



9 January 2015

Mr Pdraig Crumlin
National Secretary
The Maritime Union of Australia

Sent by email: muano@mua.org.au

Dear Mr Crumlin

The Maritime Union of Australia - Financial Report for year ended 30 June 2014 - (FR2014/74)

I acknowledge receipt of the financial report of The Maritime Union of Australia. The documents were lodged with the Fair Work Commission on 8 December 2014. The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2015 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The Fair Work Commission will confirm this matter is addressed prior to filing next year's report.

Key management personnel

Australian Accounting Standard *AASB 124 Related Party Disclosures* paragraph 17 requires the General Purpose Financial Report to disclose within the statements or the notes compensation paid to key management personnel.

This normally includes a listing of the key management personnel for the organisation, the total amount of compensation paid to all key management personnel, and then totals for each of the following categories:

- Short term employee benefits
- Post employment benefits
- Other long term employee benefits
- Termination benefits
- Any share based payments.

The definition for these categories can be found within accounting standard *AASB 119: Employee Benefits*.

I note the information provided at Notes 3 and 4 of the report in relation to "officials remuneration". A key management personnel compensation disclosure in accordance with

AASB124 may not necessarily coincide with employee benefits disclosures made in accordance with Reporting Guidelines. A general purpose financial report should make clear where this is the case and that all information required under AASB 124 is included.

Statement of Loans, Grants and Donations

Under subsection 237(1) of the RO Act, if an individual loan, grant or donation made by a branch exceeds \$1,000 a statement showing the relevant particulars of each must be lodged with the FWC within 90 days of the end of the financial year. Letters reminding the organisation of this obligation were sent by FWC on 8 September and 20 October 2014. There appears no record of correspondence in reply.

The financial statements disclose donations for the parent entity that exceeded \$1,000 during the financial year totalling \$199,324. (I note also consolidated donations exceeding \$1,000 amounted to \$1,510,081). Before the financial report can be filed, we require a statement to be lodged which complies with section 237. The statement should include a request for an extension of the 90 day deadline, signed and dated by the relevant officer, outlining the reason for the delay in lodgement. A template Loans, Grants and Donations form is available on the FWC website.

If you have any queries regarding this letter, I may be contacted on (02) 6723 7237 or by email at stephen.kellett@fwc.gov.au.

Yours sincerely

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett
Senior Adviser, 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 2014

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

Fax: 02 9380 6990

Attention: Mr Stephen Kellett

Email: Sydney@fwc.gov.au

Email: Stephen.kellett@fwc.gov.au



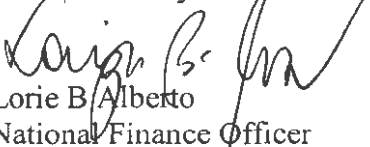
Dear Registrar

Re: AUDITED FINANCIAL REPORT FOR YEAR ENDING 30 JUNE 2014

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

- Audited Full Financial Consolidated Report and Audited Consolidated Concise Financial Report of the Maritime Union of Australia for the year ended 30 June 2014;
- 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:

- That in accordance with section 268(c) of the *Fair Work (Registered Organisations) Act 2009* (Cth), the documents lodged herewith are copies of the Audited Full Consolidated Financial Report and Audited Consolidated Concise Financial Report of the Maritime Union of Australia (Union) for the year ended 30 June 2014; and
- That in accordance with section 265 of the *Fair Work (Registered Organisations) Act 2009* (Cth), the Audited Full Consolidated 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 24 November 2014 and 27 November 2014 as set out at **Annexure A**;
- That in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009* (Cth), the Audited Full Consolidated **Concise** 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 24 November 2014 and 27 November 2014 as set out at on **Page 39 of Annexure A**; 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 Monday, 3 November 2014.

Signature:

Pdraig Crumlin
National Secretary
Maritime Union of Australia

4 December 2014



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

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2014

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

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THE MARITIME UNION OF AUSTRALIA
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NATIONAL COUNCIL REPORT

Your National Council present their consolidated report on the Maritime Union of Australia ("the Union"), consisting of the National Branch of the Union ("Federal"), the State Branches of the Union and the subsidiary company of the Union (MUA HTS Pty Limited) for the financial year ended 30 June 2014.

Union 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	Keane, G
Bray, I	Keating, P
Burford, A *	Mayor, T
Cain, C	McAleer, P
Campbell, J	McGartland, J. * (resigned September 2013)
Carr, M	Munday, T
Carter, S * (resigned 31 January 2013)	Newlyn, J
Clothier, C *	Outram, D *
Crumlin, P	Patchett, R
Cushion, D	Paterson, J * (appointed October 2013)
Deakin, J	Schleibs, D
Doleman, M	Sheehan, P
Evans, A	Smith, W
Garrett, P	Tracey, W
Heath, D	Williams, G
Hill, I *	

**Honorary Electorate*

The Union 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 Union Officials attended the National Council meeting with no apologies.

Review of Operations

The consolidated total comprehensive income of the Union for the financial year amounted to a deficit of \$307,939 (2013: \$5,253,211 surplus).

The number of members of the Union at the end of the financial year was 15,001 (2013: 15,346).

The number of employees of the reporting unit at the end of the financial year was 88 (2013: 90).

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

On 20 June 2014, the National Council resolved that the Union prepares and lodges consolidated financial statements for the first time for the year ended 30 June 2014. The consolidation includes the Federal Office, the Union's State Branches and MUA HTS Pty Ltd, a subsidiary of the Maritime Union of Australia.

Principal Activities

The principal activities of the Union during the financial year was the provision of Trade Union services to its members. The objects of the Union are set out in Section 4 of the Union's Rules. No significant change in the nature of these activities occurred during the year.

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NATIONAL COUNCIL REPORT

Rights of Members - Manner of Resignation

All members have a right to resign in accordance with Section 11 of the Union's Registered Rules and section 174(1) of the Fair Work (Registered Organisations) Act 2009. In accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009, a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or branch of the organisations.

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 Union.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2014 has been received and can be found on page 5 of the report.

Superannuation Fund Office Holders

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:

Dated this 3rd day of November 2014



P. Crumlin
National Secretary



M. Doleman
Deputy National 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

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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 2014 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

David P. Robinson, FCA
Principal
Approved Auditor
Member of The Institute of Chartered Accountants in Australia

Dated this 3rd day of November 2014

Level 3
2 Bulletin Place
SYDNEY NSW 2000

**THE MARITIME UNION OF AUSTRALIA
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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	Consolidated		Federal	
		2014	2013 (restated)	2014	2013 (restated)
		\$	\$	\$	\$
Operating activities					
Revenues	2	22,659,571	22,918,935	19,073,160	18,949,658
Employee benefits expense	3	(11,431,200)	(9,619,632)	(11,431,200)	(9,619,632)
Finance Cost		(152,369)	-	(152,369)	-
Depreciation and amortisation expenses	3	(882,798)	(736,429)	(855,394)	(724,374)
All other expenses		(11,785,126)	(9,857,301)	(8,541,605)	(7,543,653)
Net surplus/(deficit) from operating activities		(1,591,922)	2,705,573	(1,907,408)	1,062,000
Non-operating activities					
Other income	2 (a)	1,283,983	1,756,685	1,101,251	1,544,694
Net surplus/(deficit) from non-operating activities		1,283,983	1,756,685	1,101,251	1,544,694
Net surplus/(deficit) attributable to the members of the Union		(307,939)	4,462,259	(806,157)	2,606,694
Other comprehensive income					
Revaluation of land and buildings		-	790,953	-	790,953
Total comprehensive income for the year attributable to the members of the Union		(307,939)	5,253,211	(806,157)	3,397,647

The accompanying notes form part of the financial statements.

THE MARITIME UNION OF AUSTRALIA
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	Consolidated		Federal	
		2014	2013	2014	2013
		\$	(restated) \$	\$	(restated) \$
CURRENT ASSETS					
Cash and cash equivalents	5	7,126,950	7,212,646	1,636,919	2,041,173
Inventories on hand	6	227,444	196,101	56,012	93,123
Trade and other receivables	7	2,307,203	2,167,918	2,375,278	2,041,304
TOTAL CURRENT ASSETS		9,661,598	9,576,665	4,068,209	4,175,600
NON-CURRENT ASSETS					
Trade and other receivables	7	129,502	321,620	136,502	328,620
Investments	8	8,071,985	6,939,736	7,849,747	6,742,636
Property, plant and equipment	9	31,203,529	31,428,929	30,255,044	30,466,578
TOTAL NON-CURRENT ASSETS		39,405,016	38,690,285	38,241,293	37,537,834
TOTAL ASSETS		49,066,614	48,266,950	42,309,502	41,713,434
CURRENT LIABILITIES					
Trade and other payables	10	2,842,989	1,816,614	2,562,972	1,241,973
Employee Provisions	11	2,612,743	2,270,485	2,612,743	2,270,485
Borrowings	12	127,901	125,000	127,901	125,000
TOTAL CURRENT LIABILITIES		5,583,633	4,212,099	5,303,616	3,637,458
NON-CURRENT LIABILITIES					
Employee Provisions	11	1,352,761	1,301,157	1,352,761	1,301,157
Borrowings	12	2,309,464	2,375,000	2,309,464	2,375,000
TOTAL NON-CURRENT LIABILITIES		3,662,225	3,676,157	3,662,225	3,676,157
TOTAL LIABILITIES		9,245,858	7,888,256	8,965,841	7,313,615
NET ASSETS		39,820,756	40,378,695	33,343,662	34,399,819
MEMBERS' FUNDS					
Fighting fund reserve	13	18,739	268,739	18,739	268,739
Revaluation reserve		2,849,966	2,849,966	2,849,966	2,849,966
Other reserves	13	4,206,807	3,389,785	1,119,284	648,728
Retained surplus		32,745,244	33,870,204	29,355,673	30,632,386
TOTAL MEMBERS' FUNDS		39,820,756	40,378,695	33,343,662	34,399,819

The accompanying notes form part of the financial statements.

**THE MARITIME UNION OF AUSTRALIA
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ABN 93 047 659 794

**STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE YEAR ENDED 30 JUNE 2014**

	Fighting Fund Reserve	Revaluation Reserve	General Reserves	Retained Surplus	Total Equity
	\$	\$	\$	\$	\$
CONSOLIDATED					
At 1 July 2012	18,739	2,059,013	1,112,273	32,109,736	35,299,760
Effect of prior period adjustments Note 1(b)(ii)	-	-	-	(319,631)	(319,631)
At 1 July 2012, restated	18,739	2,059,013	1,112,273	31,790,104	34,980,129
Net surplus for the year	-	-	107,956	4,354,302	4,462,258
Other comprehensive income	-	790,953	-	-	790,953
Total comprehensive income	-	790,953	107,956	4,354,302	5,253,211
Transfer to Reserves	250,000	-	2,022,628	(2,274,202)	(1,574)
Funds brought to account			146,928		146,928
At 30 June 2013	268,739	2,849,966	3,389,785	33,870,204	40,378,695
Net surplus/(deficit) for the year	-	-	139,329	(447,268)	(307,939)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	139,329	(447,268)	(307,939)
Transfer to Reserves	(250,000)	-	677,692	(677,692)	(250,000)
At 30 June 2014	18,739	2,849,966	4,206,807	32,745,244	39,820,756
FEDERAL					
At 1 July 2012	18,739	2,059,013	-	29,088,568	31,166,320
Effect of prior period adjustments Note 1(b)(ii)	-	-	-	(164,148)	(164,148)
At 1 July 2012, restated	18,739	2,059,013	-	28,924,420	31,002,172
Net surplus for the year	-	-	-	2,606,694	2,606,694
Other comprehensive income	-	790,953	-	-	790,953
Total comprehensive income	-	790,953	-	2,606,694	3,397,647
Transfer to Reserves	250,000	-	648,728	(898,728)	-
At 30 June 2013	268,739	2,849,966	648,728	30,632,386	34,399,819
Net surplus/(deficit) for the year	-	-	-	(806,157)	(806,157)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	(806,157)	(806,157)
Transfer to Reserves	(250,000)	-	470,556	(470,556)	(250,000)
At 30 June 2014	18,739	2,849,966	1,119,284	29,355,673	33,343,662

The accompanying notes form part of the financial statements.

**THE MARITIME UNION OF AUSTRALIA
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	Consolidated		Federal	
		2014	2013	2014	2013
		\$	\$	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from members		21,845,613	18,733,527	20,479,667	19,129,831
Payments to suppliers and employees		(24,879,550)	(19,190,546)	(21,711,027)	(19,090,672)
Rent received		421,146	404,744	353,379	300,248
Other receipts		1,355,684	1,283,169	1,058,368	802,376
Donations received		1,750,843	2,088,620	45,875	67,044
Net cash provided by operating activities	18(b)	493,736	3,319,513	226,263	1,208,826
CASH FLOW FROM INVESTING ACTIVITIES					
Interest received from investments		100,186	110,995	15,067	62,714
Repayment of Official loan		220,145	25,350	220,145	25,350
Proceeds from sale of property, plant and equipment		6,500	102,152	6,500	49,551
Purchase of property, plant and equipment	9	(673,341)	(3,100,832)	(639,307)	(3,097,049)
Net cash (used in) investing activities		(346,510)	(2,862,335)	(397,595)	(2,959,434)
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from borrowings		-	2,500,000	-	2,500,000
Repayment of borrowings		(232,922)	-	(232,921)	-
Net cash (used in)/provided by financing activities		(232,922)	2,500,000	(232,921)	2,500,000
Net increase/(decrease) in cash and cash equivalents		(85,696)	2,957,178	(404,254)	749,392
Cash and cash equivalent at the beginning of the financial year		7,212,646	4,255,467	2,041,173	1,291,781
Cash and cash equivalent at the end of the financial year	18(a)	7,126,950	7,212,646	1,636,919	2,041,173

The accompanying notes form part of the financial statements.

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY AND BRANCHES**
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers the National Branch of the Maritime Union of Australia ("Federal"), the State Branches of the Maritime Union of Australia and its subsidiary company MUA HTS Pty Ltd ("Consolidated").

The Maritime Union of Australia is a Trade Union created under the Fair Work (Registered Organisations) Act 2009, registered and domiciled in Australia.

The financial report of The Maritime Union of Australia and its subsidiary and Branches for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the National Council on the 17th October 2014.

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 Union 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 17 to the financial statements.

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

For a full list of consolidated entities, please refer to Note 17.

**THE MARITIME UNION OF AUSTRALIA
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ABN 93 047 659 794

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

(b) Changes to Accounting Policy, Accounting standards and Interpretations

(i) AASB 10 Consolidated Financial Statements

AASB 10 supersedes AASB 127 Consolidated and Separate Financial Statements (AASB 127) and AASB Interpretation 112 Consolidation - Special Purpose Entities. AASB 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have affected which of the Union's entities are considered to be subsidiaries and therefore should be included in the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged.

On 20 June 2014, the National Council resolved that the Union consolidates its nine branches. Previously the consolidation only includes the Federal Office and MUA HTS Pty Ltd. The assets, liabilities and equity of the branches have been consolidated retrospectively in the financial statements of the Union. The opening balance as at 1 July 2012 and comparative information for the financial year ended 30 June 2013 have been restated in the consolidated financial statements. The quantitative impact on the financial statements is provided below:

Impact on Statement of Comprehensive Income	2013	1 July 2012
	\$	\$
Operating income	1,600,431	
Operating expenses	1,186,019	
Operating Profit	<u>414,412</u>	
Non-operating income	211,991	
Net surplus	<u>626,403</u>	
Other comprehensive income	-	
Total Comprehensive income	<u><u>626,403</u></u>	
Impact on Statement of Cash Flows		
Operating	2,117,754	
Investing	(97,099)	
Net increase in cash and cash equivalents	<u><u>2,020,655</u></u>	
Impact on Changes in Members Funds		
Cash at Bank	5,164,404	2,949,548
Receivables	1,082,544	(123,589)
Inventory	102,964	75,840
Total current assets	<u>6,349,912</u>	<u>2,901,799</u>
Investments	197,101	274,990
Property, Plant & Equipment	962,351	969,357
Total non-current assets	<u>1,159,452</u>	<u>1,244,347</u>
Trade and Other Payables	1,044,080	(167,272)
Total current liabilities	<u>1,044,080</u>	<u>(167,272)</u>
Net impact of Members Funds	<u><u>6,465,284</u></u>	<u><u>4,313,418</u></u>

**THE MARITIME UNION OF AUSTRALIA
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ABN 93 047 659 794

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

(ii) Correction of Prior Period Errors

The following prior period errors have been corrected and adjusted retrospectively:

- (1) The branches have not recognised various expenses paid on behalf of the branch by the Federal Office in the previous years,
- (2) Surpluses from past state conference functions of the Western Australian Branch should have been carried forward as provision for future conferences in accordance with funding provisions,
- (3) Training and development contributions received have previously been recognised as a liability whereas they should have been recognised as income, and
- (4) Fremantle Hospital levies received have previously been recognised as a liability whereas they should have been recognised as income.

Impact on statement of comprehensive income (increase/(decrease) in surplus):

	2013 \$	
	Consolidated	Federal
Revenue		
Levies	34,797	-
Interest	13,770	-
Commission income	958,576	648,728
Grants and donations	1,051,856	-
Total revenue	2,058,999	648,728
Expenses		
Travel expenses	(12,625)	(5,539)
Conference expense	(136,829)	-
Other operating expenses	(37,206)	-
Total expenses	(186,660)	(5,539)
Surplus for the year	1,872,339	643,189

Impact on member's funds (increase/(decrease) in member's funds):

Trade and other receivables		
Other receivables	(117,557)	(117,557)
Trade debtors	(52,130)	(52,130)
Total assets	(169,687)	(169,687)
Trade and other payables (current)		
Other creditors	(1,739,500)	(648,728)
Total liabilities	(1,739,500)	(648,728)
Net impact on equity	1,569,812	479,041

**THE MARITIME UNION OF AUSTRALIA
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ABN 93 047 659 794

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

(ii) Correction of Prior Period Errors, continued

Impact on member's funds (increase/(decrease) in member's funds):

	1 July 2012	
	\$	
	Consolidated	Federal
Trade and other receivables		
Other receivables	(112,019)	(112,019)
Trade debtors	(52,130)	(52,130)
Total assets	<u>(164,148)</u>	<u>(164,148)</u>
Trade and other payables (current)		
Other creditors	155,484	-
Total liabilities	<u>155,484</u>	<u>-</u>
Net impact on members' funds	<u>(319,632)</u>	<u>(164,148)</u>

(iii) Third Statement of Financial Position

AASB 101, requires the Union to present a statement of financial position at the beginning of the earliest comparative period when it applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements.

The Union has therefore included a third statement of financial position below to reflect the Union's correction of a prior period error and the retrospective application of new and revised Australian Accounting Standards in 2014.

	Consolidated	Federal
	At 1 July 2012	At 1 July 2012
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	4,255,467	1,291,781
Inventories on hand	130,937	55,097
Trade and other receivables	1,273,305	1,254,546
TOTAL CURRENT ASSETS	<u>5,659,709</u>	<u>2,601,424</u>
NON-CURRENT ASSETS		
Trade and other receivables	328,346	335,997
Investments	5,548,016	5,273,007
Property, plant and equipment	28,327,431	27,358,074
TOTAL NON-CURRENT ASSETS	<u>34,203,793</u>	<u>32,967,078</u>
TOTAL ASSETS	39,863,502	35,568,502

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(iii) **Third Statement of Financial Position, continued**

CURRENT LIABILITIES

Trade and other payables	1,164,612	1,332,433
Employee Provisions	2,080,473	2,080,473
Borrowings	-	-
TOTAL CURRENT LIABILITIES	<u>3,245,085</u>	<u>3,412,906</u>

NON-CURRENT LIABILITIES

Employee Provisions	1,153,424	1,153,424
Borrowings	-	-
TOTAL NON-CURRENT LIABILITIES	<u>1,153,424</u>	<u>1,153,424</u>

TOTAL LIABILITIES

4,398,509	4,566,330
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NET ASSETS

<u>35,464,993</u>	<u>31,002,172</u>
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MEMBERS' FUNDS

Fighting fund reserve	1,416,202	18,739
Revaluation reserve	2,059,013	2,059,013
Other reserves	-	-
Retained surplus	31,997,150	28,924,420
TOTAL MEMBERS' FUNDS	<u>35,472,365</u>	<u>31,002,172</u>

c) 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.

d) 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.

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e) 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).

f) 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.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Property, Plant and Equipment, 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.

g) 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.

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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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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.

h) 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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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.

i) 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.

j) 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.

k) 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.

l) 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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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.

m) 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.

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

o) 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.

p) 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.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) 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 Company. The Company has decided not to early adopt any of the new and amended pronouncements. The Company's assessment of the new and amended pronouncements that are relevant to the Company but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and associated amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

These Standards will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Company on initial application of AASB 9 and associated amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- *AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2014).*

This Standard provides clarifying guidance relating to the offsetting of financial instruments, which is not expected to significantly impact the company's financial statements.

- Interpretation 21: Levies (applicable for annual reporting periods commencing on or after 1 January 2014).

Interpretation 21 clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time. This Interpretation is not expected to significantly impact the company's financial statements.

- AASB 2013-3: Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard amends the disclosure requirements in AASB 136: Impairment of Assets pertaining to the use of fair value in impairment assessment and is not expected to significantly impact the company's financial statements.

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	Consolidated		Federal	
	2014	2013 restated	2014	2013 restated
	\$	\$	\$	\$
2. Revenue				
Operating activities				
Union contributions	17,676,096	17,165,522	17,652,720	17,237,073
Special purpose levies received	1,218,626	1,177,325	1,218,626	1,177,325
Special purpose levies paid to branches	-	-	(1,218,626)	(1,177,325)
Donations	1,463,667	2,088,620	45,875	67,044
Consulting fees	296,989	242,014	296,989	242,014
Rent received	382,860	367,949	321,254	272,953
Loss on sale of non-current assets	5,603	(5,574)	5,603	(5,574)
Union sales	109,611	166,111	23,962	35,141
Expenses recouped	43,000	275,054	43,000	275,054
Commission Income	940,669	958,576	470,556	648,728
Sundry income	522,450	483,338	213,202	177,224
Grants	-	-	-	-
Receipts from other reporting units	-	-	-	-
Capitation fees received	-	-	-	-
Total revenue	22,659,571	22,918,935	19,073,160	18,949,658
(a) Income & Expenses from Non-operating Activities				
Income (loss) from managed funds	1,171,920	1,626,377	1,074,307	1,474,544
Interest received	112,063	122,872	26,944	62,714
Foreign exchange gain	-	7,436	-	7,436
Other income	1,283,983	1,756,685	1,101,251	1,544,694
3. Expenses				
Depreciation for non-current assets				
Buildings	323,116	229,838	304,198	229,838
Plant and Equipment	559,682	506,591	551,196	494,536
Total depreciation	882,798	736,429	855,394	724,374
Employee benefits				
<i>Officials</i>				
Salaries and wages	3,193,373	2,688,492	3,193,373	2,688,492
Annual leave entitlement	450,619	136,932	450,619	136,932
Long service leave entitlement	74,004	65,923	74,004	65,923
Superannuation contributions	462,747	369,164	462,747	369,164
Separation and redundancies	-	-	-	-
Other employment costs	447,104	366,493	447,104.01	366,493
	4,627,848	3,627,005	4,627,848	3,627,005

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NOTES TO THE FINANCIAL STATEMENTS
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	Consolidated		Federal	
	2014	2013 restated	2014	2013 restated
	\$	\$	\$	\$
Employee benefits, continued				
<i>Other employees</i>				
Salaries and wages	5,136,959	4,298,551	5,136,959	4,298,551
Annual leave entitlement	98,025	218,937	98,025	218,937
Long service leave entitlement	15,151	105,402	15,151	105,402
Superannuation contributions	710,621	626,033	710,621	626,033
Staff and member training	117,673	65,497	117,673	65,497
Separation and redundancies	5,698	-	5,698	-
Other employment costs	719,225	678,206	719,225	678,206
	<u>6,803,352</u>	<u>5,992,627</u>	<u>6,803,352</u>	<u>5,992,627</u>
Total employee benefits	<u>11,431,200</u>	<u>9,619,632</u>	<u>11,431,200</u>	<u>9,619,632</u>
Other operating expenses				
<i>Affiliation fees and levies</i>				
ACTU Affiliation	66,000	51,207	66,000	51,207
APHEDA	-	1,200	-	1,200
Australian Labour Party	69,221	74,098	57,121	74,098
ITF Seafarers	45,717	50,242	45,717	50,242
May Day Affiliation	-	5,291	-	5,291
NTHC Newcastle Trade Union	-	3,633	-	3,633
Other affiliation	27,753	34,106	24,133	23,729
Shoprite	-	3,448	-	3,448
Trade Labour Council	-	15,635	-	15,635
Unions NSW - Trades & Labour Council	10,093	6,015	10,093	6,015
Unions NT - Trades & Labour Council	8,886	1,672	8,886	1,672
Unions QLD - Trades & Labour Council	26,848	-	13,884	-
Unions SA - Trades & Labour Council	1,182	1,586	1,182	1,586
Unions TAS - Trades & Labour Council	4,469	4,277	4,469	4,277
Unions VIC - Trades & Labour Council	13,151	-	13,151	-
Unions WA - Trades & Labour Council	25,958	23,807	25,958	23,807
	<u>299,278</u>	<u>276,217</u>	<u>270,594</u>	<u>265,840</u>
Consideration to employers for payroll deductions	-	-	-	-
Capitation fees paid	-	-	-	-
Compulsory levies paid	-	-	-	-
Penalties - via RO Act or RO Regulations	-	-	-	-
Grants	-	-	-	-

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	Consolidated		Federal	
	2014	2013 restated	2014	2013 restated
	\$	\$	\$	\$
Other operating expenses, continued				
Conferences and meeting expenses	545,712	872,291	545,712	872,291
Fees/allowances - conferences and meetings	74,701	203,139	74,701	203,139
IT and Telecommunications Expense	1,101,295	922,279	1,097,096	912,776
Travelling	1,232,652	836,469	1,232,652	836,469
<i>Donations</i>				
- Total paid that were \$1,000 or less	292,597	92,219	5,767	-
- Total paid that exceeded \$1,000	1,510,081	337,937	199,324	168,877
	1,802,678	430,157	205,091	168,877
<i>Remuneration of auditors:</i>				
- Audit services	109,246	101,500	60,000	50,000
- Other services	23,852	18,250	23,852	18,250
	133,099	119,750	83,853	68,250
<i>Legal expenses</i>				
- Litigation	1,909,477	1,327,090	1,896,342	1,327,090
- Other legal expense	28,256	136,457	28,256	131,034
	1,937,732	1,463,547	1,924,598	1,458,124

4. Officials' Remuneration

The aggregate remuneration received by the Officials and relieving Officials from the Union during the year was:

3,662,790	3,032,613	3,662,790	3,032,613
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The following table lists the number of Officials who received remuneration from the Union or any related parties of the Union within the following ranges:

Remuneration Range		Base Remuneration	Total Remuneration *
130,000	-	139,999	7
140,000	-	149,999	12
150,000	-	159,000	1
160,000	-	169,999	4
170,000	-	179,999	0
180,000	-	189,999	0
190,000	-	200,000	0

* Total remuneration includes salary, allowances, leave entitlements taken, leave entitlements cashed in for superannuation and personal purposes and superannuation contributions paid during the financial year.

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**NOTES TO THE FINANCIAL STATEMENTS
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	Note	Consolidated		Federal	
		2014	2013	2014	2013
		\$	\$	\$	\$
5. Cash and Cash Equivalents					
Cash at banks and on hand		5,665,316	5,609,864	1,319,742	1,723,996
Deposits at call		1,461,635	1,602,782	317,177	317,177
		<u>7,126,950</u>	<u>7,212,646</u>	<u>1,636,919</u>	<u>2,041,173</u>
6 Inventories on Hand					
Union Merchandise		227,444	196,101	56,012	93,123
		<u>227,444</u>	<u>196,101</u>	<u>56,012</u>	<u>93,123</u>
7. Trade and Other Receivables					
CURRENT					
Trade debtors		382,507	396,663	495,165	519,308
Accrued contributions		584,047	652,272	584,047	652,272
Loans to Officials		13,000	25,350	13,000	25,350
Other receivables		232,926	496,140	188,343	246,880
Receivable from other reporting unit		-	-	-	-
Receivable from other related parties	23	1,183,864	686,633	1,183,864	686,633
Provision for doubtful debts		(89,140)	(89,140)	(89,140)	(89,140)
		<u>2,307,203</u>	<u>2,167,918</u>	<u>2,375,278</u>	<u>2,041,304</u>
NON-CURRENT					
Amount due from subsidiary	19	-	-	15,000	15,000
Loans to Officials	7(a)	129,502	321,620	121,502	313,620
		<u>129,502</u>	<u>321,620</u>	<u>136,502</u>	<u>328,620</u>
		<u>2,436,705</u>	<u>2,489,538</u>	<u>2,511,781</u>	<u>2,369,924</u>
(a) Loans to Officials					
Repayments paid during the year		220,145	25,350	220,145	25,350
There were two (2013: three) loans to Officials at 30 June 2014 amounting to \$142,502 (2013: \$346,970).					
The names of the Officials who held loans from the Union were:					
		- Dean Summers	- Ian Bray (2013)		
		- Jason Campbell			
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 \$11,877 [2013: \$17,123].					
8. Investments					
Managed funds at market value		8,044,731	6,914,338	7,822,502	6,717,249
Shares - other entities		27,254	25,398	27,244	25,387
Shares in subsidiary		-	-	1	1
		<u>8,071,985</u>	<u>6,939,736</u>	<u>7,849,747</u>	<u>6,742,636</u>

Managed funds at market value

Managed funds are disclosed in the financial accounts as at 30 June 2014 at market value. The net revaluation increment of \$791,475 [2013: Increment of \$1,186,029] has been credited to the statement of comprehensive income pursuant to Note 1 g (i) of the financial report.

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NOTES TO THE FINANCIAL STATEMENTS
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9. Property, Plant and Equipment
(a) Consolidated

Cost:

	Land & Buildings	Plant & Equipment	Office Equipment	Office Furniture	Motor Vehicles	Total
Balance at 1 July 2013	30,216,176	978,053	1,553,587	916,882	1,414,716	35,079,413
Additions	87,407	19,986	277,525	126,275	162,147	673,341
Disposals	-	(20,497)	-	-	(31,242)	(51,739)
Revaluation increment	-	-	-	-	-	-
Balance at 30 June 2014	30,303,583	977,542	1,831,113	1,043,157	1,545,621	35,701,016

Accumulated Depreciation:

Balance at 1 July 2013	(928,296)	(511,042)	(1,036,970)	(652,859)	(521,317)	(3,650,484)
Depreciation	(319,303)	(51,062)	(238,615)	(97,704)	(176,249)	(882,932)
Disposals	-	5,585	-	-	30,344	35,930
Balance at 30 June 2014	(1,247,599)	(556,519)	(1,275,585)	(750,562)	(667,222)	(4,497,487)

Carrying Value

As at 30 June 2013	29,287,880	467,010	516,617	264,023	893,398	31,428,929
As at 30 June 2014	29,055,985	421,023	555,527	292,594	878,399	31,203,529

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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9. Property, Plant and Equipment
(b) Federal

Cost:

	Land & Buildings	Plant & Equipment	Office Equipment	Office Furniture	Motor Vehicles	Total
Balance at 1 July 2013	29,329,213	932,700	1,553,587	895,481	1,349,989	34,060,970
Additions	70,852	6,450	277,525	126,275	158,205	639,307
Disposals	-	-	-	-	(31,242)	(31,242)
Balance at 30 June 2014	29,400,065	939,150	1,831,113	1,021,756	1,476,952	34,669,036
						-
Accumulated Depreciation:						-
Balance at 1 July 2013	(928,296)	(488,966)	(1,036,970)	(632,559)	(507,602)	(3,594,392)
Depreciation	(298,749)	(50,009)	(238,615)	(97,467)	(165,103)	(849,943)
Disposals	-	-	-	-	30,344	30,344
Balance at 30 June 2014	(1,227,045)	(538,975)	(1,275,585)	(730,026)	(642,360)	(4,413,991)
						-
Carrying Value						-
As at 30 June 2013	28,400,917	443,734	516,617	262,922	842,388	30,466,578
As at 30 June 2014	28,173,020	400,175	555,527	291,730	834,592	30,255,044

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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	Consolidated		Federal	
	2014	2013	2014	2013
	\$	\$	\$	\$
10. Trade and Other Payables				
Trade creditors	716,686	393,055	713,496	393,780
Other creditors	825,579	563,725	917,687	308,058
Legal costs - Other Matters	-	96,160	-	96,160
Legal costs - Litigations	133,565	-	133,565	-
Accruals and other provisions	1,167,159	763,675	798,224	443,976
Consideration to employers for payroll deduction	-	-	-	-
Payable to other reporting unit	-	-	-	-
	2,842,989	1,816,614	2,562,972	1,241,973
11. Employee Provisions				
CURRENT				
Annual leave				
Officials	1,253,812	1,040,870	1,253,812	1,040,870
Employees	1,358,931	1,229,615	1,358,931	1,229,615
Separation and redundancies	-	-	-	-
Others	-	-	-	-
	2,612,743	2,270,485	2,612,743	2,270,485
NON-CURRENT				
Officials				
Long service leave	765,110	675,974	765,110	675,974
Separation and redundancies	-	-	-	-
Others	-	-	-	-
Employees				
Long service leave	587,651	625,183	587,651	625,183
Separation and redundancies	-	-	-	-
Others	-	-	-	-
	1,352,761	1,301,157	1,352,761	1,301,157
Aggregate employee benefit liability	3,965,504	3,571,642	3,965,504	3,571,642
12. Borrowings				
Current	127,901	125,000	127,901	125,000
Noncurrent	2,309,464	2,375,000	2,309,464	2,375,000
	2,437,365	2,500,000	2,437,365	2,500,000

On 14 May 2013, the Union purchased the remaining portion of the building it already owns in Sussex St, Sydney. The purchase was financed by a 20 year loan with an annual interest rate of 6%.

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**NOTES TO THE FINANCIAL STATEMENTS
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	Consolidated		Federal	
	2014	2013	2014	2013
	\$	\$	\$	\$
13. Fighting Fund Reserve				
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.	18,739	268,739	18,739	268,739
Other Reserves				
Training and Development Fund	2,701,897	2,024,203	1,119,284	648,728
Appeal and Welfare Fund	870,905	805,411	-	-
Point Peron Fund	(66,323)	(93,128)	-	-
Sustenance Fund	499,689	499,689	-	-
Special Purpose Fund	6,683	6,683	-	-
Sick and Accident Fund	145,081	102,049	-	-
Divers Fighting Fund	48,875	44,879	-	-
	4,206,807	3,389,786	1,119,284	648,728

The *Training & Development Fund* (held by the Federal Office and the Western Australian Branch) was set up to provide industry skills training to members, including through the provision of training infrastructure and delivery, and research and training materials and equipment, in order to improve employment opportunities for members, along with enhanced occupational health and safety awareness and competency. The receipts and expenses of the fund are as follows:

Receipts				
Commission Income	940,231	958,515	470,114	648,666
Interest	38,605	13,832	442	62
Grants and donations	291,653	1,051,856	-	-
Total receipts	1,270,489	2,024,203	470,556	648,728
Disbursements				
Donation payments expenses	580,470	-	-	-
Other expenses	12,324	-	-	-
Total disbursements	592,794	-	-	-
Surplus	677,695	2,024,203	470,556	648,728

The members of the Fremantle Port Committee pays additional levies to build up the Sickness, Accident and Funeral Fund (known as *Appeal and Welfare Fund*). The fund is used to provide financial assistance/benefits to members in distress and in hospital. It also provides funeral and death benefits and also assist widows and dependant children of deceased members. The fund is governed by rules and are accounted for appropriately as part of the Western Australian Branch's normal transactions.

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Other Reserves, continued

The Western Australian Branch entered into a Lease Agreement with the Conservation and Land Management Executive Body of Western Australia, for *Point Peron* Site to be used for members recreation. The members contribute levies to the fund which are used to manage the site. Members also pay rent as they use the recreational site.

The *Sustenance and Special Purpose Fund* (held by the Sydney Branch) was set up to provide members assistance in their time of need and special branch actions.

The *Divers Fighting Fund* (held by the Victorian Branch) was set up by members working in the offshore diving industry and is utilised for the benefit of divers in need or other activities related to the offshore diving industry. The *Sick and Accident Fund*, on the other hand was set up to provide Victorian members assistance in their time of need through specific fund raising campaigns or donations.

14. Contingencies

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. The Union have no knowledge of any material liabilities arising from these ongoing activities.

15. 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 Union the results of those operations, or the state of affairs of the Union, in future financial years.

16. Information required under the Reporting Guidelines for the purposes of Section 253, of the Fair Work

(1) There was no recovery of wages activity undertaken by the Union during the financial year (2013: Nil).

(2) The Union is liquid and does not rely on other entity to continue as a going concern. No financial support was received or given to/from other entity during or since the end financial year (2013: Nil).

(3) The Union did not acquire any assets nor liability during the financial year (2013: Nil) as a result of amalgamation, restructuring of branches, business combination or determination and revocation by the General Manager.

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17. Controlled entities

The consolidated financial statements incorporate the financial statements of the entities controlled by the Union. The entities that are controlled by the Union during the financial year were:

- MUA HTS Pty Limited ("Subsidiary")
- Maritime Union of Australia Northern New South Wales ("Branch")
- Maritime Union of Australia Northern Territory ("Branch")
- Maritime Union of Australia Queensland ("Branch")
- Maritime Union of Australia South Australia ("Branch")
- Maritime Union of Australia Southern New South Wales ("Branch")
- Maritime Union of Australia Sydney ("Branch")
- Maritime Union of Australia Tasmania ("Branch")
- Maritime Union of Australia Victoria ("Branch")
- Maritime Union of Australia Western Australia ("Branch")

The Union also controls the following not for profit entities, these entities have not been consolidated as each entity prepares and lodges audited financial statements that are available to the general public.

- Maritime Employee Training Limited (METL)
- Australian Maritime Training Foundation Limited
- Hunter Workers Rehabilitation and Counselling Centre Limited

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**NOTES TO THE FINANCIAL STATEMENTS
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	Consolidated		Federal	
	2014	2013	2014	2013
	\$	\$	\$	\$
18. 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 and on hand	5,665,316	5,609,864	1,319,742	1,723,996
Deposits at call	1,461,635	1,602,782	317,177	317,177
	<u>7,126,950</u>	<u>7,212,646</u>	<u>1,636,919</u>	<u>2,041,173</u>
(b) Reconciliation of Cash Flow from Operations with Surplus from Ordinary Activities after Income Tax				
Surplus/(deficit) from operating activities	(1,582,454)	2,705,573	(1,897,940)	418,812
Non-cash flows in surplus/(deficit) from ordinary activities:				
Depreciation	882,798	736,429	855,394	724,374
Net (gain)/loss on disposal	(6,163)	6,132	(6,163)	5,574
Foreign exchange gain/loss	-	7,436	-	-
Changes in assets and liabilities :				
(Increase)/decrease in receivables	(155,435)	(1,512,461)	(397,287)	230,567
(Increase)/decrease in inventory	(31,343)	(65,165)	37,112	(38,038)
Increase/(decrease) in payables	1,242,470	1,443,333	1,491,285	(470,209)
Increase in provisions	393,862	337,745	393,862	337,745
Increase in reserves	567,021	3,318,465	220,556	-
Decrease in retained surplus	(817,019)	(3,657,974)	(470,556)	-
Cash flows from operations	<u>493,736</u>	<u>3,319,513</u>	<u>226,263</u>	<u>1,208,826</u>

19. Financial Risk Management

Specific Financial Risk Exposures and Management

The main risks the Union 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.

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19. 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 2014		
+/- 2% in interest rates	32,083	32,083
+/- 10% in fair value of financial assets	807,198	807,198
+/- 10% in fair value of financial liabilities	243,737	243,737
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	250,000	250,000

20. Segment Reporting

The economic entity operates predominantly as one business and divided into geographical segment being the state branches. Together, the Union provides trade Union services in Australia.

21. Union Details

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

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22. 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		Interest Bearing		Non-interest Bearing	
	2014 %	2013 %	2014 \$	2013 \$	2014 \$	2013 \$
Consolidated						
Financial Assets						
Cash at bank	1.89%	1.94%	7,126,950	7,212,646	-	-
Receivables	4.29%	4.54%	142,502	354,970	2,294,203	2,142,568
Investment	-	-	-	-	8,071,985	6,939,736
			<u>7,269,452</u>	<u>7,567,616</u>	<u>10,366,188</u>	<u>9,082,304</u>
Financial Liabilities						
Payables	-	-	-	-	2,842,989	1,816,614
Loans	6.00%	6.00%	2,437,365	2,500,000	-	-
			<u>2,437,365</u>	<u>2,500,000</u>	<u>2,842,989</u>	<u>1,816,614</u>
Federal						
Financial Assets						
Cash at bank	2.50%	1.45%	1,636,919	2,041,173	-	-
Receivables	4.29%	4.54%	134,502	346,970	2,362,278	2,015,954
Investment	-	-	-	-	7,849,747	6,742,636
			<u>1,771,421</u>	<u>2,388,143</u>	<u>10,212,025</u>	<u>8,758,590</u>
Financial Liabilities						
Payables	-	-	-	-	2,562,972	1,241,973
Loans	6.00%	6.00%	2,437,365	2,500,000	-	-
			<u>2,437,365</u>	<u>2,500,000</u>	<u>2,562,972</u>	<u>1,241,973</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.

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**NOTES TO THE FINANCIAL STATEMENTS
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	Note	Consolidated		Federal	
		2014	2013	2014	2013
		\$	\$	\$	\$
23. Related Party Disclosures					
The following provides the total amount of transactions that have been entered into with related parties for the financial year:					
Revenue received from related parties:					
Special Purpose levies paid to branches				1,218,626	- 1,177,325
Consulting fees received	296,989	242,014		296,989	242,014
Rental received	-	-		121,766	43,040
Sundry income received	-	-		210,813	44,000
Expenses paid to related parties:					
Donations paid to METL	1,027,870	-		-	-
Amounts owed by related parties:					
Amounts receivable from International Transport Federation (ITF) are disclosed in Note 7. These represent expenses that were paid by the Union on behalf of ITF.					
Amounts owed to related parties:					
There were no amounts owed to related parties		-	-	-	-
Assets transferred from/to related parties					
There were no assets transferred to related parties		-	-	-	-
Loans from/to related parties:					
Dean Summers	7(a)	134,502	197,343	134,502	197,343
Ian Bray	7(a)	-	149,627	-	149,627
Jason Campbell	7(a)	8,000	8,000	-	-
Loan repayments from Union Officials have been received during the financial year.					
Total repayments received		220,145	25,350	220,145	25,350

Funds Held in Trust

The Western Australian Branch holds monies in trust for Thomas Leslie Bradshaw (Tom Bradshaw) to be used for the welfare of the retired and sick members of the West Australian Branch of the MUA (formerly The Seamen's Union of Australia). The fund is governed by rules and are accounted for separately from the branch's normal transactions. The balance of the fund as at 30 June 2014 is \$137,803 (2013: 134,700).

The Tasmanian Branch holds monies in trust, called the "Burnie Funeral Fund". The object of the fund is to provide funeral benefits and death benefits to existing life members and members who have made contributions to the fund in the past. The balance of the fund as at 30 June 2014 is \$160,529 (2013: 160,841).

24. Official's Material Personal Interests

No Official, or any relative of an Official, held or acquired a material personal interest in the affairs of the Union during the financial year.

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**NATIONAL COUNCIL'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

On 17 October 2014, the National Council of The Maritime Union of Australia passed the following resolution to the general purpose financial report (GPFR) for the year ended 30 June 2014:

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.
- (b) The financial statements and notes comply with the reporting guidelines of the General Manager.
- (c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year ended 30 June 2014.
- (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) where the Union consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the union; and
 - (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.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

This declaration is made in accordance with a resolution of the National Council.

Signed at Sydney this 3rd day of November 2014



P. Crumlin
National Secretary



M. Doleman
Deputy National Secretary



Principal: David Robinson MCom BEc FCA FTIA

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

Report on the Financial Report

We have audited the accompanying financial report, being a general purpose financial report, of The Maritime Union of Australia and its Subsidiary and Branches (the "Union"), which comprises the statement of financial position as at 30 June 2014, 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 Union'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 Union'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*, APES 110 - Code of Ethics for Professional Accountants and the *Fair Work (Registered Organisations) Act 2009*.

ABN 63 037 730 685

Liability limited by a scheme approved under Professional Standards Legislation



Opinion

As part of the audit of the financial statements, we have concluded that the council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

In our opinion the financial report of the Maritime Union of Australia and its Subsidiary and Branches gives a true and fair view of the union's financial position as at 30 June 2013 and of its performance for the year ended on that date and is presented fairly in accordance with:

- i. the 'Fair Work (registered Organisations) Act 2009' and
- ii. The 'Australian Accounting Standards'

In accordance with the Reporting Guidelines for the purposes of Section 253, the following declarations are made in reference to the auditor:

- i. is a registered company auditor and a director of Harveys Accounting Pty
- ii. is a fellow of the Institute of Chartered Accountants in Australia, and holds a current Public Practice Certificate.

The financial report also complies with International Financial Accounting Standards as disclosed in Note 1.

Other matters

A majority of the financial reports of the Branches for the year ended 30 June 2013 were audited by another auditor who expressed a mixture of unqualified and modified opinion on those financial report.

Harveys Accountants

David P. Robinson, FCPA
Principal

Dated this 3rd day of November 2014

Level 3
2 Bulletin Place
SYDNEY NSW 2000

THE MARITIME UNION OF AUSTRALIA AND ITS SUBSIDIARY AND BRANCHES CONCISE CONSOLIDATED FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2014



The Concise Consolidated Financial Report is an extract from the Union's Consolidated Full Financial Report for the year ended 30 June 2014. The Consolidated Financial Statements and specific disclosures in the Concise Consolidated Financial Report have been derived from the Full Consolidated 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 Financial Report of the Maritime Union of Australia for the financial year ended 30 June 2014 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	Doleman, M	Munday, T
Bray, I	Evans, A	Newlyn, J
Burford, A *	Garrett, P	Outram, D *
Cain, C	Heath, D	Patchett, R
Campbell, J	Hill, I *	Paterson, J * (appointed October 2013)
Carr, M	Keane, G	Schleibs, D
Carter, S * (resigned 31 January 2013)	Keating, P	Sheehan, P
Clothier, C *	Mayor, T	Smith, W
Crumlin, P	McAleer, P	Tracey, W
Cushion, D	McGartland, J. * (resigned September 2013)	Williams, G
Deakin, J		

* 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 2014 has been received and can be found on page 5 of the Full Consolidated Financial Report.

The Financial Report of The Maritime Union of Australia for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the National Council on the 3rd of November 2014.

STATEMENT OF FINANCIAL POSITION	Consolidated		Federal	
	2014	2013	2014	2013
Current assets	9,661,598	9,576,665	4,068,209	4,175,600
Non-current assets	39,405,016	38,690,285	38,241,293	37,537,834
Total assets	49,066,614	48,266,950	42,309,502	41,713,434
Current liabilities	5,583,633	4,212,099	5,303,616	3,637,458
Non-current liabilities	3,662,225	3,676,157	3,662,225	3,676,157
Total liabilities	9,245,858	7,888,256	8,965,841	7,313,615
Members' funds	39,820,756	40,378,695	33,343,662	34,399,818

THE MARITIME UNION OF AUSTRALIA AND ITS SUBSIDIARY AND BRANCHES
CONCISE CONSOLIDATED FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2014



STATEMENT OF COMPREHENSIVE INCOME	Consolidated		Federal	
	2014	2013	2014	2013
Operating income and expenses				
Revenues from operating activities	22,659,571	22,918,935	19,073,160	18,949,658
Employee benefits expense	(11,431,200)	(9,619,632)	(11,431,200)	(9,619,632)
Finance Cost	(152,369)	-	(152,369)	-
Depreciation and amortisation expenses	(882,798)	(736,429)	(855,394)	(724,374)
Other expenses from ordinary activities	(11,775,658)	(9,857,301)	(8,532,137)	(7,543,653)
Operating surplus/(deficit)	(1,582,454)	2,705,573	(1,897,940)	1,062,000
Non-operating income and expenses				
Increase/(Decrease) in investments	791,475	1,186,029	766,335	1,140,721
Income from managed investments	380,445	440,347	307,972	333,823
Investment fees	(9,468)	-	(9,468)	-
Foreign currency exchange gain/(loss)	-	7,436	-	7,436
Interest received	112,063	122,872	26,944	62,714
Property revaluations	-	790,953	-	790,953
Non-operating income and expenses	1,274,515	2,547,638	1,091,783	2,335,647
Net surplus/(deficit) from ordinary activities	(307,939)	5,253,211	(806,157)	3,397,647

CASH FLOW STATEMENT	Consolidated		Federal	
	2014	2013	2014	2013
CASH FLOW FROM ORDINARY ACTIVITIES				
Receipts from members	21,845,613	18,733,527	20,479,667	19,129,831
Payments to suppliers and employees	(24,879,550)	(19,190,546)	(21,711,027)	(19,090,672)
Rent received	421,146	404,744	353,379	300,248
Other receipts	1,355,684	1,283,169	1,058,368	802,376
Donations received	1,750,843	2,088,620	45,875	67,044
Net cash provided by operating activities	493,736	3,319,513	226,263	1,208,826
CASH FLOW FROM INVESTING ACTIVITIES				
Interest received from investments	100,186	110,995	15,067	62,714
Repayment of Official loan	220,145	25,350	220,145	25,350
Purchase of managed investments	-	-	-	-
Proceeds from sale of property, plant and equipment	6,500	102,152	6,500	49,551
Purchase of property, plant and equipment	(673,341)	(3,100,832)	(639,307)	(3,097,049)
Net cash (used in) investing activities	(346,510)	(2,862,335)	(397,595)	(2,959,434)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from borrowings	-	2,500,000	-	2,500,000
Repayment of borrowings	(232,922)	-	(232,921)	-
Net cash provided by financing activities	(232,922)	2,500,000	(232,921)	2,500,000
Net increase/(decrease) in cash and cash equivalents	(85,696)	2,957,178	(404,254)	749,392
Cash and cash equivalent at the beginning of the financial year	7,212,646	4,255,467	2,041,173	1,291,781
Cash and cash equivalent at the end of the financial year	7,126,950	7,212,646	1,636,919	2,041,173

THE MARITIME UNION OF AUSTRALIA AND ITS SUBSIDIARY AND BRANCHES
CONCISE CONSOLIDATED FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2014



CHANGE IN MEMBERS FUNDS	Fighting Fund Reserve	Revaluation Reserve	Other Reserves	Retained Surplus	Total Equity
CONSOLIDATED					
At 1 July 2012	18,739	2,059,013	1,112,273	32,109,736	35,299,760
Effect of prior period adjustments Note 1(b)(ii)	-	-	-	(319,631)	(319,631)
At 1 July 2012, restated	18,739	2,059,013	1,112,273	31,790,104	34,980,129
Net surplus for the year	-	-	107,956	4,354,302	4,462,258
Other comprehensive income	-	790,953	-	-	790,953
Transfer to Reserves	250,000	-	2,022,628	(2,274,202)	(1,574)
Funds brought to account	-	-	146,928	-	146,928
At 30 June 2013	268,739	2,849,966	3,389,785	33,870,204	40,378,694
Net surplus/(deficit) for the year	-	-	139,329	(447,268)	(307,939)
Other comprehensive income	-	-	-	-	-
Transfer to Reserves	(250,000)	-	677,692	(677,692)	(250,000)
At 30 June 2014	18,739	2,849,966	4,206,807	32,745,244	39,820,756
FEDERAL					
At 1 July 2012	18,739	2,059,013	-	29,088,568	31,166,320
Effect of prior period adjustments Note 1(b)(ii)	-	-	-	(164,148)	(164,148)
At 1 July 2012, restated	18,739	2,059,013	-	28,924,420	31,002,172
Net surplus for the year	-	-	-	2,606,694	2,606,694
Other comprehensive income	-	790,953	-	-	790,953
Transfer to Reserves	250,000	-	648,728	(898,728)	-
At 30 June 2013	268,739	2,849,966	648,728	30,632,386	34,399,819
Net surplus/(deficit) for the year	-	-	-	(806,157)	(806,157)
Other comprehensive income	-	-	-	-	-
Transfer to Reserves	(250,000)	-	470,556	(470,556)	(250,000)
At 30 June 2014	18,739	2,849,966	1,119,284	29,355,673	33,343,662

End of Concise Financial Report



Principal: David Robinson MCom BEc FCA FTIA

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

Report on the Concise Consolidated Financial Report

The accompanying concise consolidated financial report of The Maritime Union of Australia and its Subsidiary and Branches (the "Union") comprises the statement of financial position, the statement of comprehensive income, statement of changes in members equity and statement of cash flows, derived from the audited consolidated financial report of the Union for year then ended 30 June 2014. The concise consolidated financial report does not contain all the disclosures required by the Australian Accounting Standards.

National Council's Responsibility for the Consolidated Concise Financial Report

The National Council is responsible for the preparation of the consolidated financial report in accordance with the Australian Accounting Standards AASB 1039 concise consolidated Financial Reports and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the Committee of Management determine is necessary to enable the preparation of the concise consolidated financial report that is free from material misstatements, whether due to fraud or error.

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. Our audit report on the financial report for the year was not subject to any modification. The Australian Auditing 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 misstatements.

Our procedures in respect of the concise consolidated financial report included testing that the information in the concise consolidated financial report is derived from, and is consistent with the consolidated financial report for the year, and examination on a test basis, of evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise consolidated financial report complies with Accounting Standard AASB 1039 Concise Consolidated Financial Reports.

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

ABN 63 037 730 685

Liability limited by a scheme approved under Professional Standards Legislation



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*, APES 110 - Code of Ethics for Professional Accountants and the Fair Work (Registered Organisations) Act 2009.

Opinion

In our opinion the concise consolidated financial report of the Maritime Union of Australia and its subsidiary and branches for the year ended 30 June 2014 complies with Australian Accounting Standards AASB 1039 concise consolidated Financial Reports and the Fair Work (Registered Organisations) Act 2009.

As part of the audit of the financial statements, we have concluded that the council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

In accordance with the Reporting Guidelines for the purposes of Section 253, the following declarations are made in reference to the auditor:

- i. is a registered company auditor and a director of Harveys Accounting Pty
- ii. is a fellow of the Institute of Chartered Accountants in Australia, and holds a current Public Practice Certificate.

Harveys Accountants



David P. Robinson, FCPA
Principal

Dated this 3rd day of November 2014

Level 3
2 Bulletin Place
SYDNEY NSW 2000

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

**ITEMISED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	Consolidated		Federal	
	2014	2013	2014	2013
	\$	\$	\$	\$
Operating income				
Union contributions	18,894,722	18,342,847	17,652,720	17,237,073
Donations	1,463,667	2,088,620	45,875	67,044
Consulting fees	296,989	242,014	296,989	242,014
Rent received	382,860	367,949	321,254	272,953
Profit/(loss) on sale of non-current assets	5,603	(5,574)	5,603	(5,574)
Union sales	109,611	166,111	23,962	35,141
Expenses recouped	43,000	275,054	43,000	275,054
Training & Development	940,669	958,576	470,556	648,728
Sundry income	522,450	483,338	213,202	177,224
Total operating income	22,659,571	22,918,935	19,073,160	18,949,658
Compensation and benefit				
Direct salaries - Officials	3,193,373	2,688,492	3,193,373	2,688,492
Direct salaries - Staff	5,142,657	4,298,551	5,142,657	4,298,551
Fringe benefits tax	153,460	166,339	153,460	166,339
Motor vehicle expenses	338,953	301,753	338,782	292,683
Payroll tax	497,631	411,615	497,631	411,615
Staff & Official training	117,673	65,497	117,673	65,497
Superannuation	1,173,368	995,197	1,173,368	995,197
Employee entitlement expense	637,799	527,195	637,799	527,195
Temporary staff	91,087	92,231	91,087	92,231
Workers compensation insurance	85,370	81,831	85,370	81,831
Total compensation and benefit	11,431,371	9,628,702	11,431,200	9,619,632
General expenses				
Audit & accountancy	109,709	137,545	83,107	68,250
Bank charges	92,650	81,086	77,375	78,171
Depreciation	559,682	506,591	551,196	494,536
Donations	1,802,678	430,157	205,091	168,877
Insurance - general	34,593	31,689	34,593	31,689
Merchandise	201,675	178,125	69,895	1,296
National Council expenses	123,273	110,979	123,273	110,979
Office expenses	230,710	158,412	121,847	103,795
Media activities	178,647	128,197	109,599	123,613
Postage and freight	83,612	129,037	82,502	125,903
Printing and stationery	158,500	169,798	155,245	156,115
Provision for bad debts expense	-	89,060	-	89,060
Repairs and maintenance	141,613	102,206	30,696	44,268
Subscriptions, newspapers & periodicals	69,275	61,109	59,894	58,496
Sundry expenses	120,374	166,022	252	5,231
Total general expenses	3,906,991	2,480,013	1,704,565	1,660,288

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

**ITEMISED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	Consolidated		Federal	
	2014	2013	2014	2013
	\$	\$	\$	\$
Occupancy & rental expenses				
Cleaning	184,122	163,007	181,812	162,124
Building depreciation	323,116	229,838	304,198	229,838
Security	34,493	32,521	34,493	32,521
Electricity	223,572	207,437	201,968	189,043
Interest Expense	152,369	-	152,369	-
Property insurance	79,292	73,661	65,760	67,332
Property rates	287,712	197,867	267,985	180,452
Property sales and purchase costs	-	11,324	-	11,324
Property valuation fees	-	33,000	-	33,000
Rent	38,806	59,439	38,806	48,886
Repairs & Maintenance	211,894	187,947	205,902	180,685
Total occupancy and rental expenses	<u>1,535,376</u>	<u>1,196,040</u>	<u>1,453,294</u>	<u>1,135,205</u>
Industrial & member services				
Affiliation fees & levies	299,278	276,217	270,594	265,840
Branch activities	191,670	133,248	-	-
Business expenses	172,516	180,268	51,777	37,485
Conferences - International	574,008	584,014	574,008	584,014
Conferences - National	599,615	1,017,922	479,947	491,416
Fares & travel	1,282,136	912,390	1,232,652	836,468
Funeral expenses	86,483	65,146	52,168	3,053
Legal expenses	1,937,732	1,463,547	1,924,598	1,458,124
Member training	279,571	406,081	83,059	72,783
Research & professional services	216,104	314,124	216,104	314,124
Stop work meeting expenses	70,691	59,440	4,323	2,346
Union restructure	203,456	92,219	203,456	92,219
Union election	20,673	21,250	20,673	21,250
Union publications	140,400	240,818	105,329	208,353
ALP elections	192,660	219,643	66,257	172,282
Total industrial & member services	<u>6,266,992</u>	<u>5,986,328</u>	<u>5,284,945</u>	<u>4,559,758</u>
IT & telecommunications expenses				
Computer consumables	14,765	14,346	14,765	14,346
Internet expenses	333,256	196,540	333,256	196,540
IT support & maintenance	265,273	256,257	265,273	256,257
Telephone	353,102	362,451	348,903	352,948
Video and teleconference	134,899	92,685	134,899	92,685
Total IT & telecommunications expenses	<u>1,101,295</u>	<u>922,279</u>	<u>1,097,096</u>	<u>912,776</u>
Total operating expenses	<u>24,242,025</u>	<u>20,213,362</u>	<u>20,971,100</u>	<u>17,887,658</u>
Operating surplus/(deficit)	<u>(1,582,454)</u>	<u>2,705,573</u>	<u>(1,897,940)</u>	<u>1,062,000</u>

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

**ITEMISED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	Consolidated		Federal	
	2014	2013	2014	2013
	\$	\$	\$	\$
Non-operating income/(expenses)				
Gain/(Loss) on investments	791,475	1,186,029	766,335	1,140,721
Income from managed funds	380,445	440,347	307,972	333,823
Investment fees	(9,468)	-	(9,468)	-
Foreign current exchange gain/(loss)	-	7,436	-	7,436
Interest received	112,063	122,872	26,944	62,714
Total non-operating income/(expenses)	1,274,515	1,756,685	1,091,783	1,544,694
Net surplus/(deficit)	(307,939)	4,462,259	(806,157)	2,606,694
Revaluation of land and buildings	-	790,953	-	790,953
Total comprehensive income	(307,939)	5,253,211	(806,157)	3,397,647

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

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

CONSOLIDATED	2014	2013	2012	2011	2010	5 Year Average
Operating surplus/(deficit) before income tax	(1,582,454)	2,705,573	(1,120,828)	27,080	(849,877)	(164,101)
Non-operating income/(expenses)						
Increase/(decrease) in investments	791,475	1,186,029	(557,752)	(13,810)	366,108	354,410
Income from managed funds	380,445	440,347	220,005	228,217	467,763	347,355
Management fees	(9,468)	-	-	(6,484)	-	(3,190)
Foreign current exchange gain/(loss)	-	7,436	3,861	(26,923)	131,206	23,116
Interest received	112,063	122,872	233,645	396,667	165,299	206,109
Revaluation of land and buildings	-	790,953	2,059,013	-	-	569,993
Total non-operating income/(expenses)	1,274,515	2,547,638	1,958,772	577,667	1,130,376	1,497,794
Net surplus/(deficit)	(307,939)	5,253,211	837,944	604,747	280,499	1,333,692
FEDERAL						
Operating surplus/(deficit) before income tax	(1,897,940)	1,062,000	(445,325)	142,928	(256,056)	(278,879)
Non-operating income/(expenses)						
Increase/(decrease) in investments	766,335	1,140,721	(557,752)	(13,810)	366,108	340,320
Income from managed funds	307,972	333,823	187,496	203,280	457,274	297,969
Management fees	(9,468)	62,714	-	(6,484)	-	9,352
Foreign current exchange gain/(loss)	-	-	3,861	(26,923)	131,206	21,629
Interest received	26,944	7,436	117,186	178,971	(4,761)	65,155
Revaluation of land and buildings	-	790,953	2,059,013	-	-	569,993
Total non-operating income/(expenses)	1,091,783	2,335,647	1,809,804	335,034	949,827	1,304,419
Net surplus/(deficit)	(806,157)	3,397,647	1,364,479	477,962	693,771	1,025,540

