



18 August 2014

Mr Wayne Phillips
Branch Secretary
The Australian Workers' Union
Port Kembla, South Coast and Southern Highlands Branch
18 Belmore Street
Wollongong NSW 2500

via email: members@portkembla.awu.net.au

Dear Mr Phillips

Australian Workers' Union Financial Report for the year ended 30 June 2013 - FR2013/282

I acknowledge receipt of the financial report for the year ended 30 June 2013 for the Australian Workers' Union, Port Kembla, South Coast and Southern Highlands Branch. The amended financial report was lodged with the Fair Work Commission (FWC) on 18 August 2014.

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

Changes to the reporting guidelines and model financial statement

A fourth edition of the General Manager's s.253 Reporting Guidelines was gazetted on 13 June 2014. These guidelines will apply to all financial reports that end on or after 30 June 2014. A model set of financial statements for the 2013-2014 financial year is also available on the FWC website. 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.

The Reporting Guidelines and Model Financial Statements are available on the FWC website:
<https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>

If you have any queries regarding this letter, please contact me on (03) 8661 7675 or via email at ken.morgan@fwc.gov.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Morgan', with a large, stylized flourish at the end.

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch

**STRONGER
TOGETHER**

Port Kembla, South Coast &
Southern Highlands Branch
18 Belmore Street
Wollongong NSW 2500
T: (02) 4229 3611 F: (02) 4229 8096
W: pk.awu.net.au
E: members@portkembla.awu.net.au
WAYNE PHILLIPS Branch Secretary



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

s.268 *Fair Work (Registered Organisations) Act 2009*
Certificate for the period ended 30 June 2013

I, Wayne Phillips being the Branch Secretary of the Australian Workers Union Port Kembla South Coast and Southern Highlands Branch certify:

- that the documents lodged herewith are copies of the full report for the Australian Workers Union Port Kembla South Coast and Southern Highlands Branch for the period ended 30 June 2013 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 13 November 2013 and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 12 November 2013 and to a second meeting of the committee of management of the reporting unit on 10 December 2013 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

..... *W Phillips*

Name of prescribed designated officer:

..... *WAYNE PHILLIPS*

Title of prescribed designated officer:

..... *BRANCH SECRETARY*

Dated:

..... *17 DECEMBER 2013*

**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 2013**

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**THE AUSTRALIAN WORKERS UNION
PORT KEMBLA SOUTH COAST AND SOUTHERN HIGHLANDS BRANCH
ABN: 18 717 674 551**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
Revenue		1,392,860	1,621,273
Member Representation Costs		(315,736)	(358,044)
Depreciation Expenses		(43,788)	(56,075)
Labour and Employment Costs		(605,059)	(1,121,235)
Marketing Expenses		(5,206)	(4,500)
Occupancy Expenses		(13,920)	(13,229)
Finance Costs		(2,096)	(3,237)
Other Expenses		<u>(230,951)</u>	<u>(206,750)</u>
Profit from Ordinary Activities		<u>176,104</u>	<u>(141,797)</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 2013**

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	6	1,722,069	1,469,925
Other Receivables	7	<u>20,073</u>	<u>8,130</u>
TOTAL CURRENT ASSETS		<u>1,742,142</u>	<u>1,478,055</u>
NON-CURRENT ASSETS			
Financial Assets	8	662	662
Property, Plant and Equipment	9	<u>855,876</u>	<u>879,862</u>
TOTAL NON-CURRENT ASSETS		<u>856,538</u>	<u>880,524</u>
TOTAL ASSETS		<u>2,598,680</u>	<u>2,358,579</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	10	61,401	40,785
Provisions	11	<u>137,018</u>	<u>120,682</u>
TOTAL CURRENT LIABILITIES		<u>198,419</u>	<u>161,467</u>
NON-CURRENT LIABILITIES			
Provisions	11	<u>199,939</u>	<u>172,894</u>
TOTAL NON-CURRENT LIABILITIES		<u>199,939</u>	<u>172,894</u>
TOTAL LIABILITIES		<u>398,358</u>	<u>334,361</u>
NET ASSETS		<u>\$2,200,322</u>	<u>\$2,024,218</u>
MEMBERS EQUITY			
Reserves	12	486	486
General Fund		<u>2,199,836</u>	<u>2,023,732</u>
TOTAL ACCUMULATED FUNDS		<u>\$2,200,322</u>	<u>\$2,024,218</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 2013**

	Note	2013 \$	2012 \$
Balance 1 July 2012		2,023,732	2,165,529
Profit/(Loss) attributable to members		<u>176,104</u>	<u>(141,797)</u>
Balance 30 June 2013		<u>\$2,199,836</u>	<u>\$2,023,732</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 CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		1,290,166	1,441,489
Payments to suppliers and employees		(910,757)	(1,755,673)
Dividends received		38	20
Other income		27,638	69,891
AWU National Office:			
Administrative Contributions paid		(167,028)	(195,130)
Interest received		<u>64,632</u>	<u>97,621</u>
Net cash provided by operating activities	20	<u>304,689</u>	<u>(341,782)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of motor vehicle		-	2,497
Purchase of leasehold improvements, plant and equipment		(52,545)	(62,984)
Purchase of property		<u>-</u>	<u>-</u>
Net cash used in investing activities		<u>(52,545)</u>	<u>(60,487)</u>
Net increase in cash held		252,144	(402,269)
Cash at beginning of financial year		<u>1,469,925</u>	<u>1,872,194</u>
Cash at end of financial year	6	<u>\$1,722,069</u>	<u>\$1,469,925</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**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2013

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 Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board (AASB) and the Fair Work (Registered Organisations) Act 2009.

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.

**THE AUSTRALIAN WORKERS UNION
PORT KEMBLA SOUTH COAST AND SOUTHERN HIGHLANDS BRANCH
ABN: 18 717 674 551**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2013 (Continued)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 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.

**THE AUSTRALIAN WORKERS UNION
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2013 (Continued)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

(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.

**THE AUSTRALIAN WORKERS UNION
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2013 (Continued)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2013 (Continued)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

m. 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 entity has decided not to early adopt. A discussion of those future requirements and their impact on the entity is as follows:

AASB 9: Financial Instruments – not expected to impact on the entity.

AASB 124: Related Party Disclosures – not expected to impact on the entity.

AASB 1053: *Application of Tiers of Australian Accounting Standards: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* – not expected to impact on the entity.

**THE AUSTRALIAN WORKERS UNION
PORT KEMBLA SOUTH COAST AND SOUTHERN HIGHLANDS BRANCH
ABN: 18 717 674 551**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2013 (Continued)

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

Fair Work (Registered Organisations) Act 2009 Section 272: In accordance with the provisions of section 272 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 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.

s272(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 (1).

NOTE 3. REVENUE

	2013	2012
	\$	\$
Sales Revenue		
- Membership subscriptions	1,290,166	1,441,489
- Dividends received	38	20
- Interest received	64,632	97,621
- Rental income	60,700	56,277
- Other revenue	<u>(22,676)</u>	<u>25,866</u>
Total Revenue	<u>\$1,392,860</u>	<u>\$1,621,273</u>

NOTE 4. KEY MANAGEMENT PERSONNEL COMPENSATION

Branch officials are provided with a motor vehicle and up to \$100 per month in home phone and internet reimbursement. The branch secretary has all home phone bills paid. Employer superannuation is paid on behalf of branch officials and staff at 15% per annum. Officials accrue approximately 2.6 weeks per annum and staff (excluding the cleaner) accrue approximately 1.3 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 \$121,959, an increase of \$24,031

Officials' Annual Leave at year end \$99,869, an increase of \$12,694

Staff LSL at year end \$77,980, an increase of \$3,014

Staff Annual Leave at year end \$37,149, an increase of \$3,642

**THE AUSTRALIAN WORKERS UNION
PORT KEMBLA SOUTH COAST AND SOUTHERN HIGHLANDS BRANCH
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2013 (Continued)

NOTE 5: AUDITORS' REMUNERATION

	2013	2012
	\$	\$
Remuneration of the auditor		
- Auditing or reviewing the financial report	9,055	11,790
- AWU Head Office audit fees	<u>-</u>	<u>-</u>
	<u>\$ 9,055</u>	<u>\$11,790</u>

NOTE 6: CASH AND CASH EQUIVALENTS

	2013	2012
	\$	\$
Cash on hand	900	2,983
Term deposit	818,050	722,125
Business Transaction Account	7,462	12,137
Cheque account	338,160	258,806
Credit Union building account	84,655	23,931
Credit Union leave entitlement account	<u>472,842</u>	<u>449,943</u>
	<u>\$1,722,069</u>	<u>\$1,469,925</u>

The effective interest rate on term bank deposits
Was (2013 5.50%) and (2012 4.25%)
for the remaining accounts. Term deposits have an
average maturity of 180 days (6 months).

NOTE 7: OTHER RECEIVABLES

	2013	2012
	\$	\$
Membership Contributions Receivable	<u>20,073</u>	<u>8,130</u>
Total Receivables	<u>\$ 20,073</u>	<u>\$ 8,130</u>

NOTE 8: FINANCIAL ASSETS

	2013	2012
	\$	\$
Available-for-sale financial assets	<u>662</u>	<u>662</u>
Available-for-sale financial assets comprise:		
Listed investments		
- Shares in listed corporations, at fair value	<u>626</u>	<u>626</u>
Unlisted investments		
- Shares in unlisted private companies, at cost	<u>36</u>	<u>36</u>
Total available-for-sale financial assets	<u>\$ 662</u>	<u>\$ 662</u>

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
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2013 (Continued)

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	2013 \$	2012 \$
PROPERTY		
Land and Buildings		
At cost	665,318	665,318
Accumulated depreciation	<u>-</u>	<u>-</u>
Total Land and Buildings	<u>665,318</u>	<u>665,318</u>
Leasehold Improvements:		
At cost	28,387	28,387
Accumulated depreciation	<u>(3,085)</u>	<u>(2,375)</u>
Total Leasehold Improvements	<u>25,302</u>	<u>26,012</u>
TOTAL PROPERTY	<u>690,620</u>	<u>691,330</u>
PLANT AND EQUIPMENT		
Computers and office equipment:		
At cost	78,337	78,337
Accumulated depreciation	<u>(58,991)</u>	<u>(53,517)</u>
Total Computers and office equipment	<u>19,346</u>	<u>24,820</u>
Motor Vehicles:		
At cost	166,818	204,115
Accumulated depreciation	<u>(20,908)</u>	<u>(40,403)</u>
Total Motor Vehicles	<u>145,910</u>	<u>163,712</u>
TOTAL PLANT AND EQUIPMENT	<u>165,256</u>	<u>188,532</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>\$855,876</u>	<u>\$879,862</u>

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 30 June 2012	691,310	188,532	879,862
Additions	-	166,818	166,818
Disposals	-	147,416	147,416
Depreciation expense	<u>710</u>	<u>42,678</u>	<u>43,388</u>
Carrying amount at 30 June 2013	<u>690,620</u>	<u>165,256</u>	<u>855,876</u>

**THE AUSTRALIAN WORKERS UNION
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2013 (Continued)

NOTE 10: TRADE AND OTHER PAYABLES

	2013	2012
	\$	\$
CURRENT		
Net GST Liabilities	7,042	6,571
Payroll Liabilities	25,809	14,939
Trade Payables	28,550	9,993
Sundry Payables and Accrued Expenses	<u>-</u>	<u>9,282</u>
Rental Bond Due		
	<u>\$ 61,401</u>	<u>\$ 40,785</u>

NOTE 11: PROVISIONS

	2013	2012
	\$	\$
CURRENT		
Provision for Staff Annual Leave Entitlements	37,149	33,507
Provision for Officials Annual Leave Entitlements	<u>99,869</u>	<u>87,175</u>
	<u>137,018</u>	<u>120,682</u>
NON-CURRENT		
Provision for Staff Long Service Leave Entitlements	77,980	74,966
Provision for Officials Long Service Leave Entitlements	<u>121,959</u>	<u>97,928</u>
	<u>199,939</u>	<u>172,894</u>

	Total	Annual Leave	Long Service Leave
	\$	\$	\$
Officials			
Opening Balance at 1 July 2012	185,103	87,175	97,928
Additional Provisions	36,725	12,694	24,031
Amounts Used	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 30 June 2013	<u>221,828</u>	<u>99,869</u>	<u>121,959</u>
Staff			
Opening Balance at 1 July 2012	108,473	33,507	74,966
Additional Provisions	6,656	3,642	3,014
Amounts Used	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 30 June 2013	<u>115,129</u>	<u>37,149</u>	<u>77,980</u>

**THE AUSTRALIAN WORKERS UNION
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2013 (Continued)

NOTE 11: PROVISIONS (Continued)

	2013	2012
	\$	\$

Provision for Long-term Employee Benefits

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

Officials accrue 2.6 weeks per annum (staff accrue 1.3 weeks per annum) in long service leave. Branch officials also accrue interest on their long service leave balance greater than 10 years at a current interest rate of 7.5% per annum.

NOTE 12: RESERVES

	2013	2012
	\$	\$
Asset Revaluation Reserve		
The asset revaluation reserve records revaluations of non-current financial assets	\$ <u>486</u>	\$ <u>486</u>

NOTE 13: CAPITAL AND LEASING COMMITMENTS

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

NOTE 14: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

NOTE 15: RELATED PARTY TRANSACTIONS

No officials or Committee of Management members 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 this entity, the Port Kembla South Coast and 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 this entity.

NOTE 16: 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 2013.

NOTE 17: 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 NSW, Australia.

**THE AUSTRALIAN WORKERS UNION
PORT KEMBLA SOUTH COAST AND SOUTHERN HIGHLANDS BRANCH
ABN: 18 717 674 551**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2013 (Continued)

NOTE 18: ECONOMIC DEPENDENCE

No economic dependence situations have been identified.

NOTE 19: ENTITY DETAILS

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

NOTE 20: CASH FLOW INFORMATION

	2013 \$	2012 \$
Reconciliation of Cash Flow from Operations with Net Profit		
Net Profit	176,104	(141,797)
Non-cash flows in profit		
Depreciation	43,388	56,075
(Profit)/Loss on disposal of motor vehicles	33,143	(2,497)
Changes in assets and liabilities		
Decrease/(increase) in trade and other receivables	(11,943)	36,284
Increase/(decrease) in trade and other payables	20,616	(33,951)
Increase/(decrease) in Annual and Long Service Leave Provisions	<u>43,381</u>	<u>(255,896)</u>
	<u>\$304,689</u>	<u>\$ (341,782)</u>

NOTE 21: FINANCIAL RISK MANAGEMENT

a. Financial Risk Management

The Branch's financial instruments consist mainly of deposits with banks, 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 entity does not have any derivative instruments as at 30 June 2013.

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.

**THE AUSTRALIAN WORKERS UNION
PORT KEMBLA SOUTH COAST AND SOUTHERN HIGHLANDS BRANCH
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2013 (Continued)

NOTE 21: FINANCIAL RISK MANAGEMENT (Continued)

- 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 2013.

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

Credit risk is reviewed 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 at least 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.

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.

**THE AUSTRALIAN WORKERS UNION
PORT KEMBLA SOUTH COAST AND SOUTHERN HIGHLANDS BRANCH
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2013 (Continued)

NOTE 21: FINANCIAL RISK MANAGEMENT (Continued)

	Weighted Average Effective Interest Rate		Within Year		1 to 5 Years	
	2013	2012	2013	2012	2013	2012
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents		-	904,019	747,800	-	-
Short term deposits		-	818,050	722,125	-	-
Investments	-	-	-	-	662	662
Loans and receivables	-	-	-	-	-	-
Total Financial Assets:			<u>1,722,069</u>	<u>1,469,925</u>	<u>662</u>	<u>662</u>

	Non Interest Bearing		Total	
	2013	2012	2013	2012
	\$	\$	\$	\$
Financial Assets:				
Cash and cash equivalents	-	-	-	-
Short term deposits	-	-	-	-
Investments	-	-	-	-
Loans and receivables	-	-	-	-
Total Financial Assets:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Non Interest Bearing		Total	
	2013	2012	2013	2012
	\$	\$	\$	\$
Financial Liabilities:				
Trade and other payables	<u>61,401</u>	<u>40,785</u>	<u>61,401</u>	<u>40,785</u>
Total Financial Liabilities:	<u>61,401</u>	<u>40,785</u>	<u>61,401</u>	<u>40,785</u>

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

	2013	2012
	\$	\$
Less than 6 months	61,401	40,785
6 months to 1 year	-	-
1 -5 years	-	-
Over 5 years	-	-
	<u>61,401</u>	<u>40,785</u>

**THE AUSTRALIAN WORKERS UNION
PORT KEMBLA SOUTH COAST AND SOUTHERN HIGHLANDS BRANCH
ABN: 18 717 674 551**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE, 2013
(Continued)**

NOTE 21: FINANCIAL RISK MANAGEMENT (Continued)

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 value 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.

	2013		2012	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
Financial Assets				
Investments	662	662	662	662
Other receivables	<u>-</u>	<u>-</u>	<u>8,130</u>	<u>8,130</u>
	<u>662</u>	<u>662</u>	<u>8,792</u>	<u>8,792</u>

	2013		2012	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
Financial Liabilities				
Trade and other payables	<u>61,401</u>	<u>61,401</u>	<u>40,785</u>	<u>40,785</u>
	<u>61,401</u>	<u>61,401</u>	<u>40,785</u>	<u>40,785</u>

Fair values are materially in line with carrying values. A discount rate of 0% (2012: 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 has considered and has 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 2013 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 2013 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 set out at s253, *Fair Work (Regulated Organisations) Act 2009*;
3. The financial statements and notes, as set out on pages 1 to 20 present fairly the entity's financial position as at 30 June 2013 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 20 present fairly the entity's financial position as at 30 June 2013 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 2013 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 accordance 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 accordance with the *Fair Work (Regulated Organisations) Act 2009*; 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 the Fair Work Act duly made under Section 272 of the *Fair Work (Regulated Organisations) Act 2009*; 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 2013.
- 7. In relation to wages activity – no recovery action was necessary to be undertaken in the year.

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

Branch Secretary *W Phillips*
.....
W Phillips

Dated this *12th* day of November 2013

**THE AUSTRALIAN WORKERS UNION
PORT KEMBLA SOUTH COAST AND SOUTHERN HIGHLANDS BRANCH
ABN: 18 717 674 551**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

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 2013.

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 Fair Work (Registered Organisations) Act ("RO Act"), the Fair Work (Registered Organisations) Regulations 2009 and the reporting guidelines of the General Manager of FWA, determined under section 257 of the RO Act. 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 RO Act, the Fair Work (Registered Organisations) Regulations 2009 and the reporting guidelines of the General Manager of FWA determined under section 257 of the RO 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.

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

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 Fair Work (Registered Organisations) Act 2009, the Fair Work (Registered Organisations) Regulations 2009 and the reporting guidelines of the General Manager of FWA determined under section 257 of the RO Act including:
 - (i) Giving a true and fair view of the Branch's financial position as at 30 June 2013 and of their performance for the year ended on that date;
 - (ii) Complying with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009; and
- (b) .Other mandatory professional reporting requirement statements.

AKELE KINNAS & CO

Chartered Accountants

by

~~ELIAS KINNAS~~

Suite 6, 104 Railway Street

CORRIMAL NSW 2518

13 November 2013

**THE AUSTRALIAN WORKERS UNION
PORT KEMBLA SOUTH COAST AND SOUTHERN HIGHLANDS BRANCH
ABN: 18 717 674 551**

**PRIVATE INFORMATION FOR THE COMMITTEE OF MANAGEMENT
ON THE 2013 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 2013**

	2013 \$	2012 \$
SALES		
Union Membership Dues	1,290,166	1,441,489
Less: Member Representation Costs	<u>315,736</u>	<u>358,044</u>
GROSS PROFIT	<u>974,430</u>	<u>1,083,445</u>
LESS EXPENSES		
Advertising	5,206	4,500
Auditor's Remuneration	9,055	11,790
Bank Charges	2,096	3,237
Donations and Sponsorships	3,052	18,156
Depreciation	43,388	56,075
Fringe Benefits Tax	3,491	(3,350)
Insurances	15,074	8,815
Motor Vehicle Expenses	33,451	42,145
Office Supplies	18,237	22,293
Postage	8,068	17,883
Parking Costs	-	1,682
Payroll Tax	30,862	85,031
Property Expenses	13,920	13,229
Provision for Employees Leave	42,454	(255,896)
Rental – Hall and Venue Hire	4,990	7,816
Repairs and Maintenance	650	5,340
Salaries – Officials	352,000	942,817
Salaries – Staff	137,171	178,418
Staff Amenities and Uniforms	1,094	4,060
Sundry Expenses	26,658	28,205
Superannuation	80,441	120,520
Travel Expenses	12,686	45,272
Technology Maintenance Costs	32,892	21,602
Telephone	<u>24,084</u>	<u>25,386</u>
TOTAL EXPENSES	<u>901,020</u>	<u>1,405,026</u>
TRADING PROFIT	73,410	(321,581)

**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 2013 (Continued)**

	2013 \$	2012 \$
Other Operating Income		
Interest Received	64,632	97,621
Dividends Received	38	20
Rental Income	60,700	56,277
Sundry Income	10,467	23,369
Profit /(loss) on sale of motor vehicles	(33,143)	2,497
	<u>102,694</u>	<u>179,784</u>
NET PROFIT	<u>\$ 176,104</u>	<u>\$ (141,797)</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 2013**

	2013 \$	2012 \$
AWU Affiliation Fees	44,516	26,699
AWU National Office Administrative Expenses Contribution	167,292	195,130
Member Representation Costs: Arbitration Legals and Fines	59,536	96,111
Conference and AWU Convention Costs	25,100	29,354
Union Delegate Expenses	11,793	12,949
ACTU Cost	5,117	-
Retired Delegates Luncheon	2,382	2,301
Industrial Announcements	<u>-</u>	<u>(4,500)</u>
Total Member Representation Costs	<u>\$315,736</u>	<u>\$358,044</u>

**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, 2013**

	2013	2012
	\$	\$
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 2013	<u>\$176,104</u>	<u>\$(141,797)</u>
NUMBER OF MEMBERS		
At the end of the financial year, financial ordinary members were:	3,437	4,310
EMPLOYEES		
At 30 June 2013, the entity employed		
Branch Officials – full time	4	5
Office Staff – full time	2	3
Cleaner – part time	<u>1</u>	<u>1</u>
	<u>7</u>	<u>9</u>

As at 1 July 2013 the following rates of pay apply to the full-time elected officials of the Union,

National Secretary	\$146,000.00
Assistant National Secretary	\$101,900.00
Branch Secretary	\$101,900.00
Assistant Branch Secretary	\$86,500.00
Branch President	\$86,500.00
Branch Organiser	\$77,100.00

The above rates of pay became effective 1 December 2012.

**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, 2013 (Continued)**

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 (2012 11 times) during the financial year ended 30 June 2013 (once per month excluding January 2013).

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

A Gillespie	11/11
W Phillips	9/11
B Gorgievski	11/11
D Hancock	10/11
B Baraldi	8/11
W Beaumont	7/11
D Bogoevski	4/11
S Burke	6/11
P Dulevski	7/11
J Karasu	6/11
S Markovski	5/11
W Martin	8/11
L Millar	9/11
I Sukoski	10/11
R Tancevski	9/11
R Turford	11/11
J Kyriazopoulos	10/11
B Withers	5/11

SIGNIFICANT CHANGES

No significant changes in the operations of the entity occurred during the financial year ended 30 June 2013.

RIGHTS OF MEMBERS

A member may resign by giving notice (personally or by mail) to any Branch Official pursuant to Section 174 of the *Fair Work (Registered Organisations) Act 2009* 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.

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

On the basis of information provided by the Committee of Management of The Australian Workers Union, Port Kembla South Coast and Southern Highlands Branch, we have compiled the accompanying special purpose financial report for The Australian Workers Union, Port Kembla South Coast and Southern Highlands Branch comprising of a 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 and 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 and 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: Akele Kinnas & Co

Signed:


Elias Kinnas

Address:

Suite 6, 104 Railway Street, Corrimal, NSW, 2518

Dated:

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day of November 2013