

THE MARITIME UNION OF AUSTRALIA – ANNUAL FINANCIAL REPORT

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2003

	Notes	CONSOLIDATED		CHIEF ENTITY	
		2003	2002	2003	2002
		\$	\$	\$	\$
CLASSIFICATION OF EXPENSES BY NATURE					
Revenue from ordinary activities		6,781,187.01	9,669,866.25	6,774,625.38	9,665,951.81
Employee Benefits expense		(4,283,181.41)	(3,752,153.19)	(4,283,181.41)	(3,752,153.19)
Depreciation and amortisation expenses		(520,399.75)	(462,088.40)	(520,399.75)	(462,088.40)
Other expenses from ordinary activities		<u>(2,426,179.97)</u>	<u>(3,681,004.28)</u>	<u>(2,424,953.02)</u>	<u>(3,677,381.79)</u>
Surplus/(Deficit) from ordinary activities before income tax		(448,574.12)	1,774,620.38	(453,908.80)	1,774,328.43
Income tax expense relating to ordinary activities	1(d)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net surplus/(deficit) from ordinary activities after income tax attributable to members of the union		<u>(448,574.12)</u>	<u>1,774,620.38</u>	<u>(453,908.80)</u>	<u>1,774,328.43</u>
TOTAL CHANGES IN MEMBERS' FUNDS		<u>(448,574.12)</u>	<u>1,774,620.38</u>	<u>(453,908.80)</u>	<u>1,774,328.43</u>

The accompanying notes form part of these accounts

THE MARITIME UNION OF AUSTRALIA – ANNUAL FINANCIAL REPORT

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2003

	Notes	CONSOLIDATED		CHIEF ENTITY	
		2003	2002	2003	2002
		\$	\$	\$	\$
CURRENT ASSETS					
Cash	3	734,418.27	453,491.09	721,064.90	445,472.40
Receivables	4	593,726.08	910,432.15	608,417.08	925,123.15
Other	5	<u>5,276.14</u>	<u>0.00</u>	<u>5,276.14</u>	<u>0.00</u>
TOTAL CURRENT ASSETS		<u>1,333,420.49</u>	<u>1,363,923.24</u>	<u>1,334,758.12</u>	<u>1,370,595.55</u>
NON-CURRENT ASSETS					
Investments	6	5,476,085.06	6,010,959.82	5,476,075.06	6,010,949.82
Property, Plant and Equipment	7	18,661,370.94	19,162,202.19	18,661,370.94	19,162,202.19
Intangibles		<u>980.00</u>	<u>980.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL NON-CURRENT ASSETS		<u>24,138,436.00</u>	<u>25,174,142.01</u>	<u>24,137,446.00</u>	<u>25,173,152.01</u>
TOTAL ASSETS		<u>25,471,856.49</u>	<u>26,538,065.25</u>	<u>25,472,204.12</u>	<u>26,543,747.56</u>
CURRENT LIABILITIES					
Creditors and Borrowings	8	282,009.94	332,474.32	282,009.94	332,474.32
Provisions	9	<u>2,167,832.96</u>	<u>2,752,863.32</u>	<u>2,167,832.96</u>	<u>2,752,863.32</u>
TOTAL CURRENT LIABILITIES		<u>2,449,842.90</u>	<u>3,085,337.64</u>	<u>2,449,842.90</u>	<u>3,085,337.64</u>
NON-CURRENT LIABILITIES					
Provisions	9	<u>950,468.74</u>	<u>932,608.64</u>	<u>950,468.74</u>	<u>932,608.64</u>
TOTAL NON-CURRENT LIABILITIES		<u>950,468.74</u>	<u>932,608.64</u>	<u>950,468.74</u>	<u>932,608.64</u>
TOTAL LIABILITIES		<u>3,400,311.64</u>	<u>4,017,946.28</u>	<u>3,400,311.64</u>	<u>4,017,946.28</u>
NET ASSETS		<u>22,071,544.85</u>	<u>22,520,118.97</u>	<u>22,071,892.48</u>	<u>22,525,801.28</u>
MEMBERS' FUNDS					
Retained Surplus	2	<u>22,071,544.85</u>	<u>22,520,118.97</u>	<u>22,071,892.48</u>	<u>22,525,801.28</u>
TOTAL MEMBERS' FUNDS		<u>22,071,544.85</u>	<u>22,520,118.97</u>	<u>22,071,892.48</u>	<u>22,525,801.28</u>

The accompanying notes form part of these accounts

THE MARITIME UNION OF AUSTRALIA – ANNUAL FINANCIAL REPORT

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2003

Notes	CONSOLIDATED		CHIEF ENTITY	
	2003	2002	2003	2002
	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from members	6,365,596.12	5,848,118.16	6,374,146.12	5,834,477.10
Rent received	727,432.61	794,950.30	727,432.61	794,950.30
Interest received	17,264.05	15,919.59	17,152.42	15,755.15
Income from managed funds	358,723.28	247,576.52	358,723.28	247,576.52
Increase/(decrease) in value of managed funds	(375,588.16)	(473,165.81)	(375,588.16)	(473,165.81)
Payments to suppliers and employees	(7,244,831.75)	(7,043,465.23)	(7,258,604.80)	(7,024,842.74)
Fringe benefits tax paid	<u>(72,440.41)</u>	<u>(53,764.24)</u>	<u>(72,440.41)</u>	<u>(53,764.24)</u>
Net cash (used in)/provided by operating activities	13(b) <u>(223,844.26)</u>	<u>(663,830.71)</u>	<u>(229,178.94)</u>	<u>(659,013.72)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
(Increase)/reduction in loans to officials	(113,068.50)	(140,480.20)	(113,068.60)	(140,480.20)
Net proceeds/(payment) for purchase of property, plant & equipment	<u>(30,103.32)</u>	<u>(234,943.88)</u>	<u>(30,103.32)</u>	<u>(234,943.88)</u>
Net cash provided by/(used in) investing activities	<u>(143,171.82)</u>	<u>(375,424.08)</u>	<u>(143,171.92)</u>	<u>(375,424.08)</u>
Net increase/(decrease) in cash held	(367,016.08)	(1,039,254.79)	(372,350.86)	(1,034,437.80)
Cash at the beginning of the financial year	<u>6,263,530.74</u>	<u>7,302,785.53</u>	<u>6,255,502.05</u>	<u>7,289,939.85</u>
Cash at the end of the financial year	13(a) <u>5,896,514.66</u>	<u>6,263,530.74</u>	<u>5,883,151.19</u>	<u>6,255,502.05</u>

The accompanying notes form part of these accounts

THE MARITIME UNION OF AUSTRALIA – ANNUAL FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

- a. The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards and Division 11 of the Workplace Relations Act, 1996.

AAS 4: Depreciation
AAS 5: Materiality
AAS 8: Events Occurring After Reporting Date

No other Australian Accounting Standards, Urgent Issues Group Consensus View or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

- b. The financial statements have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

- c. The accounting policies have been consistently applied, unless otherwise stated.

d. 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

e. Basis of Accounting

The accounts have been prepared on the accruals basis.

f. Information to be provided to Members or the Industrial 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 274 of the Act, which read as follows:

"(1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.

(2) An organisation shall, on application made under Sub-Section (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 a time, as prescribed.

(3) A Registrar may only make application under Sub-Section (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 a member."

g. Consolidation

The consolidated accounts comprise the accounts of the Maritime Union of Australia, being the Chief Entity, and its controlled entity. The controlled entity is MUA HTS Pty Ltd and surplus/deficit of the controlled entity is included in the consolidated income and expenditure from the date control was obtained. Transactions and balances between the controlled entity and the economic entity have been eliminated in full. MUA HTS Pty Ltd is wholly owned by the Maritime Union of Australia and is incorporated in NSW.

	CONSOLIDATED		CHIEF ENTITY	
	2003	2002	2003	2002
	\$	\$	\$	\$
NOTE 2 RETAINED SURPLUS				
Retained surplus at the beginning of the Financial Year	22,520,118.9	20,745,498.59	22,525,801.28	20,751,472.85
Net surplus/(deficit) from ordinary activities after income tax attributable to members of the union	<u>(448,574.12)</u>	<u>1,774,620.38</u>	<u>(453,908.80)</u>	<u>1,774,328.43</u>
RETAINED SURPLUS AT THE END OF THE FINANCIAL YEAR	<u><u>22,071,544.85</u></u>	<u><u>22,520,118.97</u></u>	<u><u>22,071,892.48</u></u>	<u><u>22,525,801.28</u></u>

The accompanying notes form part of these accounts

The accompanying notes form part of these accounts

THE MARITIME UNION OF AUSTRALIA – ANNUAL FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

	CONSOLIDATED		CHIEF ENTITY	
	2003	2002	2003	2002
	\$	\$	\$	\$
NOTE 3 CASH				
Cash at bank	414,523.72	285,315.03	401,170.35	277,296.34
Cash on hand	1,010.00	1,010.00	1,010.00	1,010.00
Deposits at call	318,884.55	167,166.06	318,884.55	167,166.06
	<u>734,418.27</u>	<u>453,491.09</u>	<u>721,064.90</u>	<u>445,472.40</u>
NOTE 4 RECEIVABLES				
Accrued contributions	436,311.10	470,753.14	436,311.10	470,753.14
Sundry debtors	157,414.98	439,679.01	172,105.98	454,370.01
	<u>593,726.08</u>	<u>910,432.15</u>	<u>608,417.08</u>	<u>925,123.15</u>
NOTE 5 OTHER ASSETS				
Prepayments	<u>5,276.14</u>	<u>0.00</u>	<u>5,276.14</u>	<u>0.00</u>
NOTE 6 INVESTMENTS				
Managed funds at market value	4,893,502.47	5,545,439.65	4,893,502.47	5,545,439.65
Government & other securities at cost	268,593.82	264,600.00	268,583.82	264,590.00
Loans to officials	313,988.77	200,920.17	313,988.77	200,920.17
	<u>5,476,085.06</u>	<u>6,010,959.82</u>	<u>5,476,075.06</u>	<u>6,010,949.82</u>

Managed funds at market value

Managed funds are disclosed in the financial accounts at 30 June 2003 at market value. The revaluation increment/(decrement) of (\$375,588.16) [2002: (\$473,165.81)] has been credited/(charged) to the Income & Expenditure Statement pursuant to Regulation 107(a)(xxvii) and the Workplace Relations Act, 1996 which is a departure from the requirements of the Australian Accounting Standard AAS10. The statutory requirement must be observed where there is a conflict between statute and accounting standards.

Loans to officials

There are three loans outstanding to officials at 30 June 2003 amounting to \$313,988.77 [2002: 200,920.17]. The loans are secured by mortgage over residential property and are made on normal commercial terms and conditions.

The total interest received on loans to officials for the year was \$7,072.24 [2002: \$8,595.42].

The accompanying notes form part of these accounts

THE MARITIME UNION OF AUSTRALIA – ANNUAL FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

	CONSOLIDATED		CHIEF ENTITY	
	2003	2002	2003	2002
	\$	\$	\$	\$
NOTE 7 PROPERTY, PLANT AND EQUIPMENT				
Land and Buildings (at market value 30.06.2002) plus refurbishments (at cost)	17,647,550.79	17,750,140.79	17,647,550.79	17,750,140.79
Less Accumulated depreciation	<u>(215,053.19)</u>	<u>0.00</u>	<u>(215,053.19)</u>	<u>0.00</u>
	<u>17,432,497.60</u>	<u>17,750,140.79</u>	<u>17,432,497.60</u>	<u>17,750,140.79</u>
 Plant & Equipment, at cost	 695,114.48	 690,062.38	 695,114.48	 690,062.38
Less Accumulated depreciation	<u>(356,097.89)</u>	<u>(310,816.11)</u>	<u>(356,097.89)</u>	<u>(310,816.11)</u>
	<u>339,016.59</u>	<u>379,246.27</u>	<u>339,016.59</u>	<u>379,246.27</u>
 Office Equipment, at cost	 642,542.51	 593,236.34	 642,542.51	 593,236.34
Less Accumulated depreciation	<u>(410,069.97)</u>	<u>(340,376.16)</u>	<u>(410,069.97)</u>	<u>(340,376.16)</u>
	<u>232,472.54</u>	<u>252,860.18</u>	<u>232,472.54</u>	<u>252,860.18</u>
 Office Furniture, at cost	 470,549.90	 480,239.57	 470,549.90	 480,239.57
Less Accumulated depreciation	<u>(263,318.17)</u>	<u>(242,493.56)</u>	<u>(263,318.17)</u>	<u>(242,493.56)</u>
	<u>207,231.73</u>	<u>237,746.01</u>	<u>207,231.73</u>	<u>237,746.01</u>
 Motor Vehicles, at cost	 705,075.52	 648,604.03	 705,075.52	 648,604.03
Less Accumulated depreciation	<u>(254,923.04)</u>	<u>(106,395.09)</u>	<u>(254,923.04)</u>	<u>(106,395.09)</u>
	<u>450,152.48</u>	<u>542,208.94</u>	<u>450,152.48</u>	<u>542,208.94</u>
 Total Property, Plant & Equipment	 <u>18,661,370.94</u>	 <u>19,162,202.19</u>	 <u>18,661,370.94</u>	 <u>19,162,202.19</u>

a. Property

The Union's land and buildings were revalued to their recoverable amounts at 30 June 2002 by Mr K.R. Gentle FAPI, Mr M.W. Evans AAPI, Mr Gavin Chapman AAPI, and Mr Bill Linkson AAPI, MBA, Registered Valuers. Buildings are depreciated on a straight line basis over their estimated potential service period.

b. Revaluation of non-current assets

Land and buildings are periodically revalued. Independent assessments are obtained of the fair market values of land and buildings on existing use and such assessments are used as a guide when revaluations are made. Revaluation increments and decrements are credited or charged to the Income and Expenditure Statement, pursuant to Regulation 107(a)(xxvii) and the Workplace Relations Act, 1996 which is a departure from the requirements in the Australian Auditing Standard AAS10. The statutory requirement must, however, be observed where there is a conflict between statute and accounting standards.

Building improvements since the date of revaluation are booked at cost.

c. Plant and equipment

Plant and equipment are brought to account at cost, less any accumulated depreciation. The carrying amount of property, plant and equipment is reviewed annually by officials to ensure assets are not in excess of their recoverable amount.

d. Depreciation of non-current assets

Depreciation of non-current assets is calculated on the reducing balance basis.

The accompanying notes form part of these accounts

THE MARITIME UNION OF AUSTRALIA – ANNUAL FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

	CONSOLIDATED		CHIEF ENTITY	
	2003	2002	2003	2002
	\$	\$	\$	\$
NOTE 8 CREDITORS & BORROWINGS				
Sundry Creditors	<u>282,009.94</u>	<u>332,474.32</u>	<u>282,009.94</u>	<u>332,474.32</u>
NOTE 9 PROVISIONS				
Current				
Provision for Employee Entitlements	1,803,193.15	1,680,087.12	1,803,193.15	1,680,087.12
Provision for Early Retirement	0.00	73,422.61	0.00	73,422.61
Provision for Seafarers' employment database development	0.00	12,609.10	0.00	12,609.10
Provision for Port funeral funds	62,350.00	64,450.00	62,350.00	64,450.00
Provision for the defence of the Union	0.00	48,763.36	0.00	48,763.36
Provision for buildings and renovations	87,478.98	249,622.94	87,478.98	249,622.94
Provision for MUSE database	102,463.98	274,608.40	102,463.98	274,608.40
Provision for Election	15,258.41	100,000.00	15,258.41	100,000.00
Provision for Strata Plan	69,488.44	24,717.35	69,488.44	24,717.35
Provision for International Conference	0.00	200,000.00	0.00	200,000.00
Provision for Work Cover (Grant)	<u>27,600.00</u>	<u>24,582.44</u>	<u>27,600.00</u>	<u>24,582.44</u>
	<u>2,167,832.96</u>	<u>2,752,863.32</u>	<u>2,167,832.96</u>	<u>2,752,863.32</u>
Non-current				
Provision for Employee Entitlements	<u>950,468.74</u>	<u>932,608.64</u>	<u>950,468.74</u>	<u>932,608.64</u>

Employee entitlements

Provision for employee entitlements in the form of Long Service Leave, Sick and Accrued Annual Leave have been made for the estimated accrued entitlements of all employees on the basis of their terms of employment. Accruals for Long Service Leave for officials have been made on an Industry basis.

NOTE 10 RELATED PARTY INFORMATION

The names of officials who have held office during the financial year are:

Armstrong, M	<u>Garrett, J</u>	Summers, D
Boyle, J	<u>Higgins, J</u>	Tannock, J
<u>Buck, T</u>	Horgan, L	Wickham, M
Burford, A	Keane, G	
Carr, M	McCorrison, K	
<u>Chaffer, S</u>	Munday, T	
Coombs, R	Newlyn, J	
<u>Cottrill, M</u>	Newlyn, R	
Covell, L	Perry, D	
Crumlin, P	<u>Pritchard, W</u>	
Cushion, D	<u>Ridgeway, K</u>	
Doleman, M	<u>Robson, B</u>	
<u>Gaffney, G</u>	<u>Ryan, R</u>	

Note – the officials whose names are underlined have retired from office prior to or subsequent to 30 June 2003.

There were no material related party transactions with officials during the year other than normal remuneration and a loan to an official as detailed in Note 5 herein.

The accompanying notes form part of these accounts

THE MARITIME UNION OF AUSTRALIA – ANNUAL FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

	CONSOLIDATED		CHIEF ENTITY	
	2003	2002	2003	2002
	\$	\$	\$	\$
NOTE 11 OFFICERS' REMUNERATION				
The aggregate remuneration received by officers and relieving officers from the Union during the year was \$1,771,411.00 [2002: \$1,764,512.55].				
NOTE 12 REMUNERATION OF AUDITORS				
Amounts received by the auditors for auditing the accounts:				
Auditing the Accounts	38,001.75	35,117.88	37,801.75	33,106.03
Other Services	3,518.56	8,742.35	3,518.56	8,742.35
	<u>41,520.31</u>	<u>43,860.23</u>	<u>41,320.31</u>	<u>41,848.38</u>
NOTE 13 STATEMENT OF CASH FLOWS				
a. Reconciliation of cash				
For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments.				
Cash at the end of the financial year, as shown in the Statement of Cash Flows, is reconciled to the related items in the Balance Sheet as follows:				
Cash at bank	414,523.72	285,315.03	401,170.35	277,296.34
Cash on hand	1,010.00	1,010.00	1,010.00	1,010.00
Deposits at call	318,884.55	167,166.06	318,884.55	167,166.06
Managed funds	4,893,502.47	5,545,439.65	4,893,502.47	5,545,439.65
Government and other securities	268,593.82	264,600.00	268,583.82	264,590.00
	<u>5,896,514.56</u>	<u>6,263,530.74</u>	<u>5,883,151.19</u>	<u>6,255,502.05</u>
b.				
Operating surplus/(deficit)	(448,574.12)	1,774,620.38	(453,908.80)	1,774,328.43
Loss/(profit) on disposal of fixed assets	10,534.82	(41,948.37)	10,534.82	(41,948.37)
Depreciation	520,399.75	462,088.40	520,399.75	462,088.40
Revaluation of Land & Buildings	0.00	(2,573,278.39)	0.00	(2,573,278.39)
Changes in assets and liabilities				
(Increase)/Decrease in receivables	267,264.03	(409,873.63)	282,264.03	(404,764.69)
(Increase)/Decrease in other assets	(5,276.14)	0.00	(5,276.14)	0.00
Increase/(Decrease) in creditors	(35,464.38)	59,943.72	(50,464.38)	59,943.72
Increase/(Decrease) in provisions	(567,170.26)	290,984.28	(567,170.26)	290,984.28
(Increase)/Decrease in accruals	34,442.04	(226,367.10)	34,442.04	(226,367.10)
Net cash used in operating activities	<u>(223,844.26)</u>	<u>(663,830.71)</u>	<u>(229,178.94)</u>	<u>(659,013.72)</u>

NOTE 14 RENTAL INCOME

Rent is received from tenants of Union-owned buildings.

The accompanying notes form part of these accounts

THE MARITIME UNION OF AUSTRALIA – ANNUAL FINANCIAL REPORT

ITEMISED INCOME & EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2003

	CONSOLIDATED		CHIEF ENTITY	
	2003	2002	2003	2002
	\$	\$	\$	\$
OPERATING INCOME				
Union Contributions	5,809,219.48	5,580,956.41	5,809,219.48	5,580,956.41
Fees, fines & other charges	3,840.93	2,720.55	3,840.93	2,720.55
Rent received	727,432.61	794,950.30	727,432.61	794,950.30
Commission	644.33	645.83	644.33	645.83
Levies	10,681.83	779,365.47	10,681.83	779,365.47
Donation	70,835.24	55,541.45	70,835.24	55,541.45
Profit on sale of non-current assets	3,165.77	41,948.37	3,165.77	41,948.37
Professional fees	6,450.00	18,750.00	0.00	0.00
Union sales	(2,128.61)	271.00	(2,128.61)	271.00
Surplus from Strata Fund	52,633.42	0.00	52,633.42	0.00
Sustenance refunded	3,750.00	30,690.00	3,750.00	30,690.00
Sundry income	<u>107,963.43</u>	<u>418.18</u>	<u>107,963.43</u>	<u>418.18</u>
Net Operating Income	<u>6,794,488.43</u>	<u>7,306,257.56</u>	<u>6,788,038.43</u>	<u>7,287,507.56</u>
COMPENSATION AND BENEFITS				
Direct Salaries – Officials	1,776,901.03	1,764,512.55	1,776,901.03	1,764,512.55
Direct Salaries – Staff	1,498,187.62	1,325,400.56	1,498,187.62	1,325,400.56
Fringe Benefits Tax	72,440.41	53,746.24	72,440.41	53,746.24
Motor Vehicle Expenses	140,831.94	142,325.75	140,831.94	142,325.75
Payroll Tax	214,567.39	182,260.97	214,567.39	182,260.97
Staff Training	9,044.24	43,863.48	9,044.24	43,863.48
Superannuation	411,364.83	267,396.05	411,364.83	267,396.05
Temporary Staff	26,080.18	49,689.60	26,080.18	49,689.60
Workers Compensation Insurance	<u>38,451.73</u>	<u>39,472.88</u>	<u>38,451.73</u>	<u>39,472.88</u>
Total Compensation & Benefits	<u>4,187,869.37</u>	<u>3,868,668.08</u>	<u>4,187,869.37</u>	<u>3,868,668.08</u>
GENERAL EXPENSES				
Audit & Accountancy	41,520.31	43,860.23	41,320.31	41,848.38
Consultants	4,375.00	8,673.55	4,375.00	8,673.55
Depreciation	305,159.75	462,088.40	305,159.75	462,088.40
Donation	51,968.55	6,900.37	51,968.55	6,900.37
Insurance – General	5,772.05	5,953.73	4,745.07	5,052.73
Loss on Sale of Non-Current Asset	13,700.59	0.00	13,700.59	0.00
National Council Expenses	19,970.72	47,376.97	19,970.72	47,376.97
Office Expenses	22,659.89	22,232.24	22,659.89	22,232.24
Patrick's Publications	15,000.00	13,636.36	15,000.00	13,636.36
Postage & Freight	30,304.05	32,890.43	30,304.05	32,890.43
Printing & Stationery	69,008.91	45,877.61	69,008.91	45,877.61
Repairs & Maintenance	20,272.48	22,918.86	20,272.48	22,918.86
Subscriptions, Newspapers, Periodicals	33,684.79	41,873.13	33,684.79	41,873.13
Sundry expenses	15,520.22	2,139.54	15,520.22	1,939.54
Union Elections	1,068.45	0.00	1,068.45	0.00
Replaceables	<u>15,896.38</u>	<u>11,090.40</u>	<u>15,896.38</u>	<u>11,090.40</u>
Total General Expenses	<u>665,882.11</u>	<u>584,289.42</u>	<u>664,655.16</u>	<u>581,176.57</u>
OCCUPANCY EXPENSES				
Cleaning	99,059.01	102,361.30	99,059.01	102,361.30
Building Depreciation	215,240.00	183,222.40	215,240.00	183,222.40
Security	24,678.30	25,276.52	24,678.30	25,276.52
Property Insurance	75,934.47	76,448.32	75,934.47	76,448.32
Property Rates	146,251.31	111,704.79	146,251.31	111,704.79
Rent	17,652.30	18,969.30	17,652.30	18,969.30
Repairs & Maintenance	0.00	97,816.45	0.00	97,816.45
Property Valuations	90.91	590.91	90.91	590.91

THE MARITIME UNION OF AUSTRALIA – ANNUAL FINANCIAL REPORT

ITEMISED INCOME & EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2003

	CONSOLIDATED		CHIEF ENTITY	
	2003	2002	2003	2002
	\$	\$	\$	\$
OCCUPANCY EXPENSES (Cont'd)				
Property Sales/Purchase Costs	7,	24,749.77	7,428.09	24,749.77
Electricity	<u>81,624.38</u>	<u>81,455.34</u>	<u>81,624.38</u>	<u>81,455.34</u>
Total Occupancy Expenses	<u>667,958.77</u>	<u>722,595.10</u>	<u>667,958.77</u>	<u>722,595.10</u>
INDUSTRIAL & MEMBER SERVICES				
Affiliation Fees & Levies	86,947.76	106,492.60	86,947.76	106,492.60
Arbitration & Award	488.26	568.95	488.26	568.95
Conferences – National	29,394.02	91,513.28	29,394.02	91,513.28
Conferences – International	147,185.29	219,801.67	147,185.29	219,801.67
Fares & Travel	229,238.12	230,321.22	229,238.12	230,321.22
Legal Expenses	287,626.01	575,126.58	287,626.01	575,126.58
Overseas Visitors Expenses	3,084.05	1,890.37	3,084.05	1,890.37
Stop work Meeting Expenses	6,454.48	11,433.87	6,454.48	11,433.87
Funeral Expenses	14,442.39	4,887.15	14,442.39	4,887.15
Member Training	99,254.55	16,680.31	99,254.55	16,680.31
Business Expenses	26,582.96	31,451.67	26,582.96	31,457.67
Union Publications	79,085.07	65,232.79	79,085.07	65,232.79
ALP Elections	<u>0.00</u>	<u>336,658.64</u>	<u>0.00</u>	<u>336,658.64</u>
Total Industrial & Member Services	<u>1,009,782.96</u>	<u>1,692,065.10</u>	<u>1,009,782.96</u>	<u>1,692,065.10</u>
IT & TELECOMMUNICATIONS EXPENSES				
Computer Consumables	0.00	9,921.99	0.00	9,921.99
Computer Lease	0.00	20,134.15	0.00	20,134.15
Facsimile	9,338.06	15,278.40	9,338.06	15,278.40
Internet Access	0.00	19,520.62	0.00	19,520.62
IT Consultants	0.00	45,328.83	0.00	45,328.83
Modem Lines	2,519.79	5,806.80	2,519.79	5,806.80
Telephone – Home	33,938.47	37,688.31	33,938.47	37,688.31
Telephone – Office	80,631.42	94,646.29	80,631.42	94,138.91
Telephone – Mobile	98,765.92	106,381.76	98,765.92	106,381.76
Telephone – PABX & Video Conference	0.00	2,328.00	0.00	2,328.00
Computer System Repairs & Maintenance	<u>0.00</u>	<u>58,187.18</u>	<u>0.00</u>	<u>58,187.18</u>
Total IT & Telecommunications Expenses	<u>225,193.66</u>	<u>415,222.33</u>	<u>225,193.66</u>	<u>414,714.95</u>
Total Operating Expenses	<u>6,756,686.87</u>	<u>7,244,771.15</u>	<u>6,755,459.92</u>	<u>7,241,150.92</u>
NET OPERATING PROFIT	<u>37,801.56</u>	<u>23,417.53</u>	<u>32,578.51</u>	<u>8,287.76</u>
NON-OPERATING INCOME/EXPENSES				
Income from Managed Funds	358,723.28	247,576.52	358,723.28	247,576.52
(Decrease)/Increase in Market Value of Investments	(375,588.16)	(473,165.81)	(375,588.16)	(473,165.81)
Interest Received	17,264.05	15,919.59	17,152.42	15,755.15
Management Fees – MUA HTS Pty Limited	0.00	0.00	0.00	15,000.00
Revalue – Non-Current Assets	0.00	2,573,278.39	0.00	2,573,278.39
Investment Management Fees	12,554.83	13,600.48	12,554.83	13,600.48
Bank Charges	11,871.06	14,194.72	11,871.06	14,192.46
Provisions	0.00	300,000.00	0.00	300,000.00
Provisions – Employee Entitlements	<u>462,348.96</u>	<u>284,610.64</u>	<u>462,348.96</u>	<u>284,610.64</u>
Total Non-Operating Income/Expenses	<u>(486,375.68)</u>	<u>1,751,202.85</u>	<u>(486,487.31)</u>	<u>1,766,040.67</u>
NET INCOME (DEFICIT)	<u>(448,574.12)</u>	<u>1,774,620.38</u>	<u>(453,908.80)</u>	<u>1,774,328.43</u>

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE MARITIME UNION OF AUSTRALIA**

Scope

We have audited the financial report of the Maritime Union of Australia for the financial year ended 30 June 2003. The financial report include the consolidated accounts of the economic entity comprising the Maritime Union of Australia and, MUA HTS Pty Ltd, an entity it controlled at year's end. The National Council (Committee of Management) is responsible for the preparation and presentation of the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the organisation.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Standards and the Workplace Relations Act, 1996 so as to present a view which is consistent with our understanding of the union's and the economic entity's financial position and the results of its operations and its cash flows.

Audit Opinion

In our opinion:

- a. Proper books of account have been kept by the Maritime Union of Australia so far as appears from our examination of these books, including:-
 - (i) records and sources and nature of the income of the organisation (including income from members);
 - (ii) records of the nature and purpose of the expenditure of the organisation.
- b. To the best of our information and according to the explanations given to us, the accounts give the information required by s273 of the Workplace Relations Act, 1996 in the manner so required and give a true and fair view of:-
 - (i) the financial affairs of the Maritime Union of Australia as at the end of the financial year.
 - (ii) the Income and Expenditure and any surplus or deficit of the Maritime Union of Australia for the year ended 30 June 2003.
- c. We have where necessary, obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit, and
- d. The accounts have been prepared in accordance with Statements of Accounting Concepts and applicable Australian Accounting Standards.

Signed at Sydney

, 2003

HARVEYS

Chartered Accountants

David P Robinson MCom BEc FCA FTIA