the delivery of the service to the customers.

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

(GST). (i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, where applicable, except where the amount of GST is not recoverable from the Australian Taxation 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 balance sheet are shown inclusive of GST, where applicable.

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

(j) 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 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.

(k) Comparative Figures

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

(l) Accounting Standards Issued but not yet Effective

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

(m) Estimation Uncertainty

When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

Australian Workers' Union Greater NSW Branch
Notes to the Financial Statements

For the year ended 30 June 2014

The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

Impairment

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Union within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors. No impairment losses have been made this financial year.

Useful Lives of Depreciable Assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets of the Union. The carrying amounts are analysed in Note 6. Actual results, however, may vary due to technical obsolescence, particularly relating to software and information technology equipment.

Australian Workers' Union Greater NSW Branch
Notes to the Financial Statements

For the year ended 30 June 2014

	2014	2013
Note 2: Auditor's Remuneration		
Remuneration of the auditor of the Union for:		
Auditing or reviewing the financial report	17,844	17,166
	17,844	17,166

No other services were provided by the auditors of the financial statements.

Note 3: Cash assets

Bank accounts:

Cash at bank - Account No 1	468,614	123,211
Cash at bank - Account No 2	353,025	561,194
Cash at bank - Greater Union Account	138,260	89,933
Cash at bank - Workcover Grant Account	11,660	11,610
Cash at bank - GTUC In	2,278,704	224,593
Cash at bank - Annual Leave Account	1,112,067	832,627

Other cash items:

Cash at bank - Colonial First State Account	4,290	13,857
Cash at bank - Training Fund Account	358,208	446,691
Cash at bank - Long Service Leave Account	600,676	501,624
Members Equity Bank	2,452,821	2,358,962
Chifley Investment Fund	-	1,506,411
Petty Cash Account	9,600	9,600
	7,787,925	6,680,313

Australian Workers' Union Greater NSW Branch
Notes to the Financial Statements

For the year ended 30 June 2014

	2014	2013
Note 4: Receivables		
Current		
Member Contribution accrual	-	-
Receivables from other reporting unit(s)	-	-
Less provision for doubtful debts	-	-
Sundry	71,280	114,904
	71,280	114,904
	71,280	114,904

Current trade receivables are non-bearing and generally are receivable within 30 days. A provision for impairment is recognised against subscriptions where there is objective evidence that an individual trade receivable is impaired. No impairment was required as at 30 June 2014. (2013: nil).

Note 5: Other Financial Assets

Non-Current

Shares in other companies - at cost

Chifley Financial Services Limited	<u>830,133</u>	<u>830,133</u>
Total	<u>830,133</u>	<u>830,133</u>

Receivables

AWU – National Office Loan	<u>211,218</u>	<u>211,218</u>
Total	<u>211,218</u>	<u>211,218</u>

Australian Workers' Union Greater NSW Branch
Notes to the Financial Statements

For the year ended 30 June 2014

	2014	2013
Note 6: Property, Plant and Equipment		
Freehold land and buildings:		
- Granville Properties - At independent valuation	4,224,439	4,219,479
- Griffith Property - At independent valuation	393,319	393,319
	4,617,758	4,612,798
Buildings:		
- Less: Accumulated depreciation	(37,262)	(24,707)
	(37,262)	(24,707)
Office, Plant and Furniture and Fittings:		
- At cost	752,100	707,450
- Less: Accumulated depreciation	(412,417)	(355,075)
	339,683	352,375
Motor vehicles:		
- At cost	914,438	903,763
- Less: Accumulated depreciation	(693,663)	(641,770)
	220,775	261,993
	5,140,954	5,202,459

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

At Cost:	Motor Vehicles	Office, Plant and Furniture and Fittings	Land and Buildings	Total
Balance as at 1 July 2012	302,029	262,823	3,772,002	4,336,854
Additions	68,005	133,086	828,446	1,029,537
Disposals	-	-	-	-
Write back	-	-	-	11,888
Depreciation expense	(108,041)	(43,534)	(12,357)	(163,932)
Balance as at 30 June 2013	261,993	352,375	4,588,091	5,202,459
Additions	66,289	44,650	4,960	115,899
Disposals	-	-	-	-
Write back	(3,716)	-	-	(3,716)
Depreciation expense	(103,791)	(57,342)	(12,555)	(173,688)
Balance as at 30 June 2014	220,775	339,683	4,580,496	5,140,954

Australian Workers' Union Greater NSW Branch
Notes to the Financial Statements

For the year ended 30 June 2014

The real-estate properties included in the Greater NSW Branch Financial Statements are:

	2014	2013
	\$	\$
16-20 Good Street, Granville	3,427,163	3,439,652
61 Good Street, Granville	758,385	753,491
103 Banna Avenue, Griffith	<u>394,948</u>	<u>394,948</u>
Balance as at 30 June 2013	<u>4,580,496</u>	<u>4,588,091</u>

The properties are primarily used as offices of the Greater NSW Branch. The Branch Executive is of the opinion that no impairment provisions are necessary, as the carrying value of the properties (written down value) are below their current market values.

Note 7: Payables

Unsecured:

	2014	2013
Sundry creditors and accruals	717,722	592,668
Payables to other reporting units	-	-
Consideration to employers for payroll deductions	-	-
Legal Costs	-	-
	<u>717,722</u>	<u>592,668</u>

Note 8: Tax Liabilities

Current

GST payable control account	84,640	74,223
Total	<u>84,640</u>	<u>74,223</u>

Australian Workers' Union Greater NSW Branch
Notes to the Financial Statements

For the year ended 30 June 2014

	2014	2013
 Note 9: Employee Provisions		
Office Holders		
Annual Leave	65,056	87,327
Long Service Leave	373,664	466,848
Separations and redundancies	-	-
Other	-	-
Sub-total employee provisions - Office Holders	<u>438,720</u>	<u>554,175</u>
 Employees Other than Office Holders		
Annual Leave	292,105	269,028
Long Service Leave	542,556	424,091
Separations and redundancies	-	-
Other	-	-
Sub-total employee provisions – Employees other than Office Holders	<u>834,661</u>	<u>693,119</u>
 Total Employee Provisions	 <u>1,273,381</u>	 <u>1,247,294</u>

Australian Workers' Union Greater NSW Branch
Notes to the Financial Statements

For the year ended 30 June 2014

	2014	2013
Note 10 Income		
(A) Capitation Fees		
No Capitation fees were received.		
(B) Levies		
No compulsory or voluntary levies were received.		
(C) Rental Revenue		
Rents received - Granville Trade Centre	36,872	33,256
Rent received - Canberra	210,606	190,418
Rent received - Dubbo	71,013	65,972
Rent received - Griffith	17,008	17,107
Rent received - Orange	<u>13,440</u>	<u>13,038</u>
Total	<u>348,939</u>	<u>319,791</u>
(D) Grants and Donations		
MERT	34,500	-
Donations received	<u>12,200</u>	<u>12,500</u>
Total	<u>46,700</u>	<u>12,500</u>
(E) Net gains from the Sale of Assets		
Motor Vehicles	<u>11,784</u>	<u>0</u>
Total	<u>11,784</u>	<u>0</u>

Australian Workers' Union Greater NSW Branch

Notes to the Financial Statements

For the year ended 30 June 2014

Note 11 Employee Expenses

(a) In accordance with Sub-regulations 107 (a) (XIV) and (XV) of the Fair Work (Registered Organisations) Act 2009, I report that the figure Salaries and Wages in the Statement of Comprehensive Income is made up of the following:

	2014	2013
	\$	\$
Employee expenses		
Holders of office:		
Wages and salaries	403,860	695,384
Superannuation	67,686	102,113
Leave and other entitlements	84,298	86,853
Separation and redundancies	-	-
Other employee expenses	69,059	97,911
Subtotal employee expenses holders of office	624,903	982,261
Employees other than office holders:		
Wages and salaries	1,990,047	1,996,826
Superannuation	248,982	227,157
Leave and other entitlements	213,561	84,976
Separation and redundancies	-	-
Other employee expenses	312,336	245,366
Subtotal employee expenses employees other than office holders	2,764,926	2,554,325
Total employee expenses	3,389,829	3,536,586

(b) Disclosure of Remuneration of Elected Officials

Since 1 July 2013, the following rates of pay apply to full-time elected officials of the Union and the rates have not changed:

National Secretary	\$146,000
Assistant National Secretary	\$101,900
Branch Secretary	\$101,900
Assistant Branch Secretary	\$86,500
Branch Organiser	\$77,100

Note 12 Sustentation (Capitation) Fees

AWU National Office Sustentation	<u>625,887</u>	<u>650,270</u>
Total	<u>625,887</u>	<u>650,270</u>

Australian Workers' Union Greater NSW Branch
Notes to the Financial Statements

For the year ended 30 June 2014

	2014	2013
Note 13 Other Expenses		
(A) Affiliation Fees		
ALP NSW	16,305	74,454
ALP ACT	350	350
Unions NSW	48,708	47,793
Unions ACT	-	-
Sydney May Day Committee	-	300
Total	<u>65,363</u>	<u>122,897</u>
(B) Administration Expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Branch executive expenses incl fees & allowances	8,875	17,035
Annual Delegates Conference and meeting expenses	80,855	124,061
Bank Fees	8,136	8,448
Consulting and employment agency fees	2,679	16,259
Repairs & maintenance - computer	59,818	42,012
Repairs & maintenance - office equipment	48,291	42,027
General	30,238	54,256
TOTAL	<u>238,892</u>	<u>304,098</u>
(C) Grants and Donations		
Donations		
Total paid that were \$1,000 or less:	705	680
Total paid that exceeded \$1,000:	12,000	5,801
Sponsorship		
Total paid that were \$1,000 or less:	-	500
Total paid that exceeded \$1,000:	-	1,001
TOTAL	<u>12,705</u>	<u>7,981</u>
(D) Union Activities		
Advertising and promotion	539	1,670
Ambulance services	1,107	3,237
Delegate expenses	32,199	19,887
Functions	28,409	19,446
Mortality expenses	240	1,320
Postage and couriers	32,444	15,353
Printing expenses	26,218	21,485
Telephone expenses	76,640	76,949
Stationery	20,474	20,620
TOTAL	<u>218,270</u>	<u>179,967</u>

Australian Workers' Union Greater NSW Branch

Notes to the Financial Statements

For the year ended 30 June 2014

(E) Depreciation

Depreciation - plant & motor vehicle	161,133	151,575
Depreciation - buildings	<u>12,555</u>	<u>12,357</u>
TOTAL	<u>173,688</u>	<u>163,932</u>

(F) Property Expenses

Granville	134,689	112,478
Canberra	78,710	86,493
Orange	31,234	31,852
Griffith	13,364	12,107
Dubbo	7,493	27,916
Grafton	6,810	6,608
Tamworth	7,285	7,196
Wagga Wagga	<u>11,282</u>	<u>11,564</u>
TOTAL	<u>290,867</u>	<u>296,214</u>

(G) Legal Costs

Industrial relation expenses	32,992	86,198
Legal and professional fees	3,811	27,921
Court filing fees	766	1,647
Subscriptions	<u>5,984</u>	<u>17,404</u>
TOTAL	<u>43,553</u>	<u>133,170</u>

(H) Organiser expenses

Motor Vehicle Expenses	280,900	279,347
Organiser expenses	76,944	84,749
Training & seminars	1,266	11,219
Travel & fare expenses	<u>3,917</u>	<u>3,725</u>
Total	<u>363,027</u>	<u>379,040</u>

(I) Other Expenses

Penalties – via RO Act or RO Regulations	-	-
------------------------------------------	---	---

Australian Workers' Union Greater NSW Branch
Notes to the Financial Statements

For the year ended 30 June 2014

	2014	2013
Note 14 Related Party Disclosures		
(A) Related party Transactions for the reporting period		
Expenses paid to AWU National Office		
Sustentation Fees	625,887	650,270
Loans to AWU National Office		
Loan*	211,218	211,218
* The loan provided to AWU National Office and receives of 0% and no defined repayment date.		
(b) Key Management Personnel Remuneration for the Reporting Period		
Short-term employee benefits		
Salary (including annual leave taken)	403,860	695,384
Annual leave accrued	46,932	69,292
Other Benefits	4,952	10,186
Total short-term employee benefits	455,744	774,862
Post-employment benefits:		
Superannuation	101,783	150,006
Total post-employment benefits	101,783	150,006
Other long-term benefits:		
Long-service leave	37,366	17,561
Total other long-term benefits	37,366	17,561
Termination benefits	-	-
Total	-	-

(C) Transactions with key management personnel and their close family members

Loans to/from key management personnel

No loans made.

Other transactions with key management personnel

Brian Collison	2,880	-
Undertaking general maintenance work on AWU properties on a casual basis at \$30/hr.		

Australian Workers' Union Greater NSW Branch
Notes to the Financial Statements

For the year ended 30 June 2014

	2014	2013
Note 15: Reconciliation Of Net Cash Provided By/Used In Operating Activities to Surplus/Deficit		
Operating surplus for the year	840,925	84,173
Depreciation	173,688	163,932
(Profit) / Loss on sale of property, plant and equipment	(11,784)	-
Changes in assets and liabilities:		
(Increase) decrease in receivables and others	43,624	185,895
Increase (decrease) in other creditors	125,054	9,144
Increase (decrease) in provisions	36,505	119,429
Net cash provided by operating activities	1,208,012	562,573

Note 15B: Cash flow information for reporting unit / controlled entity

Cash Inflows		
From Reporting Unit / Controlled Entities	-	-
Total cash inflows	-	-
Cash Outflows		
From Reporting Unit / Controlled Entities	-	-
Total cash outflows	-	-

Australian Workers' Union Greater NSW Branch
Notes to the Financial Statements

For the year ended 30 June 2014

Note 16 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009* the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272 which read as follows:

Information to be provided to members or General Manager:

- (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 an application made under subsection (1).

Note 17 Matters Subsequent to the End of the Financial Year

The Branch Executive is not aware of any post-balance date events or contingent liability which may materially affect the operating results or financial position of the Branch for the year under review or in future years. The financial statements were signed by the Branch Executive committee on 12 September 2014.

Note 18 Contingent Liabilities

The Branch Executive is not aware of any contingent liability which may materially affect the operating results or financial position of the Branch for the year under review or in future years.

Note 19 Events after the reporting period

There were no events that occurred after 30 June 2014, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Australian Workers' Union, Greater NSW Branch.

Note 20 Union Information

The Australian Workers Union – Greater NSW Branch
Level 2, 16-20 Good Street
Granville NSW 2142