

PORT KEMBLA, SOUTH COAST AND
SOUTHERN HIGHLANDS BRANCH

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Secretary:
Andy Gillespie

17 December 2002



The Industrial Registrar
Australian Industrial Registry
Level 8, Terrace Towers
80 William Street
EAST SYDNEY NSW 2011

Dear Sir

Please find enclosed a copy of the Income and Expenditure Accounts, Balance Sheet, Statement of Cash Flow, Secretary's Certificate, Accounting Officer's Certificate, Committee of Management Certificate and Auditor's Report for the year ending 30 June 2002.

The Accounts were presented to the Committee of Management on 19 November 2002, subsequently provided to the membership on 22 November 2002 and later presented to the Committee of Management on 10 December 2002.

Attached is a copy of the financial statements that were mailed to the membership.

Yours faithfully

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

A. GILLESPIE
Branch Secretary



AUDIT REPORT FOR THE 12 MONTH PERIOD ENDED 30 JUNE, 2002

Scope

We have audited the attached financial statements being statement of financial performance, statement of financial position, statement of cash flows and notes to the accounts of the Australian Worker's Union (AWU) – Port Kembla, South Coast & Southern Highlands Branch. The committee of management is responsible for the preparation and presentation of the accounts and the information contained therein. We have conducted an independent audit of the financial report in order to express an opinion on it to the members.

Our 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. Our 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 as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and the Industrial Relations Act, 1988 so as to present a view of the Branch which is consistent with our understanding of its financial position and the results of its operations..

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

Audit Uncertainty


The wording used for the calculation of long service leave interest is ambiguous and open to interpretation, we have calculated the entitlements based upon the most beneficial result to the individual.

Audit Opinion

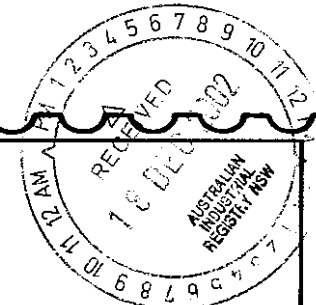
In our opinion, subject to the above uncertainty,

- (i) the Branch has kept satisfactory accounting records including:
 - (a) records of sources and nature of income of the Branch (including income from members); and
 - (b) records of the nature and purpose of expenditure of the Branch;
- (ii) the financial statements are properly drawn up so as to give a true & fair view of;
 - (a) the financial affairs of the branch as at the end of the year, and
 - (b) the income & expenditure and any surplus/deficit of the branch for the year.; and
- (iii) all the information and explanations that, under section 276 (2) of the Workplace Relations Act (1996), we required by officers or employees of the Association to furnish.

dated 13/11/2002



CA Neaves – Regd Company Auditor
David Neaves Pty Ltd, 29 Princes Highway, Fairy Meadow NSW



2002

Financial Statements
of

**The Australian Workers Union
Port Kembla, South Coast &
Southern Highlands Branch**

Audited by
CA & DA Neaves



postal :PO Box 408, Fairy Meadow, NSW 2519
PH 042 844226 fax 042 852933

The Australian Worker's Union

Port Kembla, South Coast & Southern Highlands Branch

Statement of Financial Performance for the year ended 30/6/2002

<u>Income</u>	2002	2001
Membership contributions	1,402,922	1,385,399
Interest	27,743	21,302
Rents	99,198	93,125
Sundry	42,270	23,471
Donations/Grants received	0	0
total income	1,572,133	1,523,297
<u>less Expenditure</u>		
Affiliation fees	53,087	18,186
Arbitration & Legal	127,751	72,048
Audit Fees	9,980	9,600
Bank Fees	2,927	3,843
Building Maintenance	47,135	28,177
Committee of Management expenses	1,365	805
Conferences, Conventions & Travel costs	27,833	37,909
Delegates Commission	3,612	1,551
Delegates Expenses	14,485	12,665
Depreciation	56,167	70,988
Donations, Grants & Sponsorship (\$1,200)	1,860	3,098
Electricity/Gas	10,605	8,691
Fringe Benefits Tax	11,086	10,962
Funeral Benefits	280	200
Industrial announcements	1,992	810
Insurance	2,439	7,522
Interest	0	23
Motor Vehicle Expenses	37,414	48,305
National Office administrative expense contribution	177,302	171,469
Payroll tax	39,380	51,559
Postage	6,431	5,643
Rates	13,375	16,338
Rent, Hall & Venue Hire	6,945	4,616
Repairs	7,720	29,044
Salaries - Officials	453,938	406,771
Salaries - Staff	262,299	210,036
Stationary/Petty Cash	31,043	23,371
Strike Pay	0	11,090
Subscriptions/Memberships/Journals	3,364	4,304
Sundry	12,365	11,013
Superannuation (\$16,484 salary sacrifice)	95,922	105,968
Telephone	39,377	42,445
Training costs	1,536	78
total expenditure	1,561,015	1,429,128
<u>Profit/-Loss from normal activities</u>	11,118	94,169
less abnormal item		
legal costs remitted	201,912	290,686
Profit/-Loss after abnormal items	213,030	-196,517
add accumulated funds 1/7/2001	141,786	338,303
= accumulated funds 30/6/2002	354,816	141,786

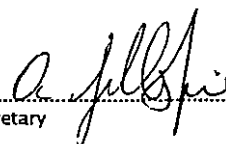
The AWU - Port Kembla, South Coast & Southern Highlands Branch

ACCOUNTING OFFICER'S CERTIFICATE

I, the undersigned, being the Officer responsible for keeping the accounting records of The AWU - Port Kembla, South Coast & Southern Highlands Branch hereby certify that as at 30 June, 2002 the number of fully paid and partly paid members of the Branch totalled 5408.

In my opinion:

- (i) the attached accounts show a true and fair view of the financial affairs of the Branch as at 30 June, 2002;
- (ii) a record has been kept during the financial year of all monies paid by, or collected from, members and all monies so paid or collected have been credited to the Bank account to which those monies are to be credited, in accordance with the Rules of the Union;
- (iii) before any expenditure was incurred by the organisation, approval of the incurring of the expenditure was obtained in accordance with the rules of the branch.
- (iv) no funds were raised during the financial year from compulsory levies or voluntary contributions from members of the Union and there were no funds in existence during the financial year which were raised from compulsory levies or voluntary contributions from members of the Union;
- (v) all loans or other financial benefits granted to persons holding office in the Union during the financial year were authorised in accordance with the Rules of the Union; and
- (vi) the register of members of the Branch was maintained during the financial year in accordance with the Act.

Signed.....
Branch Secretary

Dated: 12/11/2002

The AWU – Port Kembla, South Coast & Southern Highlands Branch

COMMITTEE OF MANAGEMENT CERTIFICATE

We the undersigned, being two members of the Committee of Management of the AWU – Port Kembla, South Coast & Southern Highlands Branch, do state on behalf of the committee and in accordance with a resolution passed by the Committee, that:

- (i) in the opinion of the Committee of Management the attached accounts show a true and fair view of the financial affairs of the Port Kembla, South Coast & Southern Highlands Branch as at 30 June, 2002
- (ii) in the opinion of the Committee of Management, meetings of the Committee were held during the financial year ended 30 June, 2002 in accordance with the Rules of the Union;
- (iii) to the knowledge of any member of the Committee, there have been no instances during the financial year where records of the Union or other documents (not being documents containing information made available to a member of the Union under Sub-section 274 (2) of the Act) or copies of those records or documents, or copies of the Rules of the Union, have not been furnished or made available to members of the Union in accordance with the requirements of the Act, the Regulations thereto, or the Rules of the Union; and
- (iv) the Branch has complied with Sub-sections 279 (1) and (6) of the Act in relation to the financial accounts in respect of the year ended 30th June, 2002 and the auditors report thereon.

Signed: Juliana Dickinger

Signed: Paul Cutler

Date: 12/11/2002

The Australian Worker's Union

Port Kembla, South Coast & Southern Highlands Branch

Statement of Financial Position as at 30/6/2002

	2002	2001
CURRENT ASSETS		
Cash on Hand	2,400	2,400
Cheque account	193,881	70,114
Reserve account	19	19
Credit Union Building account	165,974	313,611
Credit Union Leave Entitlement a/c	363,741	153,933
Receivables	7,846	10,015
Prepayments	0	1,860
Membership Contributions Receivable	61,490	95,892
<i>total current assets</i>	<u>795,351</u>	<u>647,844</u>
NON CURRENT ASSETS		
Shares IAG at closing value	497	497
Plant/Equipment at cost & valuation	43,432	43,432
less provision for depreciation	-39,097	-34,726
net WDV	4,335	8,706
Motor Vehicles at cost	205,611	198,233
less provision for depreciation	-39,556	-31,871
net WDV	166,055	166,362
<i>total non current assets</i>	<u>170,887</u>	<u>175,565</u>
<i>total assets</i>	<u>966,238</u>	<u>823,409</u>
LESS		
CURRENT LIABILITIES		
Accounts Payable	48,752	255,000
Provision for Annual Leave & LSL	558,240	426,126
Contributions Paid in Advance	3,933	0
<i>total liabilities</i>	<u>610,925</u>	<u>681,126</u>
NET ASSETS / -LIABILITIES	<u><u>355,313</u></u>	<u><u>142,283</u></u>
<i>represented by</i>		
ACCUMULATED FUNDS		
Asset Revaluation Reserve	497	497
General Fund	354,816	141,786
<i>total accumulated funds</i>	<u>355,313</u>	<u>142,283</u>

The Australian Worker's Union
Port Kembla, South Coast & Southern Highlands Branch

Statement of Cash Flows

for the year ended 30th June 2002

	year ended 2002	year ended 2001
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Members/branches	1497536	1365096
Grants/Donations Received	0	0
Payments to suppliers & employees	1211562	1157404
Administrative Contribution paid to Sydney	177302	171469
Interest Received	27743	21302
Rents Received	99152	94603
<i>net cash provided by operating activities</i>	<u>235567</u>	<u>152128</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in plant/vehicles	51489	70688
TFN/GST tax paid	-1860	1860
decrease in loans net	0	0
<i>net cash provided by investing activities</i>	<u>49629</u>	<u>-72548</u>
NET INCREASE/-DECREASE IN CASH	185938	79580
add		
Opening Cash Balance	540077	460497
-		
CASH AT END OF YEAR	<u><u>726015</u></u>	<u><u>540077</u></u>
comprising		
Cash at Banks	723615	537677
Cash on Hand	2400	2400
	<u><u>726015</u></u>	<u><u>540077</u></u>
<u>RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT/-LOSS AFTER ABNORMAL ITEMS</u>		
PROFIT/-LOSS AFTER ABNORMAL ITEMS	213030	-196517
add back non cash flows		
depreciation	56167	70988
decrease in annual leave provision	-19485	-17888
Increase/-decrease in Accounts Payable	-206248	34885
Decrease/-Increase in Accounts Receivable	36571	-33575
Increase/-decrease in contributions in advance	3933	-108
Decrease/-Increase in Prepayments	0	3656
Increase in LSL provision	151599	290687
CASH FLOWS FROM OPERATIONS	<u><u>235567</u></u>	<u><u>152128</u></u>

The notes form part of the accounts.

The Australian Worker's Union (AWU) – Port Kembla, South Coast & Southern Highlands Branch
NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2002

NOTE 1 Summary of significant accounting policies:

- (a) The Accounts have been prepared primarily on the basis of historical costs except where otherwise stated.
- (b) The accounting methods adopted are in accordance with the accounting standards laid down by the Australian Accounting bodies and/or by law except where noted to the contrary.
- (c) Depreciation has been provided for fixed assets so as to write them off progressively over their useful lives. The reducing balance method is used and is applied consistently.

NOTE 2 Capital & Leasing Commitments:

There were no capital commitments at 30 June, 2002.

NOTE 3 Contingent Liabilities:

No known liabilities exist.

NOTE 4 Workplace Relations Act (1996) – Sub-section 274 (4)

In accordance with the provisions of Sub-section 274 (4) the members attention is drawn to Sub-sections 274 (1), (2) and (3) which provide as follows:

Section 274 (1)

A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.

Sub-section 274 (2)

An organisation shall, on application made under Sub-section (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.

Sub-section 274 (3)

A Registrar may only make an application under Sub-section (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

NOTE 5 Subsequent Events:

No events have occurred other than the general insurance policy of the branch is expected to rise over previous year. Risk coverage is expected to decrease with a far greater excess to be applied to claims. Some Risks may no longer be covered.

NOTE 6 Receivables

Accounts Receivable for contribution income; only those amounts that could reasonably be expected to be collected from the check off system and delegates are included.

NOTE 7 Employee Entitlements

The branch has paid \$93,918 in long service leave during a previous year when the liability rested with the National office, it has not been brought to account as a receivable due to the uncertainty of collection. Provision is made for the company's liability for employee entitlements arising from services rendered by employees at balance date. It is assumed that all employee entitlements would be settled at their nominal amount. The number of employees as at year end was 12.

NOTE 8 Goods & Services Tax (GST)

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

NOTE 9 Land & Buildings

The branch itself does not have title to the property located at 325 Crown Street Wollongong, the assets are considered to vest with the AWU National Office.

NOTE 10 Assets

It is possible that the assets of the branch may become liable to meet the debts of the National Office or other branches.

NOTE 11 Related Party Disclosures

No Officials or Committee of Management holders are related to or have an interest in entities that contract with the branch, other than disclosed as remuneration.



AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Mr. Andrew Gillespie
The Australian Workers' Union - Port Kembla, South Coast
& Southern Highlands Branch
P.O. Box 1506
WOLLONGONG NSW 2500

Dear Mr. Gillespie

Re: Lodgement of Financial Statements for The Australian Workers' Union - Port Kembla, South Coast and Southern Highlands Branch for the year ended 30 June 2002 (FR2002/601)

Receipt is acknowledged of the above financial statements, which were lodged in the Registry on 18 December 2002.

These documents have now been filed.

I would however, draw your attention to the following matters that you may care to consider when preparing future returns. You will remember that the same matters were raised in our letter regarding last financial statements.

I note that the income and expenditure statement for the year ending 30 June 2002 identifies an amount of \$1,000 plus as Donations etc. You are reminded that, pursuant to subsection 269(1) of the Act, if any individual donation exceeded \$1000 then a statement showing the relevant particulars of such donations is required to be lodged in the Registry.

Paragraph (iv) of the Committee of Management Certificate in the return makes reference to compliance with the requirements of "the Act in relation to the financial accounts for the year ended 30 June 2002(current year)". It is the intention of this statement, as set out in Regulation 109(1)(b)(iv) of the Act, to certify that the organisation has complied with the Act in relation to the **previous** year's accounts. For example, paragraph four in the financial return for the year ending 30 June 2002 should make reference to the financial accounts for the year ended 30 June 2001. Alternatively, to make compliance simpler in future, you may care to state that the organisation has complied with the requirements of the Act "in relation to the **preceding** year".

Should you have any enquires regarding these matters, please do not hesitate to contact me on (02) 8374 6516.

Yours sincerely,

Caroline Pryor
NSW Statutory Services Branch

19 December 2002