



25 July 2014

Padraig Crumlin
National Secretary
The Maritime Union of Australia
Level 2, 365-375 Sussex Street
SYDNEY NSW 2000

Dear Mr Crumlin

The Maritime Union of Australia Financial Report for the year ended 30 June 2013 - [FR2013/132]

I acknowledge receipt of the financial report of The Maritime Union of Australia. The documents were lodged with the Fair Work Commission (FWC) on 6 December 2013.

I also acknowledge receipt of supplementary information on 9 July 2014, 14 July 2014 and 25 July 2014 in relation to addressing the issues raised in the letter Ken Morgan from the FWC sent to you dated 6 May 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 website here: <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 7886 or via email at joanne.fenwick@fwc.gov.au.

Yours sincerely

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

The Maritime Union Of Australia National Office



Paddy Crumlin - National Secretary | Mick Doleman - Deputy National Secretary
Ian Bray and Warren Smith - Assistant National Secretaries

4 December 2013

The Registrar
Fair Work Australia
Level 8, Terrace Tower
80 William Street
EAST SYDNEY NSW 2011



Fax: 02 9380 6990

Email: Sydney@fwc.gov.au

Attention: Mr Stephen Kellett

Email: Stephen.kellett@fwc.gov.au

Dear Registrar

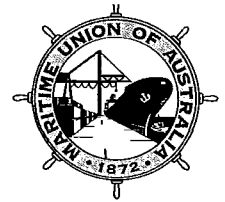
Re: AUDITED FINANCIAL REPORT FOR YEAR ENDING 30 JUNE 2013

Enclosed herewith are the following documents for lodgment by the Maritime Union of Australia:

- Audited Full Financial Report and Audited Concise Financial Report of the Maritime Union of Australia for the year ended 30 June 2013;
- Certificate of designated officer that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009* (Cth).

Yours sincerely

Lorie B. Alberto
National Finance Officer
Maritime Union of Australia




Certificate of Designated Officer

Section 268 Fair Work (Registered Organisations) Act 2009

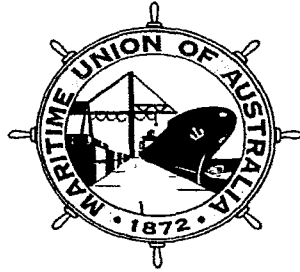
I, Pdraig Crumlin, being the National Secretary of the Maritime Union of Australia, hereby certify:

- Attached to this Certificate at **Annexure A** and **Annexure B** respectively are true and correct copies of the Audited Full Financial Report and Audited Concise Financial Report of the Maritime Union of Australia (Union) for the year ended 30 June 2013; and
- That in accordance with section 265 of the *Fair Work (Registered Organisations) Act 2009* (Cth), the Audited Full Financial Report was provided to members at the Annual General Meeting of members of the Union held in accordance with Rule 19 of the Rules of the Union between 25 November 2013 and 29 November 2013 as set out at **Annexure C**; and
- That in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009* (Cth), the Audited Full Financial Report was presented to the Annual General Meeting of members of the Union held in accordance with Rule 19 of the Rules of the Union between 25 November 2013 and 29 November 2013 as set out at **Annexure C**; and
- That in accordance with the quorum requirement of Rule 19(d) of the Rules of the Union, at least ten (10) per cent of the financial members of the Union in aggregate attended the Annual General Meeting of members of the Union held in accordance with Rule 19 of the Rules of the Union between 25 November 2013 and 29 November 2013 as set out at **Annexure C**; and
- That in accordance with section 265 of the *Fair Work (Registered Organisations) Act 2009* (Cth), the Audited Concise Financial Report was also published on the Union website www.mua.org.au on Friday 11 October 2013.

Signature:


Pdraig Crumlin
National Secretary
Maritime Union of Australia
4 December 2013

ANNEXURE A



**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2013**

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

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**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

NATIONAL COUNCIL REPORT

Your National Council present their report on Maritime Union of Australia (the "Union") and its subsidiary (the "Group") for the financial year ended 30 June 2013.

Officials

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

| | |
|-------------------------------------|-------------------------------------|
| Bracken, K | Hill, I * |
| Bray, I | Keane, G |
| Burford, A * | Keating, P |
| Cain, C | Mayor, T (Appointed 28 August 2013) |
| Campbell, J | McAleer, P |
| Carr, M | Munday, T |
| Carter, S * | Newlyn, J |
| Clothier, C * | Outram, D * |
| Crumlin, P | Patchett, R |
| Cushion, D | Schleibs, D |
| Deakin, J | Sheehan, P |
| Doleman, M | Smith, W |
| Evans, A | Tracey, W |
| Garrett, P | Williams, G |
| Heath, D (Appointed 28 August 2013) | |

**Honorary Electorate*

Officials have been in office since the start of the financial year to the date of this report unless otherwise stated.

During the financial year all Officials attended the National Council meeting with no apologies.

Review of Operations

The consolidated total comprehensive income of the Group for the financial year amounted to \$2,754,459 (2012: \$1,364,479).

The number of members of the Union at the date of this report was 15,346 (2012: 14,976).

The number of employees of the reporting unit at the end of the financial year was 90 (2012: 82).

The right of members to resign from the organisation is set out at Section 11 of the Union's rules.

Significant Changes in State of Affairs

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

Principal Activities

The principal activities of the Union during the financial year was the provision of Trade Union services to its members. No significant change in the nature of these activities occurred during the year.

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

NATIONAL COUNCIL REPORT

Events Subsequent to the End of the Reporting Period

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

Proceedings on Behalf of the Union

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

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Group.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 5 of the report.

Trustees of Maritime Super

The following Officials were trustees or directors of a company that acted as a trustee or alternative trustee of the Maritime Super, a related party:

Carr, M
Crumlin, P
Doleman, M

Signed in accordance with a resolution of the National Council:

11th of October 2013



P. Crumlin
National Secretary

HARVEYS

CHARTERED ACCOUNTANTS

Principal: David Robinson MCom BEc FCA FTIA

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

Postal Address: GPO Box 4605
Sydney NSW 2001 Australia

Telephone: 02 9247 2227

Facsimile: 02 9247 8550

E-mail: mail@harveys.com.au

Internet: www.harveys.com.au



AUDITOR'S INDEPENDENCE DECLARATION

TO THE NATIONAL COUNCIL OF THE MARITIME UNION OF AUSTRALIA AND ITS SUBSIDIARY

I declare that, to the best of knowledge and belief, during the year ended 30 June 2013 there have been:

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

Harveys Accountants

D.P. Robinson
Principal

Dated this 11th day of October 2013

Level 3
2 Bulletin Place
SYDNEY NSW 2000

ABN 63 037 730 685

Liability limited by a scheme approved under Professional Standards Legislation



**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY**
ABN 93 047 659 794

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

| | Note | Consolidated | | Chief Entity | |
|---|-------|------------------|------------------|------------------|------------------|
| | | 2013 \$ | 2012 \$ | 2013 \$ | 2012 \$ |
| Operating activities | | | | | |
| Revenues | 2 | 18,300,929 | 16,303,951 | 18,300,929 | 16,303,951 |
| Employee benefits expense | 3 | (9,527,401) | (9,261,324) | (9,527,401) | (9,261,324) |
| Depreciation and amortisation expenses | 3 | (724,374) | (643,033) | (724,374) | (643,033) |
| Other expenses | | (7,630,343) | (6,844,919) | (7,630,343) | (6,844,919) |
| Net surplus/(deficit) from operating activities | | 418,812 | (445,325) | 418,812 | (445,325) |
| Non-operating activities | | | | | |
| Other income | 2 (a) | 1,544,694 | (249,209) | 1,544,694 | (249,209) |
| Net surplus/(deficit) from non-operating activities | | 1,544,694 | (249,209) | 1,544,694 | (249,209) |
| Net surplus/(deficit) attributable to the members of the Union | | 1,963,506 | (694,534) | 1,963,506 | (694,534) |
| Other comprehensive income | | | | | |
| Revaluation of land and buildings | | 790,953 | 2,059,013 | 790,953 | 2,059,013 |
| Total comprehensive income for the year attributable to the members of the Union | | 2,754,459 | 1,364,479 | 2,754,459 | 1,364,479 |

The accompanying notes form part of the financial statements.

THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
 ABN 93 047 659 794

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

| | Note | Consolidated | | Chief Entity | |
|--------------------------------------|------|-------------------|-------------------|-------------------|-------------------|
| | | 2013 | 2012 | 2013 | 2012 |
| | | \$ | \$ | \$ | \$ |
| CURRENT ASSETS | | | | | |
| Cash and cash equivalents | 5 | 2,048,242 | 1,298,850 | 2,041,173 | 1,291,781 |
| Inventories on hand | | 93,134 | 55,097 | 93,134 | 55,097 |
| Trade and other receivables | 6 | 1,183,063 | 1,419,243 | 1,182,514 | 1,418,694 |
| TOTAL CURRENT ASSETS | | 3,324,439 | 2,773,190 | 3,316,821 | 2,765,572 |
| NON-CURRENT ASSETS | | | | | |
| Trade and other receivables | 6 | 313,620 | 320,997 | 328,620 | 335,997 |
| Investments | 7 | 6,742,635 | 5,273,016 | 6,742,626 | 5,273,007 |
| Property, plant and equipment | 8 | 30,466,577 | 27,358,074 | 30,466,577 | 27,358,074 |
| TOTAL NON-CURRENT ASSETS | | 37,522,832 | 32,952,087 | 37,537,823 | 32,967,078 |
| TOTAL ASSETS | | 40,847,271 | 35,725,277 | 40,854,644 | 35,732,650 |
| CURRENT LIABILITIES | | | | | |
| Trade and other payables | 9 | 862,224 | 1,332,433 | 862,224 | 1,332,433 |
| Provisions | 10 | 2,270,485 | 2,080,473 | 2,270,485 | 2,080,473 |
| Borrowings | 11 | 125,000 | - | 125,000 | - |
| TOTAL CURRENT LIABILITIES | | 3,257,709 | 3,412,906 | 3,257,709 | 3,412,906 |
| NON-CURRENT LIABILITIES | | | | | |
| Provisions | 10 | 1,301,157 | 1,153,424 | 1,301,157 | 1,153,424 |
| Borrowings | 11 | 2,375,000 | - | 2,375,000 | - |
| TOTAL NON-CURRENT LIABILITIES | | 3,676,157 | 1,153,424 | 3,676,157 | 1,153,424 |
| TOTAL LIABILITIES | | 6,933,866 | 4,566,330 | 6,933,866 | 4,566,330 |
| NET ASSETS | | 33,913,405 | 31,158,947 | 33,920,778 | 31,166,320 |
| MEMBERS' EQUITY | | | | | |
| Fighting fund reserve | 12 | 268,739 | 18,739 | 268,739 | 18,739 |
| Revaluation reserve | | 2,849,966 | 2,059,013 | 2,849,966 | 2,059,013 |
| Retained surplus | | 30,794,701 | 29,081,195 | 30,802,074 | 29,088,568 |
| TOTAL MEMBERS' EQUITY | | 33,913,406 | 31,158,947 | 33,920,779 | 31,166,320 |

The accompanying notes form part of the financial statements.

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY**
ABN 93 047 659 794

**STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED 30 JUNE 2013**

| | Fighting Fund Reserve | Revaluation Reserve | Retained Surplus | Total Equity |
|-----------------------------------|--------------------------|------------------------|---------------------|-------------------|
| | \$ | \$ | \$ | \$ |
| CONSOLIDATED | | | | |
| At 1 July 2011 | 18,739 | - | 29,775,729 | 29,794,468 |
| Net deficit for the year | - | - | (694,534) | (694,534) |
| Other comprehensive income | - | 2,059,013 | - | 2,059,013 |
| Total comprehensive income | - | 2,059,013 | (694,534) | 1,364,479 |
| At 30 June 2012 | 18,739 | | 29,081,195 | 31,158,947 |
| Net surplus for the year | - | - | 1,963,506 | 1,963,506 |
| Transfer to fighting fund | 250,000 | - | (250,000) | - |
| Other comprehensive income | - | 790,953 | - | 790,953 |
| Total comprehensive income | 250,000 | 790,953 | 1,713,506 | 2,754,459 |
| At 30 June 2013 | 268,739 | 2,849,966 | 30,794,701 | 33,913,406 |
| CHIEF ENTITY | | | | |
| At 1 July 2011 | 18,739 | - | 29,783,102 | 29,801,841 |
| Net deficit for the year | - | - | (694,534) | (694,534) |
| Other comprehensive income | - | 2,059,013 | - | 2,059,013 |
| Total comprehensive income | - | 2,059,013 | (694,534) | 1,364,479 |
| At 30 June 2012 | 18,739 | 2,059,013 | 29,088,568 | 31,166,320 |
| Net surplus for the year | - | - | 1,963,506 | 1,963,506 |
| Transfer to fighting fund | 250,000 | - | (250,000) | - |
| Other comprehensive income | - | 790,953 | - | 790,953 |
| Total comprehensive income | 250,000 | 790,953 | 1,713,506 | 2,754,459 |
| At 30 June 2013 | 268,739 | 2,849,966 | 30,802,074 | 33,920,779 |

The accompanying notes form part of the financial statements.

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013**

| | Note | Consolidated | | Chief Entity | |
|--|--------------|--------------------|--------------------|--------------------|--------------------|
| | | 2013 | 2012 | 2013 | 2012 |
| | | \$ | \$ | \$ | \$ |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | |
| Receipts from members | | 19,129,831 | 16,392,691 | 19,129,831 | 16,392,691 |
| Payments to suppliers and employees | | (19,090,672) | (18,408,189) | (19,090,672) | (18,408,189) |
| Rent received | | 300,248 | 317,398 | 300,248 | 317,398 |
| Other receipts | | 802,376 | 846,794 | 802,376 | 846,794 |
| Donations received | | 67,044 | 44,625 | 67,044 | 44,625 |
| Net cash provided by/(used in) operating activities | 16(b) | 1,208,826 | (806,681) | 1,208,826 | (806,681) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | | |
| Interest received from managed funds | | 62,714 | 98,100 | 62,714 | 98,100 |
| Repayment of Official loan | | 25,350 | 24,700 | 25,350 | 24,700 |
| Purchase of managed investments | | - | (61,397) | - | (61,397) |
| Proceeds from sale of property, plant and equipment | | 49,551 | 86,619 | 49,551 | 86,619 |
| Purchase of property, plant and equipment | 8 | (3,097,049) | (1,634,953) | (3,097,049) | (1,634,953) |
| Net cash used in investing activities | | (2,959,434) | (1,486,931) | (2,959,434) | (1,486,931) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | |
| Proceeds from borrowings | | 2,500,000 | - | 2,500,000 | - |
| Net cash provided by financing activities | | 2,500,000 | - | 2,500,000 | - |
| Net increase/(decrease) in cash and cash equivalents | | 749,392 | (2,293,612) | 749,392 | (2,293,612) |
| Cash and cash equivalent at the beginning of the financial year | | 1,298,850 | 3,592,462 | 1,291,781 | 3,585,393 |
| Cash and cash equivalent at the end of the financial year | 16(a) | 2,048,242 | 1,298,850 | 2,041,173 | 1,291,781 |

The accompanying notes form part of the financial statements.

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers The Maritime Union of Australia as an individual chief entity and its subsidiary company MUA HTS Pty Limited as an economic entity. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The Maritime Union of Australia is a Trade Union registered and domiciled in Australia.

The financial report of The Maritime Union of Australia and its subsidiary company for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the National Council on the 11th October 2013.

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, (Including Australian Accounting Interpretations), and the *Fair Work (Registered Organisations) Act 2009*. The union is a not for profit entity.

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

The financial statements have been prepared on an 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) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by The Maritime Union of Australia at the end of the reporting period. A controlled entity is any entity over which The Maritime Union of Australia has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 18 to the financial statements.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

b) Income Tax

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

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

c) 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 Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the 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.

d) Information to be provided to Members or the General Manager

In accordance with the requirements of the *Fair Work (Registered Organisation) Act 2009* the attention of members is drawn to the following sub sections of Section 272 of the Act which read as follows:

- i). 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.
- ii). 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.
- iii). A reporting unit must comply with an application made under subsection (1).

e) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their fair value, based on periodic, at least every 5 years valuations by external independent valuers, less subsequent depreciation and impairment for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited to the revaluation surplus in equity, any revaluation decrements are initially taken to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter, the decrements are taken to profit and loss.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by Officials to ensure it is not in excess of the recoverable amount from those 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 assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Union and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

| Class of fixed asset | Effective life (years) | | Depreciation Rate |
|-----------------------------|-------------------------------|-------|--------------------------|
| Buildings | 40 | - 40 | 2.50% |
| Plant and Equipment | 15 | - 15 | 6.85% |
| Office Equipment | 5 | - 5 | 20.0% |
| Furniture & Fixtures | 6.6 | - 6.6 | 15.0% |
| Motor Vehicles | 8 | - 8 | 12.5% |

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

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 and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

f) Financial instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

(ii) *Loans and receivables*

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

(iii) *Held-to-maturity investments*

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

(v) Financial liabilities

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

Impairment

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

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

Derecognition

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

g) Impairment of Assets

At the end of each reporting period, the Union assesses whether there is any indication that the asset maybe impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Where the future economic benefits of the asset are not primarily dependent upon the assets ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset. Where it is not possible to estimate the recoverable amount of an individual asset, the union estimates the recoverable amount of the cash generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

h) Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to the end of the reporting period. 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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

i) Accrued expenditure

Accruals are recognised when there is a definitive commitment and where an obligation for the Union has arisen. Usually the Union accrues for the international conferences, election expenses, legal fees, and any other payables for which the Union has an estimate. Estimates are based on past year trends and current factors which may have an impact on the Union's obligations. During the current financial year the Union accrued for Union elections, international and national conferences.

j) Cash and Cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

k) Revenue

Revenue from member contributions is recognised on an accrual basis. These comprise of actual contributions received during the year and contributions due at reporting date.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Revenue from rendering of a service is recognised upon the delivery of service to the customer.

All revenue is stated net of the amount of GST.

l) Comparative Figures

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

Where the Union has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional Statement of Financial Position as at the beginning of the earliest comparative period will be disclosed.

m) Trade and Other Receivables

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

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

n) Trade and Other Payables

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

o) Critical Accounting Estimates and Judgements and Key Sources of Estimation Uncertainty

Estimation of useful lives of assets

The Union determines the estimated useful lives and related depreciation of assets. The useful lives can change from time to time due to technical innovations or some other events.

Long service leave provision

Long service leave is recognised and measured at present value of the estimated future cash flow to be made in respect of employees at the reporting date. In determining the present value of the liability, estimates of attribution rates, inflation and the probability of entitlement paid outs are taken into account.

p) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Union. The Union has decided not to early adopt any of the new and amended pronouncements. The Union's assessment of the new and amended pronouncements that are relevant to the Union but applicable in future reporting periods is set out below:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

AASB 9: Financial Instruments (December 2010) and AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2015).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- (a) simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- (b) simplifying the requirements for embedded derivatives;
- (c) removing the tainting rules associated with held-to-maturity assets;
- (d) removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- (e) 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;
- (f) requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on:
 - (i) the objective of the entity's business model for managing the financial assets;
 - (ii) the characteristics of the contractual cash flows; and
 - (iii) requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The Union has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013)

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FOR THE YEAR ENDED 30 JUNE 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

Since the Union is a not-for-profit private sector entity, it qualifies for the reduced disclosure requirements for Tier 2 entities. It is anticipated that the Union will take advantage of Tier 2 reporting at a later date.

AASB 10: Consolidated Financial Statements

AASB 10 replaces parts of AASB 127 (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The Union has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

AASB 13: Fair Value Measurement and AASB 2011–8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are not expected to significantly impact the Union.

AASB 2011-9: Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently. This Standard affects presentation only and is therefore not expected to significantly impact the Union.

AASB 119: Employee Benefits (September 2011) and AASB 2011–10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Union does not have any defined benefit plans and so is not impacted by the amendment.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

| | Consolidated | | Chief Entity | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$ | \$ | \$ | \$ |
| 2. Revenues | | | | |
| Operating activities | | | | |
| Union contributions | 17,237,073 | 15,165,922 | 17,237,073 | 15,165,922 |
| Donations | 67,044 | 44,625 | 67,044 | 44,625 |
| Consulting fees | 242,014 | 205,684 | 242,014 | 205,684 |
| Rent received | 272,953 | 308,153 | 272,953 | 308,153 |
| Loss on sale of non-current assets | (5,574) | (6,997) | (5,574) | (6,997) |
| Union sales | 35,141 | 48,203 | 35,141 | 48,203 |
| Expenses recouped | 275,054 | 291,573 | 275,054 | 291,573 |
| Sundry income | 177,223 | 246,788 | 177,223 | 246,788 |
| Total revenues | 18,300,929 | 16,303,951 | 18,300,929 | 16,303,951 |
| Income & Expenses from Non-operating | | | | |
| (a) Activities | | | | |
| Interest received | 62,714 | 117,186 | 62,714 | 117,186 |
| Foreign exchange gain | 7,436 | 3,861 | 7,436 | 3,861 |
| Income (loss) from managed funds | 1,474,544 | (370,256) | 1,474,544 | (370,256) |
| Other income | 1,544,694 | (249,209) | 1,544,694 | (249,209) |
| 3. Expenses | | | | |
| Depreciation for non-current assets | | | | |
| Buildings | 229,838 | 203,740 | 229,838 | 203,740 |
| All other assets | 494,536 | 439,293 | 494,536 | 439,293 |
| Total depreciation | 724,374 | 643,033 | 724,374 | 643,033 |
| Employee benefits | | | | |
| <i>Officials</i> | | | | |
| Salaries and wages | 2,688,492 | 2,685,673 | 2,688,492 | 2,685,673 |
| Annual leave entitlement | 136,932 | 71,507 | 136,932 | 71,507 |
| Long service leave entitlement | 65,923 | 82,427 | 65,923 | 82,427 |
| Superannuation contributions | 369,164 | 444,891 | 369,164 | 444,891 |
| Other employment costs | 366,493 | 348,620 | 366,493 | 348,620 |
| | 3,627,005 | 3,633,118 | 3,627,005 | 3,633,118 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

| | Consolidated | | Chief Entity | |
|--------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$ | \$ | \$ | \$ |
| <i>Other employees</i> | | | | |
| Salaries and wages | 4,298,551 | 4,131,996 | 4,298,551 | 4,131,996 |
| Annual leave entitlement | 218,937 | 331,009 | 218,937 | 331,009 |
| Long service leave entitlement | 105,402 | 18,398 | 105,402 | 18,398 |
| Superannuation contributions | 626,033 | 559,809 | 626,033 | 559,809 |
| Staff and member training | 65,497 | 50,630 | 65,497 | 50,630 |
| Other employment costs | 585,975 | 536,364 | 585,975 | 536,364 |
| | <u>5,900,396</u> | <u>5,628,206</u> | <u>5,900,396</u> | <u>5,628,206</u> |
| Total employee benefits | <u>9,527,401</u> | <u>9,261,324</u> | <u>9,527,401</u> | <u>9,261,324</u> |

Other operating expenses

Remuneration of auditors:

| | | | | |
|----------------------------|-----------|-----------|-----------|-----------|
| - Audit services | 50,000 | 45,000 | 50,000 | 45,000 |
| - Other services | 18,250 | 28,494 | 18,250 | 28,494 |
| Legal expenses | 1,458,124 | 396,976 | 1,458,124 | 396,976 |
| Travelling | 830,930 | 1,305,917 | 830,930 | 1,305,917 |
| Affiliation fee and levies | 265,840 | 182,113 | 265,840 | 182,113 |
| Donation | 168,877 | 218,208 | 168,877 | 218,208 |

4. Officials' Remuneration

The aggregate remuneration (including employee entitlements) '*received*' by Officials and relieving Officials from the Union during the year:

| | | | |
|-----------|-----------|-----------|-----------|
| 3,032,613 | 3,206,124 | 3,032,613 | 3,206,124 |
|-----------|-----------|-----------|-----------|

Number of chief entity Officials whose total remuneration from the chief entity, or any related parties, was within the following bands:

| Salary Range | No. of Officials |
|-----------------------|------------------|
| \$115,000 - \$124,999 | 6 |
| \$125,000 - \$134,999 | 8 |
| \$135,000 - \$144,999 | 4 |
| \$145,000 - \$154,999 | 4 |

The above bands are inclusive of cash salaries, payment of employee benefits, and superannuation. Salaries have not been annualised for those Officials who did not hold office for the full financial year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

| | Note | Consolidated | | Chief Entity | |
|---|------|------------------|------------------|------------------|------------------|
| | | 2013 | 2012 | 2013 | 2012 |
| | | \$ | \$ | \$ | \$ |
| 5. Cash and Cash Equivalents | | | | | |
| Cash at bank | | 1,729,754 | 97,540 | 1,722,685 | 90,471 |
| Cash on hand | | 1,310 | 1,310 | 1,310 | 1,310 |
| Deposits at call | | 317,177 | 1,200,000 | 317,177 | 1,200,000 |
| | | <u>2,048,242</u> | <u>1,298,850</u> | <u>2,041,173</u> | <u>1,291,781</u> |
| 6. Trade and Other Receivables | | | | | |
| CURRENT | | | | | |
| Trade debtors | | 571,438 | 635,674 | 571,438 | 635,674 |
| Accrued contributions | | 221,288 | 390,338 | 221,288 | 390,338 |
| Loans to Officials | | 25,350 | 24,700 | 25,350 | 24,700 |
| Other receivables | | 364,986 | 368,531 | 364,437 | 367,982 |
| | | <u>1,183,063</u> | <u>1,419,243</u> | <u>1,182,514</u> | <u>1,418,694</u> |
| NON-CURRENT | | | | | |
| Amount due from subsidiary | 19 | - | - | 15,000 | 15,000 |
| Loans to Officials | 6(a) | 313,620 | 320,997 | 313,620 | 320,997 |
| | | <u>313,620</u> | <u>320,997</u> | <u>328,620</u> | <u>335,997</u> |
| | | <u>1,496,683</u> | <u>1,740,240</u> | <u>1,511,134</u> | <u>1,754,690</u> |
| (a) Loans to Officials | | | | | |
| Repayments paid during the year | | 25,350 | 24,700 | 25,350 | 24,700 |
| There are two loans outstanding to Officials as at 30 June 2013 amounting to \$338,970 (2012: \$345,697). | | | | | |
| Names of the Officials (including ITF Officials) who hold loans from the Union are: | | | | | |
| - Dean Summers | | | | | |
| - Ian Bray | | | | | |
| The loans are secured by mortgage over residential property and are made on normal commercial terms and conditions. The total interest received on loans to Officials for the year was \$17,123 [2012: \$19,770]. | | | | | |
| 7. Investments | | | | | |
| Managed funds at market value | | 6,717,249 | 5,256,445 | 6,717,249 | 5,256,445 |
| Shares - listed | | 25,387 | 16,571 | 25,377 | 16,561 |
| Shares in subsidiary | | - | - | 1 | 1 |
| | | <u>6,742,635</u> | <u>5,273,016</u> | <u>6,742,626</u> | <u>5,273,007</u> |

Managed funds at market value

Managed funds are disclosed in the financial accounts as at 30 June 2013 at market value. The net revaluation increment of \$1,140,721 [2012: decrement of \$557,752] has been credited to the statement of comprehensive income pursuant to Note 1 f (i) of the financial report.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

8. Property, Plant and Equipment

(a) Consolidated

Cost:

| | Land & Buildings | Plant & Equipment | Office Equipment | Office Furniture | Motor Vehicles | Total |
|----------------------------------|---------------------------------|----------------------------------|-----------------------------|-----------------------------|---------------------------|--------------------|
| Balance 1 July 2012 | 25,814,387 | 928,480 | 1,380,070 | 854,204 | 1,297,980 | 30,275,121 |
| Additions | 2,723,873 | 4,220 | 178,123 | 41,277 | 149,556 | 3,097,049 |
| Disposals | - | - | (4,605) | - | (97,547) | (102,152) |
| Revaluation increment | 790,953 | - | - | - | - | 790,953 |
| Balance at 30 June 2013 | 29,329,213 | 932,700 | 1,553,587 | 895,481 | 1,349,989 | 34,060,970 |
| | - | - | - | - | - | - |
| Accumulated Depreciation: | - | - | - | - | - | - |
| Balance at 1 July 2012 | (698,460) | (439,518) | (838,962) | (550,494) | (389,613) | (2,917,047) |
| Depreciation | (229,837) | (49,448) | (200,245) | (82,065) | (162,779) | (724,374) |
| Disposals | - | - | 2,237 | - | 44,790 | 47,027 |
| Balance at 30 June 2013 | (928,297) | (488,966) | (1,036,970) | (632,559) | (507,602) | (3,594,393) |
| | - | - | - | - | - | - |
| Carrying Value | - | - | - | - | - | - |
| As at 30 June 2012 | 25,115,927 | 488,962 | 541,108 | 303,710 | 908,367 | 27,358,074 |
| As at 30 June 2013 | 28,400,916 | 443,734 | 516,617 | 262,922 | 842,388 | 30,466,577 |

Land and buildings are stated at fair value, which has been determined based on valuations as at 30 June 2012 performed by Gentle & Co Pty Ltd, an accredited independent valuer. The fair value of the properties have been determined on transactions observable in the market.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

**8. Property, Plant and Equipment
(b) Chief**

Cost:

| | Land & Buildings | Plant & Equipment | Office Equipment | Office Furniture | Motor Vehicles | Total |
|-------------------------|---------------------------------|----------------------------------|-----------------------------|-----------------------------|---------------------------|-------------------|
| Balance 1 July 2012 | 25,814,387 | 928,480 | 1,380,070 | 854,204 | 1,297,980 | 30,275,121 |
| Additions | 2,723,873 | 4,220 | 178,123 | 41,277 | 149,556 | 3,097,049 |
| Disposals | - | - | (4,605) | - | (97,547) | (102,152) |
| Revaluation increment | 790,953 | - | - | - | - | 790,953 |
| Balance at 30 June 2013 | 29,329,213 | 932,700 | 1,553,587 | 895,481 | 1,349,989 | 34,060,970 |

Accumulated Depreciation:

| | | | | | | |
|-------------------------|------------------|------------------|--------------------|------------------|------------------|--------------------|
| Balance at 1 July 2012 | (698,460) | (439,518) | (838,962) | (550,494) | (389,613) | (2,917,047) |
| Depreciation | (229,837) | (49,448) | (200,245) | (82,065) | (162,779) | (724,374) |
| Disposals | - | - | 2,237 | - | 44,790 | 47,027 |
| Balance at 30 June 2013 | (928,297) | (488,966) | (1,036,970) | (632,559) | (507,602) | (3,594,393) |

Carrying Value

| | | | | | | |
|--------------------|-------------------|----------------|----------------|----------------|----------------|-------------------|
| As at 30 June 2012 | 25,115,927 | 488,962 | 541,108 | 303,710 | 908,367 | 27,358,074 |
| As at 30 June 2013 | 28,400,916 | 443,734 | 516,617 | 262,922 | 842,388 | 30,466,577 |

Land and buildings are stated at fair value, which has been determined based on valuations as at 30 June 2012 performed by Gentle & Co Pty Ltd, an accredited independent valuer. The fair value of the properties have been determined on transactions observable in the market.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

| | Consolidated | | Chief Entity | |
|---|------------------|------------------|------------------|------------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$ | \$ | \$ | \$ |
| 9. Trade and Other Payables | | | | |
| Trade creditors | 393,780 | 253,232 | 393,780 | 253,232 |
| Other creditors | 468,444 | 1,079,201 | 468,444 | 1,079,201 |
| | <u>862,224</u> | <u>1,332,433</u> | <u>862,224</u> | <u>1,332,433</u> |
| 10. Provisions | | | | |
| CURRENT | | | | |
| Employee entitlements | 2,270,485 | 2,080,473 | 2,270,485 | 2,080,473 |
| NON-CURRENT | | | | |
| Employee entitlements | 1,301,157 | 1,153,424 | 1,301,157 | 1,153,424 |
| Aggregate employee benefit liability | <u>3,571,642</u> | <u>3,233,897</u> | <u>3,571,642</u> | <u>3,233,897</u> |
| 11. Borrowings | | | | |
| Current | 125,000 | | 125,000 | |
| Noncurrent | 2,375,000 | - | 2,375,000 | - |
| | <u>2,500,000</u> | <u>-</u> | <u>2,500,000</u> | <u>-</u> |
| 12. Fighting Fund Reserve | 268,739 | 18,739 | 268,739 | 18,739 |

The fighting fund was set up to advance the defence of the Union's interest. Ongoing contributions to the fighting fund by the Union will be dependent on prevailing requirements.

13. Contingent Liabilities

The maximum amount of contingent liabilities that may become payable are:

- - - -

The Union regularly engages legal action in support of its members. These cases are often ongoing pending court outcomes and are considered activities common to the Union's operations.

14. Events Subsequent to Reporting Date

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

15. Related Party Transactions

There are no transactions between the parent entity and its subsidiary during the year. The Maritime Union of Australia has made loans to the Officials of the Union on normal commercial terms and are at call. The loans are secured by mortgage over residential property (refer to Note 6).

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AND ITS SUBSIDIARY
ABN 93 047 659 794**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

| | Consolidated | | Chief Entity | |
|---|------------------|------------------|------------------|------------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$ | \$ | \$ | \$ |
| 16. Cash Flow Information | | | | |
| (a) Reconciliation of Cash | | | | |
| Cash at the end of the financial year as shown in the Statement of Cash Flows is represented as: | | | | |
| Cash at bank | 1,729,754 | 97,540 | 1,722,685 | 90,471 |
| Cash on hand | 1,310 | 1,310 | 1,310 | 1,310 |
| Deposits at call | 317,177 | 1,200,000 | 317,177 | 1,200,000 |
| | 2,048,242 | 1,298,850 | 2,041,173 | 1,291,781 |
| (b) Reconciliation of Cash Flow from Operations with Surplus from Ordinary Activities after Income Tax | | | | |
| Surplus/(deficit) from operating activities | 418,812 | (445,325) | 418,812 | (445,325) |
| Non-cash flows in surplus/(deficit) from ordinary activities: | | | | |
| Depreciation | 724,374 | 643,033 | 724,374 | 643,033 |
| Net (gain)/loss on disposal | 5,574 | 6,997 | 5,574 | 6,997 |
| Changes in assets and liabilities : | | | | |
| (Increase)/decrease in receivables | 230,567 | 264,021 | 230,567 | 264,021 |
| (Increase)/decrease in inventory | (38,037) | - | (38,037) | |
| Increase/(decrease) in payables | (470,209) | (1,271,921) | (470,209) | (1,271,921) |
| Increase/(decrease) in provisions | 337,745 | (3,486) | 337,745 | (3,486) |
| Cash flows from operations | 1,208,826 | (806,681) | 1,208,826 | (806,681) |

17. Financial Risk Management

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, interest rate risk and equity price risk.

a. Credit risk

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

Credit risk exposures

The Union has no significant concentration of credit risk with any single counterparty or group of counterparties.

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

17. Financial Risk Management (continued)

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the Statement of Financial Position.

b. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows.

c. Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

The Union is exposed to securities price risk on available-for-sale investments. Such risk is managed through diversification of investments across industries and geographic locations. The Union's investments are held in diversified management fund portfolios.

Sensitivity analysis

The following table illustrates sensitivities to the Union's exposure to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reporting at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

| | Profit | Equity |
|--|---------|---------|
| | \$ | \$ |
| Year ended 30 June 2013 | | |
| +/- 2% in interest rates | 12,616 | 12,616 |
| +/- 10% in fair value of financial assets | 674,264 | 674,264 |
| +/- 10% in fair value of financial liabilities | 237,500 | 237,500 |
| Year ended 30 June 2012 | | |
| +/- 2% in interest rates | 30,420 | 30,420 |
| +/- 10% in fair value of financial assets | 527,302 | 527,302 |
| +/- 10% in fair value of financial liabilities | - | - |

18. Segment Reporting

The economic entity operates predominantly in one business and geographical segment being Trade Union services in Australia.

19. Controlled Entities

Subsidiary: MUA HTS Pty Limited
Country of incorporation: Australia
Percentage owned: 100% (2012: 100%)

20. Union Details

The national office of the Union is located at:
Level 2, 365 - 375 Sussex Street SYDNEY NSW 2000

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

21. Financial Instruments

Interest Rate Risk

The Union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate on those financial assets and financial liabilities is as follows:

| | Weighted Average Effective Interest | | Floating Interest Rates | | Non-interest Bearing | |
|------------------------------|-------------------------------------|-----------|-------------------------|------------------|----------------------|------------------|
| | 2013 % | 2012 % | 2013 \$ | 2012 \$ | 2013 \$ | 2012 \$ |
| Consolidated | | | | | | |
| Financial Assets | | | | | | |
| Cash at bank | 1.4% | 5.4% | 2,048,242 | 1,298,850 | - | - |
| Receivables | 4.5% | 5.5% | 338,970 | 345,697 | 1,157,713 | 1,394,543 |
| Investment | - | - | - | - | 6,742,635 | 5,273,016 |
| | | | <u>2,387,212</u> | <u>1,644,547</u> | <u>7,900,348</u> | <u>6,667,559</u> |
| Financial Liabilities | | | | | | |
| Payables | - | - | - | - | 862,224 | 1,332,433 |
| Loans | 6.0% | - | 2,375,000 | - | - | - |
| | | | <u>2,375,000</u> | <u>-</u> | <u>862,224</u> | <u>1,332,433</u> |
| Chief Entity | | | | | | |
| Financial Assets | | | | | | |
| Cash at bank | 1.4% | 5.4% | 2,041,173 | 1,291,781 | - | - |
| Receivables | 4.5% | 5.5% | 338,970 | 345,697 | 1,157,164 | 1,393,994 |
| Investment | - | - | - | - | 6,742,626 | 5,273,007 |
| | | | <u>2,380,143</u> | <u>1,637,478</u> | <u>7,899,790</u> | <u>6,667,001</u> |
| Financial Liabilities | | | | | | |
| Payables | - | - | - | - | 862,224 | 1,332,433 |
| Loans | 6.0% | - | 2,375,000 | - | - | - |
| | | | <u>2,375,000</u> | <u>-</u> | <u>862,224</u> | <u>1,332,433</u> |

Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at reporting date adjusted for transaction costs expected to be incurred. For other assets and other liabilities net fair value approximates their carrying value. No financial assets, where the carrying amount exceeds net fair values, have been written down as these assets will be held to maturity.

The aggregate net fair values and carrying amounts of financial assets and liabilities are disclosed as financial liabilities in the Statement of Financial Position and in the Notes to the Financial Statements.

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

**NATIONAL COUNCIL'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

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

- (a) The financial statements and notes comply with the Australian Accounting Standards (including the Australian Accounting Interpretations).
- (b) The financial statements and notes comply with the reporting guidelines of the *Fair Work (Registered Organisations) Act 2009*.
- (c) The accompanying financial statements and notes are prepared so as to give a true and fair view of the financial performance, financial position and cash flows of the Group for the financial year ended 30 June 2013.
- (d) There are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable.
- (e) During the financial year to which the financial report relates and since the end of the year:
 - (i) meetings of the National Council were held in accordance with the rules of the organisation
 - (ii) the financial affairs of the Union have been managed in accordance with the rules of the organisation
 - (iii) the financial records of the Union have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009*
 - (iv) to the knowledge and belief of the National Council, during the financial year to which the financial report relates, there have been no instances where records of the organisation or other documents or copies of those records or other documents, have not been furnished, or made available to members of the organisation or the Registrar in accordance with section 272 of the *Fair Work (Registered Organisations) Act 2009*
 - (v) the organisation has kept its records, as far as practicable, in a consistent manner
 - (vi) with regard to funds of the organisation raised by the compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated; and
 - (vii) no orders have been made by the Commission under section 273 of the *Fair Work (Registered Organisations) Act 2009* during the period.

Signed at Sydney this 11th of October 2013



.....
M. Doleman
Deputy National Secretary



.....
M. Carr
Branch Secretary

Principal: David Robinson MCom BEc FCA FTIA

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

Postal Address: GPO Box 4605
Sydney NSW 2001 Australia

Telephone: 02 9247 2227

Facsimile: 02 9247 0550

E-mail: mail@harveys.com.au

Internet: www.harveys.com.au



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARITIME UNION OF AUSTRALIA AND ITS SUBSIDIARY

Report on the Financial Report

We have audited the accompanying financial report, being a general purpose financial report, of The Maritime Union of Australia (the "Union") and its Subsidiary (the "Group"), which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in members equity, statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the National Council's statement.

National Council's Responsibility for the Financial Report

The National Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009 and for such internal controls as the the National Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the National Council also states, in accordance with Australian Accounting Standards 101, Presentation of Financial Statements, that the financial statements comply with the International Financial Reporting Standards.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion:

- (a) the financial report of the Maritime Union of Australia and its subsidiary is in accordance with the Fair Work (Registered Organisations) Act 2009, including:
 - (i) giving a true and fair view of the Union's and economic entity's financial position as at 30 June 2013 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations), and the *Fair Work (Registered Organisations) Act 2009*;
- (b) (ii) the financial report also complies with International Financial Accounting Standards as disclosed in Note 1.

Harveys Accountants



D.P. Robinson
Principal

Dated this 11th day of October 2013

Level 3
2 Bulletin Place
SYDNEY NSW 2000

THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
 ABN 93 047 659 794

ITEMISED STATEMENT OF COMPREHENSIVE
FOR THE YEAR ENDED 30 JUNE 2013

| | Consolidated | | Chief Entity | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$ | \$ | \$ | \$ |
| Operating income | | | | |
| Union contributions | 17,237,073 | 15,165,922 | 17,237,073 | 15,165,922 |
| Donations | 67,044 | 44,625 | 67,044 | 44,625 |
| Consulting fees | 242,014 | 205,684 | 242,014 | 205,684 |
| Rent received | 272,953 | 308,153 | 272,953 | 308,153 |
| Profit/(loss) on sale of non-current assets | (5,574) | (6,997) | (5,574) | (6,997) |
| Union sales | 35,141 | 48,203 | 35,141 | 48,203 |
| Expenses recouped | 275,054 | 291,573 | 275,054 | 291,573 |
| Sundry income | 177,223 | 246,788 | 177,223 | 246,788 |
| Total operating income | 18,300,929 | 16,303,951 | 18,300,929 | 16,303,951 |
| Compensation and benefit | | | | |
| Direct salaries - Officials | 2,688,492 | 2,685,673 | 2,688,492 | 2,685,673 |
| Direct salaries - Staff | 4,298,551 | 4,022,304 | 4,298,551 | 4,022,304 |
| Fringe benefits tax | 166,339 | 118,958 | 166,339 | 118,958 |
| Motor vehicle expenses | 292,683 | 267,563 | 292,683 | 267,563 |
| Payroll tax | 411,615 | 408,406 | 411,615 | 408,406 |
| Staff & Official training | 65,497 | 50,630 | 65,497 | 50,630 |
| Superannuation | 995,197 | 1,004,700 | 995,197 | 1,004,700 |
| Employee entitlement expense | 527,195 | 503,341 | 527,195 | 503,341 |
| Temporary staff | 92,231 | 109,692 | 92,231 | 109,692 |
| Workers compensation insurance | 81,831 | 90,057 | 81,831 | 90,057 |
| Total compensation and benefit | 9,619,632 | 9,261,324 | 9,619,632 | 9,261,324 |
| General expenses | | | | |
| Audit & accountancy | 68,250 | 73,494 | 68,250 | 73,494 |
| Bank charges | 78,178 | 75,943 | 78,178 | 75,943 |
| Depreciation | 494,536 | 439,293 | 494,536 | 439,293 |
| Donations | 168,877 | 218,208 | 168,877 | 218,208 |
| Insurance - general | 31,689 | 21,865 | 31,689 | 21,865 |
| Merchandise | 1,296 | 58,214 | 1,296 | 58,214 |
| National Council expenses | 110,979 | 35,942 | 110,979 | 35,942 |
| Office expenses | 103,795 | 113,110 | 103,795 | 113,110 |
| Media activities | 123,613 | 108,647 | 123,613 | 108,647 |
| Postage and freight | 125,903 | 86,117 | 125,903 | 86,117 |
| Printing and stationery | 156,115 | 299,451 | 156,115 | 299,451 |
| Provision for bad debts expense | 89,060 | 150,528 | 89,060 | 150,528 |
| Repairs and maintenance | 44,268 | 43,884 | 44,268 | 43,884 |
| Subscriptions, newspapers & periodicals | 58,496 | 69,746 | 58,496 | 69,746 |
| Sundry expenses | 5,229 | 15,655 | 5,229 | 15,655 |
| Total general expenses | 1,660,285 | 1,810,097 | 1,660,285 | 1,810,097 |

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

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

| | Consolidated | | Chief Entity | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$ | \$ | \$ | \$ |
| Occupancy & rental expenses | | | | |
| Cleaning | 162,124 | 199,334 | 162,124 | 199,334 |
| Building depreciation | 229,838 | 203,740 | 229,838 | 203,740 |
| Security | 32,521 | 34,846 | 32,521 | 34,846 |
| Electricity | 255,848 | 161,920 | 255,848 | 161,920 |
| Property insurance | 67,332 | 52,965 | 67,332 | 52,965 |
| Property rates | 180,452 | 182,670 | 180,452 | 182,670 |
| Property sales and purchase costs | 11,324 | 3,534 | 11,324 | 3,534 |
| Property valuation fees | 33,000 | - | 33,000 | - |
| Rent | 48,886 | 41,786 | 48,886 | 41,786 |
| Repairs & maintenance | 113,879 | 183,175 | 113,879 | 183,175 |
| Total occupancy and rental expenses | 1,135,205 | 1,063,970 | 1,135,205 | 1,063,970 |
| Industrial & member services | | | | |
| Affiliation fees & levies | 265,840 | 182,113 | 265,840 | 182,113 |
| Business expenses | 37,485 | 75,745 | 37,485 | 75,745 |
| Conferences - International | 584,014 | 369,969 | 584,014 | 369,969 |
| Conferences - National | 491,416 | 1,008,023 | 491,416 | 1,008,023 |
| Fares & travel | 830,930 | 1,305,917 | 830,930 | 1,305,917 |
| Funeral expenses | 3,053 | 5,375 | 3,053 | 5,375 |
| Legal expenses | 1,458,124 | 396,976 | 1,458,124 | 396,976 |
| Member training | 72,783 | 65,248 | 72,783 | 65,248 |
| Research & professional services | 314,124 | 114,106 | 314,124 | 114,106 |
| Stop work meeting expenses | 2,346 | 8,544 | 2,346 | 8,544 |
| Union restructure | 92,219 | 131,461 | 92,219 | 131,461 |
| Union election | 21,250 | 32,259 | 21,250 | 32,259 |
| Union publications | 208,353 | 130,965 | 208,353 | 130,965 |
| ALP elections | 172,282 | - | 172,282 | - |
| Total industrial & member services | 4,554,219 | 3,826,701 | 4,554,219 | 3,826,701 |
| IT & telecommunications expenses | | | | |
| Computer consumables | 14,346 | 10,300 | 14,346 | 10,300 |
| Internet expenses | 196,540 | 190,032 | 196,540 | 190,032 |
| IT support & maintenance | 256,257 | 194,381 | 256,257 | 194,381 |
| Telephone | 352,948 | 347,869 | 352,948 | 347,869 |
| Video and teleconference | 92,685 | 44,602 | 92,685 | 44,602 |
| Total IT & telecommunications expenses | 912,776 | 787,184 | 912,776 | 787,184 |
| Total operating expenses | 17,882,117 | 16,749,276 | 17,882,117 | 16,749,276 |
| Operating surplus/(deficit) | 418,812 | (445,325) | 418,812 | (445,325) |

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

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

| | Consolidated | | Chief Entity | |
|--|------------------|------------------|------------------|------------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$ | \$ | \$ | \$ |
| Non-operating income/(expenses) | | | | |
| Gain/(Loss) on investments | 1,140,721 | (557,752) | 1,140,721 | (557,752) |
| Income from managed funds | 333,823 | 187,496 | 333,823 | 187,496 |
| Foreign current exchange gain/(loss) | 7,436 | 3,861 | 7,436 | 3,861 |
| Interest received | 62,714 | 117,186 | 62,714 | 117,186 |
| Total non-operating income/(expenses) | 1,544,694 | (249,209) | 1,544,694 | (249,209) |
| Net surplus/(deficit) | 1,963,506 | (694,534) | 1,963,506 | (694,534) |
| Revaluation of land and buildings | 790,953 | 2,059,013 | 790,953 | 2,059,013 |
| Total comprehensive income | 2,754,459 | 1,364,479 | 2,754,459 | 1,364,479 |

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY COMPANY**
ABN 93 047 659 794

**CONSOLIDATED COMPREHENSIVE INCOME/(LOSS)
5 YEAR COMPARATIVE**

| | 2013 | 2012 | 2011 | 2010 | 2009 | 5 Year Average |
|--|------------------|------------------|----------------|----------------|------------------|-------------------|
| Operating surplus/(deficit) before income tax | 418,812 | (445,325) | 142,928 | (256,056) | (133,822) | (54,693) |
| Non-operating income/(expenses) | | | | | | |
| Increase/(decrease) in investments | 1,140,721 | (557,752) | (13,810) | 366,108 | (1,310,584) | (75,063) |
| Income from managed funds | 333,823 | 187,496 | 203,280 | 457,274 | 695,695 | 375,514 |
| Foreign current exchange gain/(loss) | 7,436 | 3,861 | (26,923) | 131,206 | 178,838 | 58,884 |
| Interest received | 62,714 | 117,186 | 178,971 | (4,761) | (7,010) | 69,420 |
| Management fees | - | - | (6,484) | - | (6,417) | (2,580) |
| Fighting fund expenses | - | - | - | - | - | - |
| Revaluation of land and buildings | 790,953 | 2,059,013 | - | - | - | 569,993 |
| Total non-operating income/(expenses) | 2,335,647 | 1,809,804 | 335,034 | 949,827 | (449,478) | 996,167 |
| Net surplus/(deficit) | 2,754,459 | 1,364,479 | 477,962 | 693,771 | (583,300) | 941,474 |

ANNEXURE B

THE MARITIME UNION OF AUSTRALIA AND ITS SUBSIDIARY
CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013



The Concise Financial Report is an extract from the Union's Full Financial Report for the year ended 30 June 2013. The Financial Statements and specific disclosures in the Concise Financial Report have been derived from the Full Financial Report. A copy of the Full Financial Report is available to members at any branch of the Maritime Union of Australia.

AUDITOR'S OPINION

The audit of the Maritime Union of Australia and its subsidiary's Financial Report for the financial year ended 30 June 2013 resulted in an Unqualified Independent Auditor's Report.

OPERATING REPORT

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

| | | |
|---------------|-------------------------------------|-------------|
| Bracken, K | Deakin, J | Munday, T |
| Bray, I | Doleman, M | Newlyn, J |
| Burford, A * | Evans, A | Outram, D * |
| Cain, C | Garrett, P | Patchett, R |
| Campbell, J | Heath, D (Appointed 28 August 2013) | Schleibs, D |
| Carr, M | Hill, I * | Sheehan, P |
| Carter, S * | Keane, G | Smith, W |
| Clothier, C * | Keating, P | Tracey, W |
| Crumlin, P | Mayor, T (Appointed 28 August 2013) | Williams, G |
| Cushion, D | McAleer, P | |

* *Honorary Electorate*

Officials have been in office since the start of the financial year to the date of this report unless otherwise stated.

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

The principal activities of the Union during the financial year were the provision of Trade Union services to its members. No significant change in the nature of these activities occurred during the year.

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

The Union operates predominantly in one business and geographical segment being Trade Union services in Australia.

All transactions and balances are reported in local currency unless otherwise stated.

Revenue from member contributions is recognised on an accrual basis. These comprise of actual contributions received during the year and contributions due at reporting date.

The lead Auditor's Independence Declaration for the year ended 30 June 2013 has been received and can be found on page 5 of the Full Financial Report.

The Financial Report of The Maritime Union of Australia and its Subsidiary Company for the year ended 30 June 2013 was authorised for Issue in accordance with a resolution of the National Council on the 11th of October 2013.

| INCOME STATEMENT | Consolidated | | Chief | |
|--|--------------|-------------|-------------|-------------|
| | 2013 | 2012 | 2013 | 2012 |
| Operating income and expenses | | | | |
| Revenues from operating activities | 18,300,929 | 16,303,951 | 18,300,929 | 16,303,951 |
| Employee benefits expense | (9,527,401) | (9,261,324) | (9,527,401) | (9,261,324) |
| Depreciation and amortisation expenses | (724,374) | (643,033) | (724,374) | (643,033) |
| Other expenses from ordinary activities | (7,630,343) | (6,844,919) | (7,630,343) | (6,844,919) |
| Operating surplus/(deficit) | 418,811 | (445,325) | 418,812 | (445,325) |
| Non-operating income and expenses | | | | |
| Increase/(Decrease) in Investments | 1,140,721 | (557,752) | 1,140,721 | (557,752) |
| Income from managed investments | 333,823 | 187,496 | 333,823 | 187,496 |
| Foreign currency exchange gain/(loss) | 7,436 | 3,861 | 7,436 | 3,861 |
| Interest received | 62,714 | 117,186 | 62,714 | 117,186 |
| Property revaluations | 790,953 | 2,059,013 | 790,953 | 2,059,013 |
| Non-operating income and expenses | 2,335,647 | 1,809,804 | 2,335,647 | 1,809,804 |
| Net surplus/(deficit) from ordinary activities | 2,754,458 | 1,364,479 | 2,754,459 | 1,364,479 |

THE MARITIME UNION OF AUSTRALIA AND ITS SUBSIDIARY
CONCISE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013



| BALANCE SHEET | Consolidated | | Chief | |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2013 | 2012 | 2013 | 2012 |
| Current assets | 3,324,439 | 2,773,190 | 3,316,821 | 2,765,572 |
| Non-current assets | 37,522,832 | 32,952,087 | 37,537,823 | 32,967,078 |
| Total assets | 40,847,271 | 35,725,277 | 40,854,644 | 35,732,650 |
| Current liabilities | 3,257,709 | 3,412,906 | 3,257,709 | 3,412,906 |
| Non-current liabilities | 3,676,157 | 1,153,424 | 3,676,157 | 1,153,424 |
| Total liabilities | 6,933,866 | 4,566,330 | 6,933,866 | 4,566,330 |
| Members' equity | 33,913,405 | 31,158,947 | 33,920,778 | 31,166,320 |

| CASH FLOW STATEMENT | Consolidated | | Chief | |
|--|---------------------|--------------------|---------------------|--------------------|
| | 2013 | 2012 | 2013 | 2012 |
| CASH FLOW FROM ORDINARY ACTIVITIES | | | | |
| Receipts from members | 19,129,831 | 16,392,691 | 19,129,831 | 16,392,691 |
| Payments to suppliers and employees | (19,090,672) | (18,408,189) | (19,090,672) | (18,408,189) |
| Rent received | 300,248 | 317,398 | 300,248 | 317,398 |
| Other receipts | 802,376 | 846,794 | 802,376 | 846,794 |
| Donations received | 67,044 | 44,625 | 67,044 | 44,625 |
| Net cash provided by/(used in) operating activities | 1,208,826 | (806,681) | 1,208,826 | (806,681) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Interest received from managed funds | 62,714 | 98,100 | 62,714 | 98,100 |
| Repayment of Official loan | 25,350 | 24,700 | 25,350 | 24,700 |
| Purchase of managed investments | - | (61,397) | - | (61,397) |
| Proceeds from sale of property, plant and equipment | 49,551 | 86,619 | 49,551 | 86,619 |
| Purchase of property, plant and equipment | (3,097,049) | (1,634,953) | (3,097,049) | (1,634,953) |
| Net cash used in investing activities | (2,959,434) | (1,486,931) | (2,959,434) | (1,486,931) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Proceeds from borrowings | 2,500,000.00 | - | 2,500,000.00 | - |
| Net cash provided by financing activities | 2,500,000.00 | - | 2,500,000.00 | - |
| Net increase/(decrease) in cash and cash equivalents | 749,392 | (2,293,612) | 749,392 | (2,293,612) |
| Cash and cash equivalent at the beginning of the financial year | 1,298,850 | 3,592,462 | 1,291,781 | 3,585,393 |
| Cash and cash equivalent at the end of the financial year | 2,048,242 | 1,298,850 | 2,041,173 | 1,291,781 |

| CHANGE IN MEMBERS EQUITY | Fighting Fund Reserve | Revaluation Reserve | Retained Surplus | Total Equity |
|-----------------------------------|-----------------------|---------------------|------------------|------------------|
| Consolidated | | | | |
| At 1 July 2011 | 18,739 | - | 29,775,729 | 29,794,468 |
| Net deficit for the year | - | - | (694,534) | (694,534) |
| Other comprehensive income | - | 2,059,013 | - | 2,059,013 |
| Total comprehensive income | - | 2,059,013 | (694,534) | 1,364,479 |
| At 30 June 2012 | 18,739 | 2,059,013 | 29,081,195 | 31,158,947 |
| Net deficit for the year | - | - | 1,963,506 | 1,963,506 |
| Transfer to fighting fund | 250,000 | - | (250,000) | - |
| Other comprehensive income | - | 790,952.67 | - | 790,953 |
| Total comprehensive income | 250,000 | 790,953 | 1,713,506 | 2,754,459 |
| At 30 June 2013 | 268,739 | 2,849,966 | 30,794,701 | 33,913,406 |
| Chief Entity | | | | |
| At 1 July 2011 | 18,739 | - | 29,783,102 | 29,801,841 |
| Net deficit for the year | - | - | (694,534) | (694,534) |
| Other comprehensive income | - | 2,059,013 | - | 2,059,013 |
| Total comprehensive income | - | 2,059,013 | (694,534) | 1,364,479 |
| At 30 June 2012 | 18,739 | 2,059,013 | 29,088,568 | 31,166,320 |
| Net deficit for the year | - | - | 1,963,506 | 1,963,506 |
| Transfer to fighting fund | 250,000 | - | (250,000) | - |
| Other comprehensive income | - | 790,953 | - | 790,953 |
| Total comprehensive income | 250,000 | 790,953 | 1,713,506 | 2,754,459 |
| At 30 June 2013 | 268,739 | 2,849,966 | 30,802,074 | 33,920,779 |

End of Concise Financial Report

| Branch | Numbers | Endorsed | Comments |
|--|----------------|---------------------|--|
| <p>Southern NSW Branch 64 Darcy Road Port Kembla NSW</p> <p>Phone: 02 4274 4166</p> <p>Held: Monday , 25 Nov 2013 (Ian Bray –National Assistant Secretary)</p> | 50 | Yes Unanimously. | <p>Financial report and NC report were endorses unanimously.</p> <p>Only item to report was the concern about the growing numbers on the data base.</p> |
| <p>Victorian Branch 46-54 Ireland Street West Melbourne Vic</p> <p>Phone: 03 9329 5477</p> <p>Held: Tuesday, 26 November 2013</p> <p>(Warren Smith – National Assistant Secretary)</p> | 342 | Yes Unanimously. | <p>No dramas arising from the report or finances.</p> <p>The TT-Line war of the roses continued to play out with the usual amounts of inarticulate yelling and abuse but ended in everyone running out of breath.</p> |
| <p>South Australian Branch 65 St Vincent Street Port Adelaide SA</p> <p>Phone: 08 8447 1779</p> <p>Held: Wednesday, 27 November 2013 (Warren Smith- National Assistant Secretary)</p> | 64 | Yes Unanimously. | |
| <p>Tasmanian Branch Shop 3, 59 Wright East Devonport Tas</p> <p>Phone: 03 6427 8144</p> <p>Held: Wednesday, 27 November 2013</p> <p>(Ian Bray – National Assistant Secretary)</p> | 64 | Yes Unanimously. | <p>No contentious matters to report. Some concern regarding the high level of casual employment in the state, particularly in the stevedoring sector.</p> |

| | | | |
|--|-------------------|-----------------------------|---|
| <p>Western Australian Branch Level 2, 2-4 Kwong Alley North Fremantle WA</p> <p>Phone: 08 9335 0500</p> <p>Held: Wednesday, 27 Nov 2013 (Chris Cain – WA Branch Secretary)</p> | <p>600</p> | | <p>Karratha & Port Headland AGMS postponed until Feb 2014</p> |
| <p>Northern NSW Branch 406-408 King Street Newcastle NSW</p> <p>Phone: 02 4929 2149</p> <p>Held: Friday, 29 November 2013 (Warren Smith – National Assistant Secretary)</p> | <p>84</p> | <p>Yes Unanimously</p> | <p>No significant issues or problems to report.</p> |
| <p>Sydney Branch Level 1, 365 Sussex Street</p> <p>Phone: 02 9264 5024</p> <p>Held: Tuesday, 26 November 2013 (Ian Bray – National Assistant Secretary)</p> | <p>170</p> | <p>Yes Unanimously</p> | <p>Nothing of major significance occurred.</p> |
| <p>Queensland Branch 73 Southgate Ave Cannon Hill Qld</p> <p>Phone: 07 3395 7215</p> <p>Held: Tuesday, 26 November 2013</p> <p>Mick Carr – Qld Branch Secretary</p> | <p>90</p> | <p>Yes Unanimously</p> | |

| | | | |
|--|------------------|----------------------------|--|
| <p>Mackay Port Brisbane St, Mackay</p> <p>Wed, 27 Nov (Mick Carr)</p> | <p>35</p> | <p>Yes Unanimously</p> | |
| <p>Northern Territory Branch Stokes Hill Wharf Darwin NT</p> <p>Phone: 08 8981 6830</p> <p>Held: Friday, 29 November 2013</p> <p>(Mick Doleman) – National Deputy Secretary</p> | <p>70</p> | <p>Yes Unanimously</p> | |