



FAIR WORK  
AUSTRALIA

9 February 2011



Mr A Gillespie  
Secretary, Port Kembla, South Coast and Southern Highlands Branch  
AWU  
PO Box 1506  
WOLLONGONG NSW 2500

Dear Mr Gillespie

**Re: Lodgement of Financial Statements and Accounts – for year ending 30 June 2010**

Thank you for lodging the above financial statements and accounts which were received on 11 January 2011.

The documents comply with the legislative requirements and have been filed.

Yours sincerely,

Stephen Kellett

Statutory Services Branch

Fair Work Australia

PORT KEMBLA, SOUTH COAST AND  
SOUTHERN HIGHLANDS BRANCH

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10 January 2011

Mr Stephen Kellett  
Statutory Services Branch  
Fair Work Australia  
Level 8, 80 William Street  
East Sydney NSW 2011



Dear Sir

**Lodgement of Financial Statements and Accounts – Port Kembla, South Coast and Southern Highlands Branch – for year ending 30 June 2010**

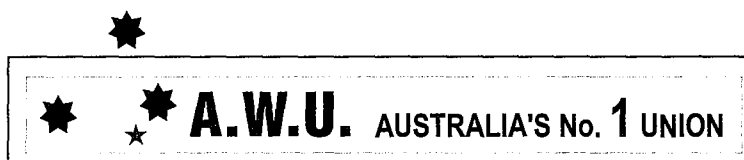
Please find enclosed a copy of the Income and Expenditure Accounts, Balance Sheet, Statement of Cash Flow, Secretary's Certificate, Accounting Certificate, Committee of Management Certificate and Auditor's Report for the year ending June 2010

The Accounts were mailed to the Committee of Management on 29 September 2010, provided to the membership via the AWU website on 27 October 2010, and again presented to the Committee of Management on 14 December 2010.

A copy of the Audit Report 2010 is available at the office of the Australian Workers' Union for the information of the members.

Yours faithfully

A. GILLESPIE  
Branch Secretary



part 1.

The Australian Workers Union  
Port Kembla South Coast and Southern Highlands Branch  
ABN: 18 717 674 551  
Financial Report for the year ended 30 June 2010

5

The Australian Workers Union  
 Port Kembla South Coast and Southern Highlands Branch  
 ABN: 18 717 674 551

STATEMENT OF COMPREHENSIVE INCOME  
 FOR YEAR ENDED 30 JUNE 2010

	Note	2010	2009
		\$	\$
Revenue	3	1,576,150	1,690,036
Member Representation Costs		(332,054)	(326,288)
Depreciation expenses		(47,505)	(43,404)
Labour & Employment expenses		(714,428)	(722,604)
Marketing expenses		(5,000)	(6,500)
Occupancy expenses		(9,723)	(10,295)
Finance costs		(2,583)	(1,876)
Other expenses		(220,643)	(180,882)
Profit from ordinary activities		<u>244,214</u>	<u>398,187</u>
Other comprehensive income			
- Asset Revaluation		(19)	8
Total comprehensive income for the year		<u>244,195</u>	<u>398,195</u>

The accompanying notes form part of these financial statements.

**The Australian Workers Union**  
**Port Kembla South Coast and Southern Highlands Branch**  
**ABN: 18 717 674 551**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2010**

	Note	2010	2009
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	2,358,154	2,125,244
Other current assets		10,774	-
<b>TOTAL CURRENT ASSETS</b>		<u>2,368,928</u>	<u>2,125,244</u>
<b>NON-CURRENT ASSETS</b>			
Financial assets	7	662	681
Property, plant and equipment	8	229,712	202,170
<b>TOTAL NON-CURRENT ASSETS</b>		<u>230,374</u>	<u>202,851</u>
<b>TOTAL ASSETS</b>		<u>2,599,302</u>	<u>2,328,095</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	27,990	43,925
Provisions	10	529,607	486,660
<b>TOTAL CURRENT LIABILITIES</b>		<u>557,597</u>	<u>530,585</u>
<b>TOTAL LIABILITIES</b>		<u>557,597</u>	<u>530,585</u>
<b>NET ASSETS</b>		<u>2,041,705</u>	<u>1,797,510</u>
<b>MEMBERS EQUITY</b>			
Reserves	11	486	505
General fund		2,041,219	1,797,005
<b>TOTAL ACCUMULATED FUNDS</b>		<u>2,041,705</u>	<u>1,797,510</u>

The accompanying notes form part of these financial statements.

The Australian Workers Union  
 Port Kembla South Coast and Southern Highlands Branch  
 ABN: 18 717 674 551

STATEMENT OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED 30 JUNE 2010

Note	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2008	1,398,818	497	1,399,315
Profit attributable to members	398,187	-	398,187
Other comprehensive income	-	8	8
<b>Balance at 30 June 2009</b>	<b>1,797,005</b>	<b>505</b>	<b>1,797,510</b>
Shares issued during the year	-	-	-
Other comprehensive income	-	(19)	(19)
Profit attributable to members	244,214	-	244,214
<b>Balance at 30 June 2010</b>	<b>2,041,219</b>	<b>486</b>	<b>2,041,705</b>

The accompanying notes form part of these financial statements.

The Australian Workers Union  
 Port Kembla South Coast and Southern Highlands Branch  
 ABN: 18 717 674 551

**STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2010 \$	2009 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Members		1,473,887	1,568,299
Payments to suppliers and employees		(1,061,724)	(890,817)
Dividends received		27	22
AWU National Office: Administrative Contributions paid		(197,758)	(212,083)
Interest Received		102,239	99,042
Net cash provided by operating activities	19	316,671	564,463
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of motor vehicles		308,010	130,844
Purchase of leasehold improvements, plant & equipment		(391,771)	(188,595)
Net cash used in investing activities		(83,761)	(57,751)
Net increase in cash held		232,910	506,712
Cash at beginning of financial year		2,125,244	1,618,532
Cash at end of financial year	5	2,358,154	2,125,244

The accompanying notes form part of these financial statements.

**The Australian Workers Union**  
**Port Kembla South Coast and Southern Highlands Branch**  
**ABN: 18 717 674 551**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This financial report covers The Australian Workers Union Port Kembla South Coast and Southern Highlands Branch (the 'Branch') as an individual entity. The Australian Workers Union Port Kembla South Coast and Southern Highlands Branch is a registered trade union branch of the Australian Workers Union (AWU) and domiciled in Australia.

**Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

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. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

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

**a. Income Tax**

The entity is currently exempt from income tax. No income tax expense has been calculated or charged to the Statement of comprehensive income.

**b. 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 the Committee of Management 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 assets 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 entity 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.

**c. Depreciation**

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the entity 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.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment, Motor Vehicles, Leasehold Improvement	4% to 30% Diminishing Value



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

**ABN: 18 717 674 551**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

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

An asset's 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 comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**d. Financial Instruments**

*Recognition and Initial Measurement*

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

*Derecognition*

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is 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 profit or loss.

*Classification and Subsequent Measurement*

*(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 designated as such to avoid an accounting mismatch or to enable performance evaluation where a Branch of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

*(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 using the effective interest rate method.

*(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 entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

The Australian Workers Union  
Port Kembla South Coast and Southern Highlands Branch

ABN: 18 717 674 551

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

e. **Impairment of Assets**

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

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

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

f. **Employee Benefits**

Provision is made for the entity'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. 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. The calculation of Branch Officials' long service leave entitlements is open to interpretation; a general consensus of the calculation method provided by National Office has been used to determine the branch liability.

g. **Provisions**

Provisions are recognised when the entity 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.

h. **Cash and Cash Equivalents**

Cash and cash equivalents includes 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. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

i. **Revenue and Other Income**

Membership subscription revenue is recognised when it is received.

Interest revenue is recognised on a proportional basis taking into account the interest rates appropriate to the financial asset. Dividend revenue is recognised when the right to receive a dividend has been established.

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

The Australian Workers Union  
Port Kembla South Coast and Southern Highlands Branch

ABN: 18 717 674 551

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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.

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. **Critical accounting estimates and judgments**

The Committee of Management evaluate estimates and judgments incorporated into the financial report 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 entity.

*Key Estimates – Impairment*

The entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates:

No impairment has been recognised during the year.

The Australian Workers Union  
Port Kembla South Coast and Southern Highlands Branch

ABN: 18 717 674 551

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

m. **Adoption of New and Revised Accounting Standards**

During the current year, the Branch has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these Standards and Interpretations has had on the financial statements of The Australian Workers Union – Port Kembla South Coast and Southern Highlands Branch.

**AASB 101: Presentation of Financial Statements**

In September 2007, the Australian Accounting Standards Board revised AASB 101, and as a result there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Branch's financial statements.

*Disclosure impact*

**Terminology changes** — The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

**Reporting changes in equity** — The revised AASB 101 requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

**Statement of comprehensive income** — The revised AASB 101 requires all income and expenses to be presented in either one statement — the statement of comprehensive income, or two statements — a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Branch's financial statements now contain a statement of comprehensive income.

**Other comprehensive income** — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expense that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

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

**ABN: 18 717 674 551**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**n. New Accounting Standards for Application in Future Periods**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Branch has decided not to early adopt. A discussion of those future requirements and their impact on the Branch is as follows:

- AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 (AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12) (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and amend the classification and measurement of financial assets. The Branch has not yet determined any potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
  - simplifying the requirements for embedded derivatives;
  - removing the tainting rules associated with held-to-maturity assets;
  - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
  - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
  - requiring financial assets and to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.
- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a 'related party' to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the Branch.

- AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASB 5, 8, 101, 107, 117, 118, 136 & 139) (applicable for annual reporting periods commencing from 1 January 2010).

This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Branch.

**The Australian Workers Union**  
**Port Kembla South Coast and Southern Highlands Branch**  
**ABN: 18 717 674 551**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010.**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

- AASB 2009-8: Amendments to Australian Accounting Standards — Branch Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).  
This Standard clarifies the accounting for Branch cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments. These amendments are not expected to impact the Branch.
- AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).  
This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the Branch.
- AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing from 1 July 2010).  
This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably, in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Branch.

The Branch does not anticipate early adoption of any of the above Australian Accounting Standards and does not expect them to have any material effect on the Branch's financial statements.

**NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

Workplace Relations Act (1996) section 272: In accordance with the provisions of section 272(5) the members' attention is drawn to sections 272 (1), (2) and (3) which provide as follows:

s272(1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

s(272(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.

s272(3) A reporting unit must comply with an application under subsection.

The Australian Workers Union  
 Port Kembla South Coast and Southern Highlands Branch  
 ABN: 18 717 674 551

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2010.

NOTE 3: REVENUE

	2010	2009
	\$	\$
Sales revenue		
— Membership subscriptions	1,480,229	1,554,791
— Dividends received	27	22
— Interest received	102,239	99,042
— Other revenue	(6,345)	36,181
Total Revenue	1,576,150	1,690,036

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

Branch officials are provided with a motor vehicle and up to \$100 per month in home phone reimbursement. The branch secretary has all home phone bills paid. Superannuation is provided to branch officials and staff at 1.5% per annum. Officials accrue approximately 1.9 weeks per annum and staff (excluding the cleaner) accrue approximately 1.08 weeks per annum in long service leave. Branch officials also accrue interest on the long service leave balance greater than 10 years at 7.5% per annum.

Officials LSL at year end \$332,989, an increase of \$71,100.

Officials Annual leave at year end \$63,353, a decrease of \$35,053.

Staff LSL at year end \$101,628, a increase of \$5,838.

Staff annual leave at year end \$31,637, an increase of \$1,062.

NOTE 5: AUDITORS' REMUNERATION

	2010	2009
	\$	\$
Remuneration of the auditor		
— auditing or reviewing the financial report	9,860	9,394
— AWU Head Office audit fees	5,632	-
	15,432	9,394

The Australian Workers Union  
 Port Kembla South Coast and Southern Highlands Branch  
 ABN: 18 717 674 551

**NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2010**

NOTE 6: CASH AND CASH EQUIVALENTS

	2010	2009
	\$	\$
Cash on hand	900	900
Term deposit	1,410,536	1,000,000
Cheque account	221,959	177,522
Credit union building account	47,296	361,180
Credit union leave entitlement account	584,011	558,291
Credit Union Wage account	93,452	27,351
Reserve account	-	-
	2,358,154	2,125,244

The effective interest rate on term bank deposits was 4.25% (2009: 4.45%) and 6.25% (2009: 4.00%) for the remaining accounts. Deposits have an average maturity of 90 days.

NOTE 7: FINANCIAL ASSETS

	2010	2009
	\$	\$
Available for sale financial assets	662	681
<b>Available-for-sale financial assets comprise:</b>		
Listed investments		
— shares in listed corporations, at fair value	627	646
Unlisted investments, at cost	35	35
Total available-for-sale financial assets	662	681

Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.



**The Australian Workers Union**  
**Port Kembla South Coast and Southern Highlands Branch**  
**ABN: 18 717 674 551**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 8: PROPERTY, PLANT AND EQUIPMENT**

	2010	2009
	\$	\$
<b>LAND AND BUILDINGS</b>		
Leasehold Improvements:		
At cost	22,023	22,023
Accumulated depreciation	(1,102)	(551)
Total land and buildings	20,921	21,472
<b>PLANT AND EQUIPMENT</b>		
Computers and office equipment:		
At cost	113,412	113,412
Accumulated depreciation	(87,705)	(77,867)
Total Computers and office equipment	25,707	35,545
Motor Vehicles:		
At cost	191,102	175,677
Accumulated depreciation	(8,018)	(30,524)
Total Motor Vehicles	183,084	145,153
Total Plant and Equipment	208,791	180,698
Total Property, Plant and Equipment	229,712	202,170

**a. Movements in Carrying Amounts**

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

	Buildings	Plant and Equipment	Total
	\$	\$	\$
Balance at 1 July 2008	22,023	165,802	187,825
Additions	-	188,593	188,593
Disposals	-	(130,844)	(130,844)
Revaluation increments/(decrements)	-	-	-
Depreciation expense	(551)	(42,853)	(43,404)
Balance at 30 June 2009	21,472	180,698	202,170
Additions	-	391,771	391,771
Disposals	-	(316,724)	(316,724)
Depreciation expense	(551)	(48,954)	(47,505)
Carrying amount at 30 June 2010	20,921	208,791	229,712

part 2

The Australian Workers Union  
Port Kembla South Coast and Southern Highlands Branch  
ABN: 18 717 674 551

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 9: TRADE AND OTHER PAYABLES

	2010	2009
	\$	\$
CURRENT		
Unsecured liabilities		
Tax Payable	(20,146)	18,885
Payroll Liabilities	6,568	15,040
Trade payables	32,647	-
Sundry payables and accrued expenses	10,000	10,000
ATO Integrated client account	(1,079)	-
	<u>27,990</u>	<u>43,925</u>

NOTE 10: PROVISIONS

CURRENT

Annual leave and long service leave - staff	133,265	126,365
Annual leave and long service leave - officials	396,342	360,295
	<u>529,607</u>	<u>486,660</u>

Employee  
Benefits

\$

Opening balance at 1 July 2009	486,660
Net Movement in Provision	42,947
Balance at 30 June 2010	<u>529,607</u>

Provision for Long-term Employee Benefits

Officials and staff (excluding the cleaner) accrue 4 weeks annual leave per annum.

Officials accrue approximately 1.9 weeks per annum. (Support staff accrue 1.083 weeks per annum) in long service leave. Branch officials also accrue interest on the long service leave balance greater than 10 years at 7.5% per annum.

**The Australian Workers Union**  
**Port Kembla South Coast and Southern Highlands Branch**  
**ABN: 18 717 674 551**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	2010	2009
	\$	\$
<b>NOTE 11: RESERVES</b>		
<b>Asset Revaluation Reserve</b>		
The asset revaluation reserve records revaluations of non-current assets.	486	505

**NOTE 12: CAPITAL AND LEASING COMMITMENTS**

The entity had no capital or leasing commitments at year end.

**NOTE 13: CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no contingent liabilities or contingent assets at year end.

**NOTE 14: RELATED PARTY TRANSACTIONS**

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

The National Office of the Australian Workers Union (AWU) owns the premises from which the entity, the Port Kembla South Coast & Southern Highlands Branch of the AWU runs its operations.

These premises are provided with rent being paid in the form of all property outgoings by the entity.

**NOTE 15: EVENTS AFTER THE BALANCE DATE**

Since the end of the financial year there are no known events, financial or otherwise that would impact materially on the financial statements of the entity at 30 June 2010.

**NOTE 16: SEGMENT REPORTING**

The entity operates in one business and geographical segment being provision of worker representation services in the Port Kembla, South Coast and Southern Highlands Regions of Australia.

**Note 17: ECONOMIC DEPENDENCE**

No economic dependence situations have been identified.

**Note 18: ENTITY DETAILS**

The principal place of business and registered office of the entity is 18 Belmore St., Wollongong.

The Australian Workers Union  
 Port Kembla South Coast and Southern Highlands Branch  
 ABN: 18 717 674 551

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2010

NOTE 19: CASH FLOW INFORMATION

	2010	2009
	\$	\$
<b>Reconciliation of Cash Flow from Operations with Net Profit</b>		
Net Profit	244,214	398,187
Non-cash flows in profit		
Depreciation	47,505	43,404
Loss on disposal of motor vehicles	8,714	-
Changes in assets and liabilities,		
Increase in trade and other receivables	(10,774)	-
Increase in prepayments	-	70,457
Increase/(decrease) in trade and other payables	(15,935)	24,529
Increase/(decrease) in Annual & Long Service Leave Provisions	42,947	27,886
	316,671	564,463

**The Australian Workers Union**  
**Port Kembla South Coast and Southern Highlands Branch**  
**ABN: 18 717 674 551**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 20: FINANCIAL RISK MANAGEMENT**

**a. Financial Risk Management**

The Branch's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, and accounts receivable and payable.

The Committee of Management's overall risk management strategy seeks to assist the Branch in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Committee of Management on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for entity operations.

The Branch does not have any derivative instruments at 30 June 2010.

**Financial Risk exposures and management**

The main risks the entity is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

**i. Interest rate risk**

All term investments are lodged for periods of 12 months or less at fixed rates of return.

**ii. Foreign currency risk**

The entity is not exposed to fluctuations in foreign currencies.

**iii. Liquidity risk**

The entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash reserves are maintained.

**iv. Credit risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

There are no material amounts of collateral held as security at 30 June 2010.

The entity does not have any material credit risk exposure to any single receivable or Branch of receivables under financial instruments entered into by the entity.

Credit risk is managed regularly by the Committee of Management. It arises from exposures to customers as well as through deposits with financial institutions.

The Committee of Management monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- only banks and financial institutions with an 'A' rating are utilised;
- All new member subscription dues are collected through employer payroll systems.

**v. Price risk**

The entity is not exposed to any material commodity price risk.

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

**ABN: 18 717 674 551**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 20: FINANCIAL RISK MANAGEMENT**

**b. Financial Instrument Composition and Maturity analysis**

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the statement of financial position.

	Weighted Average Effective Interest Rate		Within Year		1 to 5 Years	
	2010	2009	2010	2009	2010	2009
	%	%	\$	\$	\$	\$
<b>Financial Assets:</b>						
Cash and cash equivalents	4.25	4.00	363,607	566,953	-	-
Short term deposits	6.25	4.45	1,994,547	1,558,291	-	-
Investments	-	-	-	-	662	681
Loans and receivables	-	-	-	-	-	-
<b>Total Financial Assets:</b>			<b>2,358,154</b>	<b>2,125,244</b>	<b>662</b>	<b>681</b>

	Non Interest Bearing		Total	
	2010	2009	2010	2009
	\$	\$	\$	\$
<b>Financial Assets:</b>				
Cash and cash equivalents	-	-	-	-
Short term deposits	-	-	-	-
Investments	-	-	-	-
Loans and receivables	-	-	-	-
<b>Total Financial Assets:</b>				

**The Australian Workers Union**  
**Port Kembla South Coast and Southern Highlands Branch**  
**ABN: 18 717 674 551**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 21: FINANCIAL INSTRUMENTS**

	Non-Interest Bearing		Total	
	2010	2009	2010	2009
	\$	\$	\$	\$
<b>Financial Liabilities:</b>				
Trade and other payables	27,990	43,925	27,990	43,925
<b>Total Financial Liabilities:</b>	<u>27,990</u>	<u>43,925</u>	<u>27,990</u>	<u>43,925</u>

Trade and sundry payables are expected to be paid as followed:

	2010	2009
	\$	\$
Less than 6 months	27,990	43,925
6 months to 1 year	-	-
1-5 years	-	-
Over 5 years	-	-
	<u>27,990</u>	<u>43,925</u>

**Net Fair Values**

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the entity intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

**The Australian Workers Union**  
**Port Kembla South Coast and Southern Highlands Branch**  
**ABN: 18 717 674 551**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 22: FINANCIAL INSTRUMENTS CONTINUED**

	2010:		2009:	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
<b>Financial Assets</b>				
Investments	662	662	681	681
Loans and receivables	10,774	10,774	-	-
	<u>11,436</u>	<u>11,436</u>	<u>681</u>	<u>681</u>

	2010:		2009:	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
<b>Financial Liabilities</b>				
Trade and other payables	27,990	27,990	43,925	43,925
	<u>27,990</u>	<u>27,990</u>	<u>43,925</u>	<u>43,925</u>

Fair values are materially in line with carrying values. A discount rate of 0% (2009: 0% has been applied to all non-current borrowings to determine fair value.



**The Australian Workers Union  
Port Kembla South Coast and Southern Highlands Branch  
ABN: 18 717 674 551**

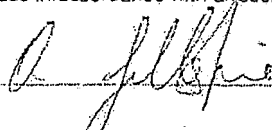
**COMMITTEE OF MANAGEMENT STATEMENT**

The Committee of Management have considered and have passed the following resolution with respect to the financial report of The Australian Workers Union Port Kembla South Coast and Southern Highlands Branch (the entity), which comprises the statement of financial position as at 30 June 2010 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and this Committee of Management Statement:

1. The financial report comprising of the statement of financial position as at 30 June 2010 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and this Committee of Management Statement comply with Australian Accounting Standards (referred to as the financial statements);
2. The financial statements comply with the reporting guidelines of the Industrial Registrar;
3. The financial statements and notes, as set out on pages 1 to 19 present fairly the entity's financial position as at 30 June 2010 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements; and
4. The financial statements and notes, as set out on pages 1 to 19 present fairly the entity's financial position as at 30 June 2010 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements; and
5. There are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.
6. During the financial year ended 30 June 2010 and since the end of the financial year:
  - 6(i) Meetings of the Committee of Management were held in accordance with the rules of the AWU including the rules of the Port Kembla South Coast and Southern Highlands Branch; and
  - 6(ii) The financial affairs of the entity have been managed in accord with the rules of the AWU including the rules of the Port Kembla South Coast and Southern Highlands Branch; and
  - 6(iii) The financial records of the entity have been kept and maintained in accord with the RAO Schedule and the RAO Regulations; and
  - 6(iv) The financial records of the entity have been kept as far as practicable, in a consistent manner to each of the other reporting units of the AWU;
  - 6(v) No requests have been sought by any member of the entity or a Registrar duly made under Section 272 of the RAO Schedule; and
  - 6(vi) No orders have been made by the Commission under Section 273 of the RAO Schedule during the financial year ended 30 June 2010.
7. In relation to wages activity – no recovery action was undertaken in the year.

This declaration is made in accordance with a resolution of the Committee of Management

Branch  
Secretary



A. Gillespie

Dated this 17 day of September, 2010.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE AUSTRALIAN WORKERS UNION  
PORT KEMBLA SOUTH COAST AND SOUTHERN HIGHLANDS BRANCH**

**Scope**

The financial report is the responsibility of the Committee of Management of the Australian Workers Union Port Kembla South Coast and Southern Highlands Branch (the "Branch"). The financial report comprises the Committee of Managements' Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements for the year ended 30 June 2010.

The Committee of Management of the Branch are responsible for the preparation and true and fair presentation of the financial report in accordance with the Workplace Relations Act (RAO Schedule) and the Workplace Relations (Regulations and Accountability of Organisations) Regulations 2003 (RAO Regulations) and the reporting guidelines of the Industrial Registrar determined under section 255 of the RAO Schedule. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent on the financial report.

**Audit Approach**

We conducted an independent audit in order to express an opinion to the members of the Branch. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects, the financial report presents fairly in accordance with the Workplace Relations Act and the Workplace Relations (Regulations and Accountability of Organisations) Regulations 2003 and the reporting guidelines of the Industrial Registrar determined under section 255 of the Act, including compliance with accounting standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Branch's financial position and of their performance as represented by the results of their operations and their cash flows.

We formed our audit opinion on the basis of these procedures, which included examining on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and, assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee of management.

**Sydney  
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While we considered the effectiveness of managements' internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

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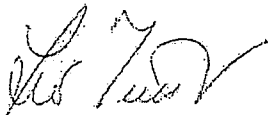
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Workplace Relations Act.

**Audit Opinion**

In our opinion, the financial report of the Australian Workers Union Port Kembla South Coast and Southern Highlands Branch is in accordance with:

- (a) The Workplace Relations Act, the Workplace Relations (Regulations and Accountability of Organisations) Regulations 2003 and the reporting guidelines of the Industrial Registrar determined under section 255 of the Act, including:
  - (i) Giving a true and fair view of the Branch's financial position as at 30 June 2010 and of their performance for the year ended on that date;
  - (ii) Complying with Accounting Standards in Australia and the Workplace Relations Act; and
- (b) Other mandatory professional reporting requirement statements.

William Buck  
Chartered Accountants



L.E. Tutt  
Partner  
Sydney, 17 September 2010

**PRIVATE INFORMATION FOR THE COMMITTEE OF MANAGEMENT  
ON THE 2010 FINANCIAL ACCOUNTS**

1. Trading and Profit and Loss Account
2. Statement of Membership Representation Costs

**TRADING, PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2010**

	2010	2009
	\$	\$
<b>SALES</b>		
Union Membership Dues	1,480,229	1,554,791
	<hr/>	<hr/>
Less: Member Representation Costs	332,054	326,288
<b>GROSS PROFIT</b>	<b>1,148,175</b>	<b>1,228,503</b>
<b>Less: EXPENSES</b>		
Advertising	5,000	6,500
Auditors' remuneration	15,432	9,394
Bank charges	2,580	1,876
Donations & Sponsorships	2,521	16,597
Depreciation	47,505	43,404
Fringe benefits tax	6,324	3,210
Insurances	9,376	4,345
Motor Vehicle Expenses	44,876	34,263
Office Supplies	8,462	12,419
Postage	12,076	14,582
Parking costs	2,710	1,848
Payroll Tax	33,873	41,148
Property Expenses	9,723	10,292
Provision for Employees Leave	42,947	27,986
Rentals – Hall & Venue Hire	5,122	4,478
Repairs & Maintenance	3,381	(151)
Salaries - Officials	403,840	265,287
Salaries – Staff	113,291	276,054
Staff Amenities & Uniforms	7,134	9,083
Sundry Expenses	76,590	43,453
Superannuation	102,020	99,938
Travel Expenses	5,523	17,155
Technology Maintenance Costs	13,315	2,125
Telephone	21,262	20,375
	<hr/>	<hr/>
	999,983	965,562
 <b>TRADING PROFIT</b>	 <b>148,292</b>	 <b>262,941</b>

The Australian Workers Union  
Port Kembla South Coast and Southern Highlands Branch

ABN: 18 717 674 551

TRADING, PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
Other Operating Income		
Interest received	102,240	99,042
Dividends received	27	22
Sundry Income	2,369	14,149
Unrealised gains on shareholdings	-	-
Loss on sale of motor vehicles	(8,714)	22,055
	<u>95,922</u>	<u>135,246</u>
NET PROFIT	<u>244,214</u>	<u>398,187</u>

The Australian Workers Union  
 Port Kembla South Coast and Southern Highlands Branch  
 ABN: 18 717 674 551

STATEMENT OF MEMBER REPRESENTATION COSTS  
 FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
AWU Affiliation Fees	26,982	11,141
AWU National Office Administrative Expenses Contribution	197,758	212,083
Member Representation Costs: Arbitration Legals & Fines	68,841	32,313
Conference & AWU Convention Costs	25,161	34,183
Delegates Commissions	-	-
Union Delegate Expenses	10,548	12,813
ACTU Cost	280	21,050
Retired Delegates Luncheon	2,484	2,705
<b>Total Member Representation Costs</b>	<b>332,054</b>	<b>326,288</b>

**The Australian Workers Union**  
**Port Kembla South Coast and Southern Highlands Branch**  
**ABN: 18 717 674 551**

**OPERATING REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	2010	2009
	\$	\$

REVIEW OF PRINCIPAL ACTIVITIES

The entity carried on the normal business of acting as a union and representing its members.

REVIEW OF PRINCIPAL ACTIVITIES

The net operating profit of the entity for the year ended 30 June 2010	244,214	398,187
--	---------	---------

NUMBER OF MEMBERS

At the end of the financial year, financial ordinary members were:  
4242

EMPLOYEES

At 30 June 2010, the entity employed

Branch Officials – full time	4	5
Office Staff – full time	2	2
Cleaner – part time	1	1
	7	8

MEMBERSHIP OF COMMITTEE OF MANAGEMENT

There were 19 honorary members of the Committee of Management excluding the Branch Officials. The Committee of Management met 11 times (2009, 9 times) during the financial year ended 30 June 2010 (once per month excluding January 2010).

Attendance of the honorary members at the Committee of Management meetings was as follows:

A Gillespie	6/11	8/9
W Phillips	9/11	8/9
A Gorman	4/11	9/9
B Gorgjevski	9/11	9/9
D Hancock	11/11	9/9
B Baraldi	7/11	6/9
W Beaumont	8/11	4/9
D Bogoevski	5/11	5/9
S Burke	9/11	4/9
P Dulevski	8/11	2/9
J Karasu	9/11	5/9
S Markovski	7/11	8/9
W Martin	9/11	8/9
L Millar	8/11	7/9

The Australian Workers Union  
Port Kembla South Coast and Southern Highlands Branch

ABN: 18 717 674 551

OPERATING REPORT  
FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
I Sukoski	7/11	5/9
R Tancevski	10/11	8/9
R Turford	10/11	9/9
J Kyriazopoulos	7/11	3/9
B Withers	8/11	7/9

SIGNIFICANT CHANGES

No significant changes in the operations of the entity occurred during the financial year ended 30 June 2010.

RIGHTS OF MEMBERS

A member may resign by giving notice (personally or by mail) to any Branch Official pursuant to Section 174 of the Act and Rule 17 of the AWU.

OFFICIALS ACTING AS TRUSTEE OF A SUPERANNUATION FUND

No Branch Officials have acted in the capacity of trustee of a public superannuation fund.



**The Australian Workers Union**  
**Port Kembla South Coast and Southern Highlands Branch**  
**ABN: 18 717 674 551**

**COMPILATION REPORT TO THE AUSTRALIAN WORKERS UNION**  
**PORT KEMBLA SOUTH COAST & SOUTHERN HIGHLANDS BRANCH**

On the basis of information provided by the Committee of Management of The Australian Workers Union, Port Kembla South Coast & Southern Highlands Branch, we have compiled the accompanying special purpose financial report for The Australian Workers Union, Port Kembla South Coast & Southern Highlands Branch comprising of statement of comprehensive income, statement of financial position, summary of significant accounting policies and other explanatory notes.

The specific purpose for which the special purpose financial report has been prepared is for the use of the Committee of Management and members to provide information relating to the performance of The Australian Workers Union, Port Kembla South Coast & Southern Highlands Branch. Accounting Standards and other mandatory professional reporting requirements have not been adopted in the preparation of the special purpose financial report.

**Your Responsibility**

The Committee of Management are solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent with the financial reporting requirements of The Australian Workers Union, Port Kembla South Coast & Southern Highlands Branch's constitution and are appropriate to meet the needs of the Committee of Management and members of the entity.

**Our Responsibility**

On the basis of information provided by the Committee of Management, the accompanying special purpose financial statements have been compiled in accordance with the basis of accounting adopted and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Committee of Management provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial report was prepared exclusively for the benefit of the Committee of Management and members. We do not accept responsibility to any other person for the contents of the special purpose financial report.

Name of Firm: Tarrants, Accountants & Business Advisors

Signed:

  
\_\_\_\_\_  
Ross Tarrant

Address: Level 3, 67-69 Market St, Wollongong

Dated: 17 day of September, 2010

## **INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE AUSTRALIAN WORKERS UNION PORT KEMBLA SOUTH COAST AND SOUTHERN HIGHLANDS BRANCH**

### **Scope**

The financial report is the responsibility of the Committee of Management of the Australian Workers Union Port Kembla South Coast and Southern Highlands Branch (the "Branch"). The financial report comprises the Committee of Managements' Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements for the year ended 30 June 2010.

The Committee of Management of the Branch are responsible for the preparation and true and fair presentation of the financial report in accordance with the Workplace Relations Act (RAO Schedule) and the Workplace Relations (Regulations and Accountability of Organisations) Regulations 2003 (RAO Regulations) and the reporting guidelines of the Industrial Registrar determined under section 255 of the RAO Schedule. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent on the financial report.

### **Audit Approach**

We conducted an independent audit in order to express an opinion to the members of the Branch. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects, the financial report presents fairly in accordance with the Workplace Relations Act and the Workplace Relations (Regulations and Accountability of Organisations) Regulations 2003 and the reporting guidelines of the Industrial Registrar determined under section 255 of the Act, including compliance with accounting standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the branch's financial position and of their performance as represented by the results of their operations and their cash flows.

We formed our audit opinion on the basis of these procedures, which included examining on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and, assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee of management.

While we considered the effectiveness of managements' internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

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### **Independence**

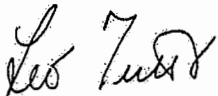
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Workplace Relations Act.

### **Audit Opinion**

In our opinion, the financial report of the Australian Workers Union Port Kembla South Coast and Southern Highlands Branch is in accordance with:

- (a) The Workplace Relations Act, the Workplace Relations (Regulations and Accountability of Organisations) Regulations 2003 and the reporting guidelines of the Industrial Registrar determined under section 255 of the Act, including:
  - (i) Giving a true and fair view of the branch's financial position as at 30 June 2010 and of their performance for the year ended on that date;
  - (ii) Complying with Accounting Standards in Australia and the Workplace Relations Act; and
- (b) Other mandatory professional reporting requirement statements.

William Buck  
Chartered Accountants



L.E. Tutt  
Partner  
Sydney, 17 September 2010

27 July 2010

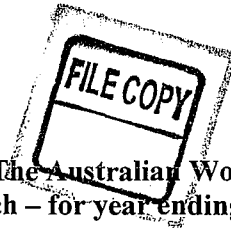


FAIR WORK  
AUSTRALIA

Mr Andrew Gillespie  
Secretary, Port Kembla, South Coast and Southern Highlands Branch  
The Australian Workers' Union  
18 Belmore Street  
WOLLONGONG NSW 2500

Dear Mr Gillespie,

**Re: Lodgement of Financial Statements and Accounts – The Australian Workers' Union, Port Kembla, South Coast and Southern Highlands Branch – for year ending 30 June 2010 (FR2010/2759)**



The financial year of the Branch has recently ended. This is a courtesy letter to remind you of the obligation to prepare the reporting unit's financial documents and to lodge audited financial accounts and statements with Fair Work Australia within the prescribed time frame unless a 1 month extension or an application for a certificate of exemption under the *Fair Work (Registered Organisations) Act 2009* ('the RO Act') is applied for and granted.

The documents you must lodge include:

(i) A *general purpose financial report* [see section 253(2)] including a separate Statement of Changes in Equity or its accepted equivalent; (ii) A *Committee of Management statement* (see the General Manager's Reporting Guidelines); (iii) An *operating report* [see section 254(2)]; (iv) An *auditor's report* [see sections 257(5) to 257(11)]; and (v) A *certificate* of the *secretary or other designated officer* signed after all the prescribed events have taken place [see section 268(c)].

I draw your particular attention to

- (a) s237 which requires you to prepare and lodge *a separate statement* providing the prescribed particulars of any loan, grant or donation made during the year which exceeds \$1,000;
- (b) s265(5) which requires you to publish or otherwise *provide your members with completed/signed copies* of the audited accounts, report and statements before final presentation and lodgment; and
- (c) s266 which requires you to *present the completed documents to an eligible meeting(s)* (either of the members or of the committee of management). Note that this meeting is distinct from any initial committee meeting convened to prepare, sign or otherwise approve pre-audited documents.

Relevant references may be found at <http://www.fwa.gov.au/index.cfm?pagename=regorgsfrguidelines> and <http://www.fwa.gov.au/index.cfm?pagename=legislationfwroact>. If you are in any doubt as to the requirements or anticipate any difficulty in complying with the requirements, do not hesitate to contact Fair Work Australia.

Yours sincerely,

Stephen Kellett

Statutory Services Branch

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