



FAIR WORK
AUSTRALIA

17 May 2010

Mr Sam Roberts
Branch Secretary
National Union of Workers
General Branch
PO Box 343
NORTH MELBOURNE VIC 3051

By email: nuwgeneral@nuw.org.au

Dear Mr Roberts,

Fair Work (Registered Organisations) Act 2009 (“RO Act”)

Fair Work (Registered Organisations) Regulations 2009 (“RO Regulations”)

Financial Report for the year ended 30 June 2009 – FR2009/10143

I acknowledge receipt of the financial report for the National Union of Workers – **Western Australian** Branch for the year ended 30 June 2009 and also acknowledge receipt of a revised designated officer’s certificate relating to the report dated 11 May 2010.

The documents were lodged on 2 March 2010 and 11 May 2010 respectively.

The documents have been filed.

Although the documents have been filed, I would like to comment on some issues arising from the financial report. I make the following comments to assist you when you prepare the next financial report. You do not need to take any further action in respect of the documents already lodged in relation to these particular matters.

Branch Merger

On 12 August 2009 the SA, WA and QLD Branches were abolished and merged into the Central Branch which was then renamed the General Branch – as per NUW Transitional Rule 76.

As previously discussed with the former Secretary of the General Branch, Mr Doug Stevens, please arrange for financial reports to be lodged for the SA, WA and QLD Branches for the period 1 July to 11 August 2009 – as per the attached letter from Mr Stevens dated 18 November 2009.

Operating Report

Please ensure that the full name and exact position of the person signing the Operating Report appears on the Operating Report.

Independent Audit Report

At the beginning of the independent audit report the Committee of Management Statement is not identified as a document which has been audited alongside the financial statements and the

accompanying notes. Please ensure that the Committee of Management Statement is clearly mentioned and identified in future audit reports.

The independent auditor's report should confirm that the auditor is an 'approved auditor' – i.e. that the auditor is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants *and* holds a current Public Practice Certificate – see section 256 of the RO Act and Regulation 4 of the RO Regulations. A statement in the independent audit report that the person undertaking the audit is a 'Registered Company Auditor' would satisfy these requirements.

Committee of Management Statement

Please ensure that the full name of the person signing the Committee of Management Statement and the date of signature appear on the Committee of Management Statement.

The Committee of Management Statement must include a declaration that during the financial year to which the financial report relates and since the end of that year the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation. Please refer to Item 25(e)(iv) of the Reporting Guidelines.

Income Statement

Salary and Superannuation expenses must be separately disclosed for those employees who are holders of an office and those who do not hold office in accordance with Item 11(g) and (h) of the Reporting Guidelines.

Expenses incurred as consideration for employers making payroll deductions of membership subscriptions must also be disclosed in accordance with Item 11(a) of the Reporting Guidelines.

Balance Sheet

I note that the Branch did not have any liabilities for employee benefits at the end of the 2009 financial year. For future reference provisions for employee benefits for those employees who are holders of an office and those who do not hold office must be separately disclosed in accordance with Item 14(c) and (d) of the Reporting Guidelines.

Loans, Grants, and Donations Statement (“LGD Statement”)

I acknowledge receipt of the LGD Statement for National Union of Workers – **Western Australian** Branch for the year ended 30 June 2009.

The document was lodged on 11 May 2010.

Please take note in future that a LGD Statement must be lodged with FWA within 90 days after the end of each financial year in accordance with section 237 of the RO Act.

Legislation

In future years please ensure that the financial report refers to the relevant provisions of the current legislation:

- *Fair Work (Registered Organisations) Act 2009*
- *Fair Work (Registered Organisations) Regulations 2009*

The *Reporting Guidelines* previously issued by the Industrial Registrar continue to apply under the above legislation – see <http://www.fwa.gov.au/index.cfm?pagename=regorgsfrguidelines>.

Your attention to the abovementioned matters when preparing future documents will be much appreciated.

Please note, once the financial report has been filed the documents and relevant correspondence will appear on our registered organisation website at <http://www.e-airc.gov.au/080vwa/financial>, with the exception of the LGD Statement which will not be published in any form.

Should you wish to discuss any matters contained in this letter I may be contacted on (03) 8661 7988 or by e-mail at tom.cagorski@fwa.gov.au.

Yours faithfully,

A handwritten signature in grey ink, appearing to read 'Tom Cagorski', written in a cursive style.

Tom Cagorski
Law Graduate
Tribunal Services & Organisations

DS/CC
Ref: G09D-097
18 November 2009

Mr A Schultz
Research Officer
Fair Work Australia
Email: Andrew.schultz@fwa.gov.au

Dear Andrew


Re: National Union of Workers – Central/General Branch

I refer to your correspondence concerning financial reports of various branches of the National Union of Workers as a result of the abolishing of the WA, QLD and SA branches on 12 August 2009 and their subsequent merger into the Central Branch which was renamed the General Branch.

1. We agree that financial returns should be prepared for the WA, QLD and SA branches for the period from 1 July 2009 to 11 August 2009 as these entities have ceased to exist.
2. We believe however that separate financial returns should not be required for the Central Branch for the period from 1 July 2009 to 11 August 2009.
3. The following support this contention:
 1. Unlike the WA, QLD and SA branches, the Central branch has not ceased to exist; it merely changed its name to "General Branch".
 2. The Central branch absorbed the WA, QLD and SA branches and has continued to operate.
 3. It is an unnecessary cost to the members of preparing and auditing the financial returns for the period from 1 July 2009 to 11 August 2009, and then again for the period of 12 August 2009 to 30 June 2010.
 4. The preparation of the financial returns for the period from 1 July 2009 to 11 August 2009 for the Central Branch would have limited use to the members.
 5. An audited financial return of the Central/General Branch for the year from 1 July 2009 to 30 June 2010 will adequately meet the needs of members.

I trust that you will agree with our reasoning and inform us accordingly.

Yours faithfully


DOUG STEVENS
BRANCH SECRETARY

nuwassist

1300 275 689

nuw.org.au

FOR WORKPLACE SUPPORT

National PO Box 343, North Melbourne VIC 3051
VIC PO Box 343, North Melbourne VIC 3051
NSW 3-5 Bridge Street, Granville NSW 2142
QLD 1st Floor, 17 Cribb Street, Milton QLD 4064
SA 46 Greenhill Rd, Wayville SA 5034
WA 63 Railway Pde, Mount Lawley WA 6050

Workplace Relations Act 1996

s268 of Schedule 1B Workplace Relations Act 1996

I, Sam Roberts being the Branch Secretary of the National Union of Workers General Branch certify:

- That the documents lodged herewith are copies of the full report, and the ~~concise~~ ^{SR} ~~report~~ ^{4/5/2010} for the Western Australian Branch, referred to in s268 of the RAO Schedule; and
- The full report was provided to members on 9th of December 2009.
- That the full report was presented to a meeting of the Branch Committee of Management of the reporting unit on 25 February 2010 in accordance with section 266 of the RAO Schedule.

DATED: 2nd day of May 2010

→ ^{New} date

11 May 2010

→
Signature



Sam Roberts
SAM ROBERTS
BRANCH SECRETARY

DS/SB

Our Ref: G10A-102

25 February 2010

The Registrar
Australian Industrial Relations Commission
GPO Box 1994
MELBOURNE VIC 3001

Dear Registrar

Re: National Union of Workers General Branch Financial Reports for Year ending 30 June 2009

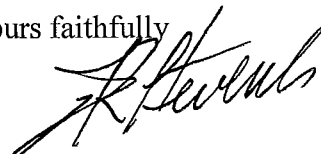
Please find attached a copy of the National Union of Workers Queensland, South Australia and Western Australian Branch's financial reports for the year ending 30 June 2009.

The financial reports were presented to a meeting of the Branch Committee of Management for approval on 25 February 2010.

Also attached is a certificate signed by the Branch Secretary that the documents lodged are copies of those presented to the Branch Committee of Management.

If you require any further information, please contact Branch Secretary Doug Stevens.

Yours faithfully


DOUG STEVENS
BRANCH SECRETARY



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Workplace Relations Act 1996

S268 of Schedule 1B Workplace Relations Act 1996

I, Doug Stevens being the Branch Secretary of the National Union of Workers General Branch certify:

- That the documents lodged herewith are copies of the full report, and the concise report, referred to in s268 of the RAO Schedule; and
- The concise report was provided to members on 3 December 2009; and
- That the full report was presented to a meeting of the Branch Committee of Management of the reporting unit on 25 February 2010 in accordance with section 266 of the RAO Schedule.

DATED: 26 February 2010


DOUG STEVENS
BRANCH SECRETARY

**National Union of Workers
(Western Australian Branch)
ABN 30 263 493 651**

Annual Financial Report

30 June 2009

National Union of Workers

(Western Australian Branch)

30 June 2009

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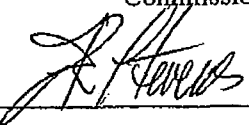
National Union of Workers

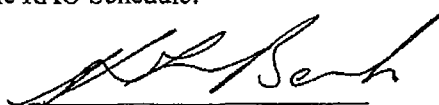
(Western Australian Branch)

Committee of Management Statement

I
We *DOUGLAS STEVENS* and *KEVIN BACK*, being two members of the Committee of Management of the National Union of Workers (the "Branch"), do declare on behalf of the Committee and in accordance with a resolution passed by the Committee on *3RD December 2009* that in the opinion of the Committee:

1. The financial statements and notes comply with Australian Accounting Standards and International Financial Reporting Standards;
2. The financial statements and notes comply with the Workplace Relations Act 1996 and reporting guidelines of the Registrar of Industrial Relation Commission;
3. The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year to which they relate;
4. There are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
5. During the year ended 30 June 2009 and since the end of that year;
 - (i) Meetings of the Committee of Management were held in accordance with the rules of the National Union of Workers including the rules of the Branch;
 - (ii) The financial affairs of the Branch have been managed in accordance with the rules of the National Union of Workers including the rules of the Branch;
 - (iii) The financial records of the Branch have been kept and maintained in accordance with the Workplace Regulations (Registration and Accountability of Organisations) Regulations ("RAO regulations") and the Registration and Accountability of Organisations Schedule ("RAO Schedule");
 - (iv) The information sought in any request of a member of the Branch or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar;
 - (v) There has been no recovery of wages activity undertaken during the period per section 255 of the RAO Schedule; and
 - (vi) There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.





National Union of Workers

(Western Australian Branch)

Balance sheet

As at 30 June 2009

| | Note | 2009 \$ | 2008 \$ |
|--------------------------------------|------|----------------|----------------|
| Assets | | | |
| Cash and cash equivalents | 8 | 56,284 | 179,196 |
| Trade and other receivables | 9 | 106,156 | 31,634 |
| Total current assets | | <u>162,440</u> | <u>210,830</u> |
| Property, plant and equipment | 10 | - | 5,322 |
| Total non-current assets | | <u>-</u> | <u>5,322</u> |
| Total assets | | <u>162,440</u> | <u>216,152</u> |
| Liabilities | | | |
| Bank overdraft | 8 | 3,497 | - |
| Trade and other payables | 11 | 31,898 | 43,372 |
| Employee benefits | 12 | - | 104,905 |
| Total current liabilities | | <u>35,395</u> | <u>148,277</u> |
| Employee benefits | 12 | - | 1,641 |
| Total non-current liabilities | | <u>-</u> | <u>1,641</u> |
| Total liabilities | | <u>35,395</u> | <u>149,918</u> |
| Net assets | | <u>127,045</u> | <u>66,234</u> |
| Accumulated funds | | <u>127,045</u> | <u>66,234</u> |
| Total accumulated funds | | <u>127,045</u> | <u>66,234</u> |

The notes of pages 6 to 19 are an integral part of these financial statements.

NATIONAL UNION OF WORKERS - WESTERN AUSTRALIA BRANCH

OPERATING REPORT

Your Branch committee of Management present their report on the National Union of Workers – Western Australia Branch (Branch) for the financial year ended 30 June 2009.

Members of Branch Committee

The names of the members of Committee of Managements in office at any time during or since the end of the financial year are:

Alexander Miskiewicz
Graham Gilchrist
Peter Toy
Martin Pritchard
Joseph Bullock
Alison Rushack
Sebastian Scata
George Hawkins
Keith Mann
Christopher Saitich

The members of Branch Committee of Management have been in office since the start of the financial year to the 12th of August 2009 the date at which the branch became part of the National Union of Workers – General Branch.

Operating Results

The surplus of the union for the financial year amounted to \$ 60,811 (2008: deficit of \$101,358).

Review of Operations

A review of the operations of the union during the financial year and the results of those operations found that during the year, the union continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant Changes in State of Affairs

No significant changes in the state of affairs of the union occurred during the financial year.

Principal Activity

The principal activity of the union during the financial year was the protection and improvement of employment conditions for its members.

No significant change in the nature of these activities occurred during the year.

After Balance Date Events

On the 12th of August 2009, the branch became part of the National Union of Workers – General Branch and ceased to exist as a separate entity. Apart from this, 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.

**NATIONAL UNION OF WORKERS - WESTERN AUSTRALIA BRANCH
OPERATING REPORT (Continued)**

Membership and employee numbers

As at 30 June 2009, the National Union of Workers – Western Australia Branch had 1,317 (2008: 1,293) members and 2 equivalent full time (2008: 3 equivalent full time) employees.

Right of members to resign

The rules of the union provide at Rule 59 - Resignation from Membership, that a member of the union may resign from the union in accordance with the Rule. The Rule itself is in similar terms to s. 174 and meets the requirements of the Workplace Relations Act 1996.

Directorships of Superannuation Fund

Martin Pritchard, as branch secretary is an alternate director of Retail Employees Superannuation Trust.

Signed in accordance with a resolution of the Branch Committee of Management:

Designated Officer



Dated this

3RD Day of December 2009

National Union of Workers

(Western Australian Branch)

Income statement

For the year ended 30 June 2009

| | Note | 2009 \$ | 2008 \$ |
|---|------|----------------|------------------|
| Discontinued operations | | | |
| Revenue | | | |
| Membership contributions | | 289,545 | 318,439 |
| Total revenue | | 289,545 | 318,439 |
| Other income | 13 | 2,550 | 2,715 |
| Affiliation - Australian Labor Party | | (2,852) | (2,826) |
| Amenities & functions | | (7,464) | (8,505) |
| Audit fees | | (5,200) | (1,702) |
| Bank charges | | (526) | (588) |
| Commissions on contributions collected | | (2,625) | (2,916) |
| Depreciation | 10 | (3,808) | (4,455) |
| Donations | | (8,000) | - |
| Insurance | | (15,389) | (20,709) |
| Legal fees | | (3,250) | - |
| Levies | | (11,891) | (10,471) |
| Meeting expenses - interstate | | (6,287) | (8,704) |
| National Council Meeting | | (575) | - |
| National executive dues - NUW National Office | | (47,793) | (56,722) |
| Printing and stationery | | (32,803) | (15,657) |
| Service fees | | (28,694) | (36,014) |
| Shopper cards | | (403) | (440) |
| Sundry expenses | | (5,924) | (4,841) |
| Superannuation | | (19,198) | (18,221) |
| Personnel expenses | | 5,267 | (210,905) |
| Other personnel expenses | | (39,839) | (26,121) |
| Results from operating activities | | 54,841 | (108,643) |
| Interest income | | 5,970 | 7,285 |
| Net finance income | | 5,970 | 7,285 |
| Surplus/deficit for the year | | 60,811 | (101,358) |

The notes of pages 6 to 19 are an integral part of these financial statements.

National Union of Workers
(Western Australian Branch)
Statement of changes in equity
For the year ended 30 June 2009

| | 2009 | Accumulated funds |
|--|-------------|------------------------------|
| | | \$ |
| Balance at 1 July 2008 | | 66,234 |
| Surplus for the year | | <u>60,811</u> |
| Total recognised income and expense for the year | | <u>60,811</u> |
| Balance at 30 June 2009 | | <u>127,045</u> |
| | 2008 | Accumulated funds |
| | | \$ |
| Balance at 1 July 2007 | | 167,592 |
| Deficit for the year | | <u>(101,358)</u> |
| Total recognised income and expense for the year | | <u>(101,358)</u> |
| Balance at 30 June 2008 | | <u>66,234</u> |

National Union of Workers

(Western Australian Branch)

Statement of cash flows

For the year ended 30 June 2009

| | 2009 | 2008 |
|--|-------------|-----------|
| Note | \$ | \$ |
| Cash flows from (used in) discontinued operations | | |
| Cash receipts from customers | 314,040 | 321,586 |
| Cash paid to suppliers and employees | (453,692) | (326,897) |
| Cash generated from operations | (139,652) | (5,311) |
| Interest received | 5,970 | 7,285 |
| Net cash (used in)/from operating activities | 8 (133,682) | 1,974 |
| Cash flows from investing activities | | |
| Proceeds from sale of property, plant and equipment | 7,273 | - |
| Net cash from investing activities | 7,273 | - |
| Net cash (decrease)/increase in cash and cash equivalents | (126,409) | 1,974 |
| Cash and cash equivalents at 1 July | 179,196 | 177,222 |
| Cash and cash equivalents at 30 June | 8 52,787 | 179,196 |

The notes of pages 6 to 19 are an integral part of these financial statements.

National Union of Workers

(Western Australian Branch)

For the year ended 30 June 2009

1 Reporting entity

National Union of Workers (Western Australian Branch) (the "Entity") is a union domiciled in Australia. The address of the Entity's registered office is 5th Floor, 25 Barrack Street, Perth WA 6000. The Entity primarily is involved in the trade union business in Western Australia, established in accordance with the Workplace Relations Act 1996.

2 Basis of preparation

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Workplace Relations Act 1996 and Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB). The financial report of the Entity complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Boards (IASB).

This financial report has been prepared for distribution to members of the Entity to satisfy the Committee of Management's reporting responsibilities imposed by the Workplace Relations Act 1996.

The financial report was approved by the members of the Committee of Management on

(b) Basis of preparation

Based on the information set out below management expects this financial report to be the last prepared for the Western Australian branch. As a result the financial report is not prepared as a going concern but prepared on the realisation basis.

During the year, the National Union of Workers National Council ("National Council") worked on a plan to restructure the Union. In October 2008, the National Council announced the plan for the Western Australia, Queensland and South Australia Branches to be disbanded and their membership moved to the Central Branch which would be re-named as the General Branch. The National Council proposed for a rule change. The Entity's Committee of Management rejected the proposed rule change as in the view of the Entity's Committee of Management it is contrary to the interests of the members of the Western Australian Branch. The Entity's Committee of Management authorised the acting Branch Secretary to take all necessary actions (including legal) to reject the proposed rule change.

In April 2009, a national ballot was held for all members of the National Union of Workers. The result from the national ballot for the proposed rule change was 17,900 in favour and 12,400 against. On the day the ballot result was announced, the National Council lodged an application to the Registrar of the Australian Industrial Relations Commission ("Registrar") to vary the rules of the Union. The Entity's Committee of Management sought legal advice with respect to the application to the Registrar.

National Union of Workers

(Western Australian Branch)

For the year ended 30 June 2009

2 Basis of preparation continued

(b) Basis of preparation continued

On 12th August 2009, the Registrar approved the application for rule change. As a result, the Entity ceased to exist as of that date. However, the Entity's Committee of Management has approved a legal challenge in the Federal Court to overturn the decision of the Registrar and as at the date of this report is awaiting outcome of this challenge.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Entity's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Accounting for finance income and expense is discussed in note 3(e).

Non-derivative financial instruments, other than those measured at fair value, are measured at amortised cost using the effective interest method, less any impairment losses.

National Union of Workers

(Western Australian Branch)

For the year ended 30 June 2009

3 Significant accounting policies continued

(b) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Entity and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives for the current and comparative periods are as follows:

| | |
|----------------|---------|
| Motor vehicles | 5 years |
|----------------|---------|

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

(c) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

National Union of Workers

(Western Australian Branch)

For the year ended 30 June 2009

3 Significant accounting policies continued

(c) Impairment continued

(i) Financial assets continued

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Financial assets are tested for impairment on a individual basis.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in profit or loss.

(ii) Non-financial assets

The carrying amounts of the Entity's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

National Union of Workers

(Western Australian Branch)

For the year ended 30 June 2009

3 Significant accounting policies continued

(d) Revenue

(i) Member contributions

Gross contributions by members comprise contributions due from members. The gross contributions are recognised on a straight-line basis over the year to match the costs of the services provided. Commissions deducted by employers as payment for collection services are shown separately as an expense.

(e) Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

(f) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(g) Income tax

Under Section 50-15 of the Income Tax Assessment Act 1997, the Entity is exempt from income tax.

(h) Employee benefits

(i) Defined contribution plans

A defined contribution is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in profit or loss when they are due.

National Union of Workers

(Western Australian Branch)

For the year ended 30 June 2009

3 Significant accounting policies continued

(ii) Short-term benefits

Short-term benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Entity has a present legal constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iii) Long-term employee benefits

The Entity's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Entity's obligations.

(i) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2009 but have not been applied in preparing this financial report:

- Revised AASB 101 *Presentation of Financial Statements (2007)* introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement) or, in an income statement and a separate statement of comprehensive income. Revised AASB 101 becomes mandatory for the Entity's 30 June 2010 financial statements. The Entity has not yet determined the potential effect of the revised standard on its financial statements.
- AASB 2008-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Process* and AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process* affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Entity's 30 June 2010 financial statements, are not expected to have any impact on the financial statements.
- AASB 8 *Operating Segments* introduces the 'management approach' to segment reporting. AASB 8, which becomes mandatory for the Entity's 30 June 2010 financial statements, will require a change in the presentation on and disclosure of segment information based on the internal reports regularly reviewed by the Entity's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. Currently the Entity presents segment information in respect of its business and geographical segments (see note 6).

National Union of Workers

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4 Information to be provided to members or a registrar

In accordance with the requirements of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272, which reads as follows:

- (i) A member of an organisation, or Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (ii) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.
- (iii) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

5 Right of member to resign

Under Section 174, Schedule 1 of the Workplace Relations Act 1996,

- (i) 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 a branch of the organisation.

6 Segment reporting

The Entity operates predominately in one business and geographical segment being the trade union business in Western Australia.

7 Financial instruments and financial risk management

Overview

The Entity has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Entity's exposure to each of the above risks, its objectives, and the policies and processes for measuring and managing risk. Quantitative disclosures are also included in this note.

The Committee of Management have responsibility for the establishment and oversight of the risk management framework and for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

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7 Financial instruments and financial risk management continued

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Entity's activities. The Entity, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Committee of Management oversees how management monitors compliance with the Entity's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Entity.

Credit risk

Credit risk is the risk of financial loss to the Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Entity's receivables from the employers of its members and cash and cash equivalents.

The Entity mitigates its credit risk with respect to cash and cash equivalents by depositing funds only with Australian financial institutions with appropriate credit ratings.

Trade and other receivables

The Entity's exposure to credit risk is influenced mainly by the individual characteristics of each employer enterprise its members are working at.

The Entity does not require a credit policy as all receivables relate to deductions for members working at their employers enterprises.

The Entity has not established an allowance for impairment as historical data does not indicate any impairment issues.

Exposure to credit risk

The carrying amount of the Entity's financial assets represents the maximum credit exposure. The Entity's maximum exposure to credit risk at the reporting date was:

| | Note | Carrying amount | |
|-----------------------------|------|-----------------|--------|
| | | 2009 | 2008 |
| Trade and other receivables | 9 | 31,534 | 27,074 |

The Entity's maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

| | Carrying amount | |
|--------------------|-----------------|--------|
| | 2009 | 2008 |
| | \$ | \$ |
| Members' employers | 31,534 | 27,074 |

Another related Union accounts for \$18,272 (2008: \$1,729) of the Entity's trade receivables carrying amount.

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7 Financial instruments and financial risk management continued

Credit risk continued

Impairment losses

The aging of the Entity's trade receivables at reporting date was:

| | Gross 2009 | Impairment 2009 | Gross 2008 | Impairment 2008 |
|----------------------|---------------|--------------------|---------------|--------------------|
| | \$ | \$ | \$ | \$ |
| Not past due | 18,866 | - | 24,768 | - |
| Past due 0-60 days | 12,668 | - | 2,306 | - |
| Past due 60-120 days | - | - | - | - |
| | <u>31,534</u> | <u>-</u> | <u>27,074</u> | <u>-</u> |

Based on the historical default rates, the Entity believes that no impairment allowance is necessary in respect of any trade receivables.

Liquidity risk

Liquidity risk is the risk that the Entity will not be able to meet its financial obligations as they fall due. The Entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Entity's reputation.

Typically the Entity ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Entity does not maintain any lines of credit.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30 June 2009

| | Carrying amount | Contractual cash flows | 12 mths or less | 1-2 yrs | 2-5 yrs | More than 5 yrs |
|---|--------------------|---------------------------|--------------------|------------|------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Non-derivative financial liabilities | | | | | | |
| Trade and other payables | 31,898 | 31,898 | 31,898 | - | - | - |
| | <u>31,898</u> | <u>31,898</u> | <u>31,898</u> | <u>-</u> | <u>-</u> | <u>-</u> |

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For the year ended 30 June 2009

7 Financial instruments and financial risk management continued

Liquidity risk continued

30 June 2008

| | Carrying amount | Contractual cash flows | 12 mths or less | 1-2 yrs | 2-5 yrs | More than 5 yrs |
|---|-----------------|------------------------|-----------------|----------|----------|-----------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Non derivative financial liabilities | | | | | | |
| Trade and other payables | 43,372 | 43,372 | 43,372 | - | - | - |
| | <u>43,372</u> | <u>43,372</u> | <u>43,372</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Profile

At the reporting date the interest rate profile of the Entity's interest-bearing financial instruments was:

| | Carrying amount | |
|----------------------------------|-----------------|----------------|
| | 2009 | 2008 |
| | \$ | \$ |
| Variable rate instruments | | |
| Cash and cash equivalents | <u>52,787</u> | <u>179,196</u> |

An increase/(decrease) in interest rates of 100 basis points would have the effect of increasing/(decreasing) reported profit by \$528 / (\$528) (2008: \$1,792 / (\$1,792)).

Fair values

Fair values of financial assets and liabilities approximate their carrying values.

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For the year ended 30 June 2009

8 Cash and cash equivalents

| | 2009 | 2008 |
|--|---------------|----------------|
| | \$ | \$ |
| General cheque account | - | 53,727 |
| Term deposit | 56,284 | 125,469 |
| Cash and cash equivalents | 56,284 | 179,196 |
| Bank overdraft | (3,497) | - |
| Cash and cash equivalents in the statement of cash flows | <u>52,787</u> | <u>179,196</u> |

The Entity's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities are disclosed in note 7.

Reconciliation of cash flows from operating activities

| | 2009 | 2008 |
|--|------------------|----------------|
| | \$ | \$ |
| Cash flows from operating activities | | |
| Surplus/(deficit) for the year | 60,811 | (101,358) |
| Adjustments for: | | |
| Depreciation | 3,808 | 4,455 |
| Gain from sale of property, plant and equipment | (5,759) | - |
| Interest income | (5,970) | (7,285) |
| Operating profit before changes in working capital | 52,890 | (104,188) |
| Change in trade and other receivables | (74,522) | 9,253 |
| Change in trade and other payables | (11,474) | (16,922) |
| Change in employee benefits | (106,546) | 106,546 |
| | <u>(139,652)</u> | <u>(5,311)</u> |
| Interest received | 5,970 | 7,285 |
| Net cash from operating activities | <u>(133,682)</u> | <u>1,974</u> |

9 Trade and other receivables

| | 2009 | 2008 |
|-------------------------|----------------|---------------|
| | \$ | \$ |
| Trade receivables | 31,534 | 27,074 |
| Prepayments | 24,622 | 4,560 |
| Deposits for legal fees | 50,000 | - |
| | <u>106,156</u> | <u>31,634</u> |

The Entity's exposure to credit risk and impairment losses related to trade and other receivables are disclosed in note 7.

National Union of Workers

(Western Australian Branch)

Notes to the financial statements

10 Property, plant and equipment

| | Motor vehicles \$ | Total \$ |
|---|-------------------------|-------------|
| Cost | | |
| Balance at 1 July 2008 | 22,276 | 22,276 |
| Disposals | (22,276) | (22,276) |
| Balance at 30 June 2009 | - | - |
| Depreciation and impairment losses | | |
| Balance at 1 July 2008 | (16,954) | (16,954) |
| Disposals | 20,762 | 20,762 |
| Depreciation for the year | (3,808) | (3,808) |
| Balance at 30 June 2009 | - | - |
| Carrying amount | | |
| At 1 July 2008 | 5,322 | 5,322 |
| At 30 June 2009 | - | - |
| Motor vehicles | | |
| | Motor vehicles \$ | Total \$ |
| Cost | | |
| Balance at 1 July 2007 | 22,276 | 22,276 |
| Balance at 30 June 2008 | 22,276 | 22,276 |
| Depreciation and impairment losses | | |
| Balance at 1 July 2007 | (12,499) | (12,499) |
| Depreciation for the year | (4,455) | (4,455) |
| Balance at 30 June 2008 | (16,954) | (16,954) |
| Carrying amount | | |
| At 1 July 2007 | 9,777 | 9,777 |
| At 30 June 2008 | 5,322 | 5,322 |

National Union of Workers

(Western Australian Branch)

Notes to the financial statements

11 Trade and other payables

| | 2009 | 2008 |
|----------------|---------------|---------------|
| | \$ | \$ |
| Trade payables | 16,877 | 37,698 |
| Other payables | 15,021 | 5,674 |
| | <u>31,898</u> | <u>43,372</u> |

The Entity's exposure to liquidity risk related to trade and other payables is disclosed in note 7.

12 Employee benefits

| | 2009 | 2008 |
|--------------------|----------|----------------|
| | \$ | \$ |
| Current | | |
| Annual leave | - | 79,094 |
| Long service leave | - | 25,811 |
| | <u>-</u> | <u>104,905</u> |

| | 2009 | 2008 |
|--------------------|----------|--------------|
| | \$ | \$ |
| Non-current | | |
| Long service leave | - | 1,641 |
| | <u>-</u> | <u>1,641</u> |

13 Other income

| | 2009 | 2008 |
|---|--------------|--------------|
| | \$ | \$ |
| Net gain on sale of property, plant and equipment | 5,759 | - |
| FPU service fees / (remission of fees) | (3,209) | 2,715 |
| | <u>2,550</u> | <u>2,715</u> |

National Union of Workers

(Western Australian Branch)

Notes to the financial statements

14 Related parties

The following persons held office through the entire period 1 July 2008 to 30 June 2009 unless otherwise indicated.

| | |
|------------------------------|---|
| Branch President | Alexander Miskiewicz (Resigned 11 June 2009- Position vacant until 30 June 2009) |
| Branch Senior Vice President | Graham Gilchrist |
| Branch Junior Vice President | Peter Toy |
| Branch Secretary | Joseph Bullock |
| Branch Assistant Secretary | Martin Pritchard |
| Branch Member | George Hawkins |
| Branch Member | Keith Mann |
| Branch Member | Christopher Saitich |
| Branch Member | Alison Rushack |
| Branch Member | Sebastian Scata |

Key management personnel compensation

The total remuneration paid or payable, directly or indirectly, from the Entity or any related party to all the members of the Committee of Management included in personnel expenses are as follows:

| | 2009 | 2008 |
|-----------------------------|----------------|---------------|
| | \$ | \$ |
| Salaries and superannuation | 105,575 | 95,858 |
| Total | 105,575 | 95,858 |

15 Subsequent events

Subsequent to year end on the 12th August 2009, the Registrar approved the application made by the National Office for a change in the Union's rules. As a result, the Entity is disbanded and its membership moved to the Central Branch. However, the Entity has approved a legal challenge in the Federal Court to overturn the Registrar's decision. As at the date of this report, the Entity is still awaiting on the outcome of this challenge.



Independent audit report to the members of National Union of Workers (Western Australian Branch)

Report on the financial report

We have audited the accompanying financial report of National Union of Workers (Western Australian Branch), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

Committee of Managements' responsibility for the financial report

The Committee of Management of the entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 2, the directors also state, in accordance with Australian Accounting Standards AASB 101 *Presentation of Financial Statements*, that the financial report, comprising the financial statements and notes, complies with 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. These 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 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 judgement, 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the entity's financial position, and of its performance and cash flows.

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 Australian professional accounting bodies.

Auditor's opinion

In our opinion:


- (a) the financial report presents fairly, in accordance with the Workplace Relation Act 1996, and Australian Accounting Standards (including the Australian Accounting Interpretations), the financial position of National Union of Workers (Western Australian Branch) as of 30 June 2009 and of its financial performance and its cash flows for the year then ended.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2.

Emphasis of Matters

Without qualification of the opinion expressed above, attention is drawn to the following matter. As set out in Note 2(b), the financial report had been prepared on a realisation basis as the Committee of Management awaits the outcome of the appeal made against the decision made by the Registrar of Industrial Relations Commission which resulted in the dissolution of the Entity.

KPMG

KPMG

Signature: 

Name: Matthew Beever

Qualifications: Chartered Accountant (94498)

Position: Partner

Perth

Dated: 3 December 2009