



AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Ref: FR2002/649 -[128V-PVIC]

Mr Les Willmott
Secretary
Victorian Divisional Branch
Plumbing Division
CEPU
52 Victoria Street
CARLTON SOUTH VIC 3053

Dear Mr Willmott

**Re: CEPU - Plumbing Division, Victorian Divisional Branch
Outstanding Financial Documents - *Workplace Relations Act 1996***

There is no record of lodgment in the Industrial Registry of the auditor's report, accounts and statements of the abovenamed body, prepared in accordance with Part IX, Division 11 of the *Workplace Relations Act 1996* ('the Act'), for the year ended 31 March, 2002.

An organisation registered under the Act or a branch of such an organisation is required after the end of its financial year to prepare accounts and statements, obtain a report from the auditor, provide copies of the auditor's report, accounts and statements to its members, present the auditor's report, accounts and statements to a meeting of members or committee of management, and lodge copies in the Industrial Registry. Having in mind the time-scales allowed by the Act to complete each of these steps, lodgment of the required documents would, in the normal course, be expected before now. Therefore, I request your written advice **by 18 February, 2003** as to when each of the following steps is expected to be completed:-

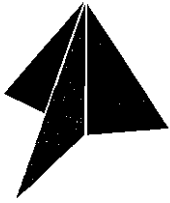
1. preparation of the accounts and statements in compliance with section 273
2. making of the audit report in compliance with section 276(4)
3. provision of copies of the auditor's report, accounts and statements to the members in compliance with sections 279(1) and (3)
4. presentation of the financial documents to a meeting of the members or the committee of management in compliance with sections 279(6) and (7) (*following provision of copies to the members as per step 3 above*)
5. lodgment of copies of the financial documents in the Industrial Registry under cover of a certificate by you in compliance with section 280(1) - such certificate should confirm that the documents so lodged are copies of the documents presented to the meeting referred to in step 4 above - the type of meeting and the date when it was held should be specified

If you wish to discuss this letter you may contact me on (02) 8374 6618. In reply please quote: **FR2002/649**.

Yours sincerely

Belinda Penna

Belinda Penna
E-mail: belinda.penna@air.gov.au
28 January, 2003



CEPU PLUMBING DIVISION
Communications, Electrical and Plumbing Union

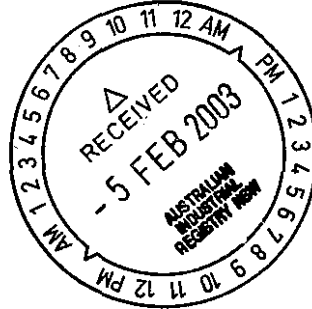
VICTORIAN BRANCH

EARL SETCHES
Branch Secretary

TONY MURPHY
Assistant Secretary

52 Victoria St
Carlton South 3053

Ph: 03 9662 3388
Fax: 03 9663 2613



31st January, 2003

Industrial Registrar,
Australian Industrial Registry,
Level 8, Terrace Towers,
80 William Street,
EAST SYDNEY. NSW. 2011

ATTENTION: Belinda Penna.

Dear Ms Penna,

Please find enclosed financial documents of the Victorian Branch Plumbing Division of the Communications, Electrical, Electronic, Energy, Information, Postal,, Plumbing and Allied Services Union of Australia for the year ending 31st March, 2002.

I wish to advise that copies of the Branch's Audited Report, accounts and statements for the year ended 31st March, 2002 were distributed to members free of charge at the General Meeting held on the 24th September, 2002.

For your information the Victorian Branch financial documents were adopted at a meeting of the Branch's Committee of Management held on the 15th October, 2002.

We trust this information will be sufficient for your records.

Should you have any further queries regarding this, please do not hesitate to contact Clarissa Crespin of this office.

Yours Sincerely,

Earl Setches

Earl Setches
Secretary
Victorian Branch



**Communications, Electrical,
Electronic, Energy,
Information, Postal, Plumbing
and Allied Services Union of
Australia
Plumbing Division - Victorian
Branch**

Financial Report

**For The Year Ended
31 March 2002**

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION - VICTORIAN BRANCH**

CERTIFICATE BY ACCOUNTING OFFICER

I, Earl Setches, being the officer responsible for keeping the accounting records of the COMMUNICATIONS, ELECTRICAL, ELECTRONIC, PLUMBING & ALLIED WORKERS UNION - PLUMBING DIVISION VICTORIAN BRANCH, certify that as at 31 March, 2002 the number of financial members of the organisation was 7,988.

In my opinion:-

- (a) The attached accounts show a true and fair view of the financial affairs of the organisation as at 31 March, 2002
- (b) A record has been kept of all monies so paid by or collected from members and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the rules of the organisation;
- (c) Before any expenditure was incurred by the organisation, approval of the incurring of the expenditure was obtained in accordance with the rules of the organisation.
- (d) No payments were made out of funds or accounts operated by the organisation in respect of compulsory levies raised by the organisation or voluntary contributions collected from members of the organisation or other funds, the operation of which is required by the rules of the organisation for a purpose other than the purpose for which the fund was operated;
- (e) No loans or other financial benefits, other than remuneration in respect of their full-time employment with the organisation were made to persons holding office in the organisation;
- (f) The Register of members of the organisation was maintained in accordance with the Act.

.....*Earl Setches*.....
E. Setches

Dated this *13rd* day of *September*, 2002

INDEPENDENT AUDIT REPORT

To the members of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing
And Allied Services Union Of Australia
Plumbing Division - Victorian Branch

Scope

We have audited the financial report of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing And Allied Services Union Of Australia –Plumbing Division – Victorian Branch for the year ended 31 March 2002 as set out on pages 4 to 22. The members of the Committee of Management are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members.

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 Accounting Standards, other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the organisation's financial position, the results of its operations and its cash flows.

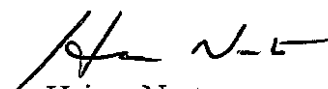
The audit opinion expressed in this report has been formed on the above basis.

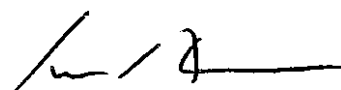
Audit Opinion

In our opinion:-

- (i) satisfactory accounting records were kept by the Union for the year ended 31 March 2002, including:
 - (a) records of the sources and nature of the income of the Union, (including income from members); and
 - (b) records of the nature and purposes of the expenditure of the Union;

- (ii) the financial report of the Union is prepared in accordance with Section 273 of the Workplace Relations Act 1996, and are properly drawn up so as to give a true and fair view of:-
- (a) the financial affairs of the Union as at 31 March 2002; and,
 - (b) the income and expenditure, results and cashflows of the Union for the year ended on that date.


Haines Norton,
Chartered Accountants


I.H. Blencowe,
Registered Company Auditor.

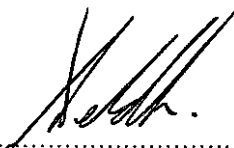
Dated this 27 day of September, 2002

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION - VICTORIAN BRANCH**

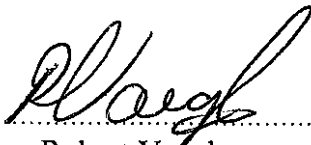
CERTIFICATE OF COMMITTEE OF MANAGEMENT

We, Con Delidakis and Robert Vaughan, being two members of the Committee of Management of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing And Allied Services Union Of Australia – Plumbing Division – Victorian Branch, do state on behalf of the Committee and in accordance with a resolution passed by the Committee, that:-

- (i) In the opinion of the Committee of Management, the attached accounts show a true and fair view of the financial affairs of the organisation as at 31 March 2002;
- (i) In the opinion of the Committee of Management, meetings of the Committee were held during the year ended 31 March 2002, in accordance with the rules of the organisation;
- (iii) To the knowledge of any member of the Committee of Management, there have been no instances where records of the organisation or other documents, (not being documents containing information made available to a member of the organisation under sub-section 274 (2) of the Workplace Relations Act 1996), or copies of those records or other documents, or copies of the rules of the organisation, have not been furnished, or made available to members in accordance with the requirements of the Workplace Relations Act 1996, with the Regulations thereto or the rules of the organisation; and,
- (iv) The organisation has complied with sub-sections 279(1) and (6) of the Workplace Relations Act 1996 in relation to the financial accounts in respect of the year ended 31 March 2001 and the auditor's report thereon.



Con Delidakis



Robert Vaughan

Dated this 23rd day of September, 2002

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION - VICTORIAN BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2002**

	Note	<u>2002</u> \$	<u>2001</u> \$
Current Assets			
Cash Assets	4	439,417	259,179
Receivables	5	463,890	850,877
Inventory	1 (b)	13,390	4,819
Other Financial Assets	6	2,671,071	534,937
Other	7	<u>21,691</u>	<u>13,906</u>
Total Current Assets		<u>3,609,459</u>	<u>1,663,718</u>
Non Current Assets			
Other Financial Assets	6	200	1,201,980
Property, Plant & Equipment	8	<u>1,206,366</u>	<u>1,359,218</u>
Total Non Current Assets		<u>1,206,566</u>	<u>2,561,198</u>
Total Assets		<u>4,816,025</u>	<u>4,224,916</u>
Current Liabilities			
Payables	9	193,801	138,398
Non Interest Bearing Liabilities	10	148,533	82,821
Provisions	11	<u>88,066</u>	<u>72,780</u>
Total Current Liabilities		<u>430,400</u>	<u>293,999</u>
Net Assets		<u>\$ 4,385,625</u>	<u>\$ 3,930,917</u>
EQUITY			
Defence Fund	12	1,554,211	1,466,411
General Fund	12	495,830	299,847
Incidental Fund	12	432,613	330,234
Special Purpose Fund	12	1,075,119	1,006,573
Asset Revaluation Reserves		<u>827,852</u>	<u>827,852</u>
Total Equity		<u>\$ 4,385,625</u>	<u>\$ 3,930,917</u>

The accompanying notes form part of the financial statements

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION - VICTORIAN BRANCH**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2002**

	<u>2002</u>	<u>2001</u>
	\$	\$
Revenue from Ordinary Activities		
Contributions	1,797,754	1,692,232
Enrolment Fees	39,773	36,020
Profit on Sale of Fixed Assets	-	353,351
Director's Fees	22,129	12,424
Sundry Income	26,563	43,818
Amounts from Training & Education - Prior Year	-	69,788
Costs Recovered from Training & Education Centres	<u>387,259</u>	<u>161,853</u>
Total Revenue from Ordinary Activities	<u>2,273,478</u>	<u>2,369,486</u>
Expenses from Ordinary Activities		
Affiliations	53,319	40,579
Administrative Services		
Advertising	(364)	7,474
Audit Fee	6,300	6,000
Accounting Fee	2,625	5,350
Bank & other Finance Charges	14,154	14,760
Cleaning & Security Services	3,773	6,729
Committee Fees	8,017	12,506
Computer Programming Expenses	20,757	23,989
Delegates Fees	2,046	1,690
Depreciation	75,688	77,728
Insurance	32,152	21,099
Land Tax	153	337
Legal & Professional Fees	2,991	31,903
Electricity	4,792	9,147
Repairs & Maintenance	20,503	19,759
Motor Vehicles Expenses	43,443	50,430
Motor Vehicles Leasing Expenses	21,146	-
Organising Expenses	24,158	8,908
Payroll Tax	61,620	39,155
Postage	20,345	19,526
Printing & Stationery	23,418	29,156
Provision for Annual Leave	35,403	20,492
Rates	6,257	12,818
Rent	1,820	1,690
Termination Payments	10,958	1,946
Salaries	999,229	792,266
Commission	2,766	3,554
Sundries	3,941	9,423
Superannuation	105,954	62,305

The accompanying notes form part of the financial statements

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION - VICTORIAN BRANCH**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2002**

	Note	<u>2002</u>	<u>2001</u>
		\$	\$
Administrative Services (cont'd)			
Telephone & Internet Services		52,653	56,085
Incolink -Redundancy contributions		32,282	30,772
Loss on disposals and scrapping of fixed assets		35,846	-
Recruitment & Temporary Staff		2,409	8,931
Travel & Accommodation		8,961	5,004
Fines & Toll		2,619	2,325
Clothing Allowances		4,736	5,152
Radio & Other Promotions		3,413	10,023
Debt Collection Expenses		55,653	15,985
Staff Amenities & Miscellaneous Expenses		20,888	18,181
Provision for Amortisation - Investments		1,154	1,208
Tax Penalties		<u>-</u>	<u>1,841</u>
		1,827,978	1,486,226
Per Capita Payment to Head Office		<u>179,775</u>	<u>338,446</u>
Total Expenses from Ordinary Activities		<u>2,007,753</u>	<u>1,824,672</u>
Net Profit		<u>265,725</u>	<u>544,814</u>
Total Changes in Equity of the Union available for appropriation between General and Incidental Fund (note 3.1 & 3.2)		<u>\$ 265,725</u>	<u>\$ 544,814</u>

The accompanying notes form part of the financial statements

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION - VICTORIAN BRANCH**

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2002**

	<u>2002</u>	<u>2001</u>
	Inflows/ (Outflows)	Inflows/ (Outflows)
	\$	\$
Cashflows from Operating Activities		
Contributions and enrolment fees from Members	1,978,942	1,772,654
Interest Received	119,873	109,928
Levies Received	112,098	57,702
Other Income	47,367	58,581
Director's Fees	22,129	12,424
Payments to Suppliers & Employees	(1,880,899)	(1,463,033)
Amounts recharged and recouped	387,259	231,641
Levies remitted to Federal Office	(41,349)	(35,298)
Per Capita to Federal Office	<u>(179,775)</u>	<u>(338,446)</u>
Net Cash Provided by Operating Activities	Note 13 (b) <u>565,645</u>	<u>406,153</u>
Cashflows from Investing Activities		
Payment for Plant & Equipment	(37,465)	(197,861)
Proceeds from Sale of Plant & Equipment	<u>470,533</u>	<u>117,200</u>
Net Cash Provided by/(Used in) Investing Activities	<u>433,068</u>	<u>(80,661)</u>
Cashflows from Financing Activities		
Advances to Federal & other branches	-	(358,624)
Repayments by Federal & other branches	117,033	280,341
Payment for Investment in Commercial Bills	<u>(1,000,000)</u>	<u>-</u>
Net Cash Used in Financing Activities	<u>(882,967)</u>	<u>(78,283)</u>
Net Increase in Cash held	115,746	247,209
Cash at Beginning of Year	<u>794,116</u>	<u>546,907</u>
Cash at End of Year	Note 13 (a) <u>\$ 909,862</u>	<u>\$ 794,116</u>

The accompanying notes form part of the financial statements

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION - VICTORIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

1. Summary of Accounting Policies

This financial report is a general purpose financial report that has been prepared in accordance with applicable Australian Accounting Standards, other mandatory professional reporting requirements and the requirements of the Workplace Relations Act 1996.

In accordance with generally accepted accounting principles for these types of organisations, membership contributions are accounted for on a cash receipts basis. Otherwise the financial report has been prepared on an accrual basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on fair values of consideration given in exchange for assets.

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

(a) Property, Plant and Equipment

Cost and valuation

Freehold land and buildings on freehold land are measured on a fair value basis. At each reporting date, the value of assets in these classes is reviewed to ensure that it does not differ materially from the asset's fair value at that date. Where necessary, the asset is revalued to reflect its fair value.

All other classes of property, plant and equipment are measured at cost.

Depreciation

Depreciation is calculated on the prime cost and diminishing value methods and is brought to account over the estimated economic lives of all motor vehicles, equipment, furniture and fittings. Depreciation rates applied are:

	2002	2001
Motor Vehicles	20% - 25%	20%
Furniture & Office Equipment	15% - 33.33%	15% - 33.33%
Fixtures & Fittings	13%	13%

(b) Inventories

Inventories are valued at the lower of cost and net realisable value.

(c) Employee Entitlements

Provision is made for the Union's liability for employee entitlements arising from services rendered by employees, in accordance with Australian Accounting Standard AAS30 "Accounting for Employee Entitlements".

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION - VICTORIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

(c) Employee Entitlements (cont'd)

Provision for annual leave is calculated on the basis of legal liability at balance sheet date.

Employee entitlements expected to be settled within one year have been measured at their nominal amount.

Long Service Leave accrued by Union officials from July 1999 is no longer the liability of the Federal Office. Accordingly, provision for Long Service Leave to be recorded in the books of the Victorian Branch takes into account the liability for such employees from 1 July 1999.

No provision is made for sick leave as there is no liability to pay for accumulated leave and the sick leave to be taken in future reporting periods is not expected to be greater than entitlements which are expected to accrue in those periods.

Contributions are made by the Union to the employee superannuation funds and are expensed when incurred. The Union is not obliged to contribute to these funds other than to meet its liability under the superannuation guarantee system and is under no obligation to make up any shortfall in the funds' assets to meet payments due to employees.

The number of employees at the end of the year was 8.

(d) Revenue Recognition

Contributions from members are shown net of refunds and are accounted for on a cash basis.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue arising from the disposal of non-current assets is recognised when the organisation and the buyer are both committed to a contract.

All revenue is stated net of the amount of goods and services tax (GST).

(e) Cash

For the purpose of the Statement of Cashflows, cash includes cash on hand, cash at bank and investments in money market instruments.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION - VICTORIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

2. Information to be Provided to Members or 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 which reads 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 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.
- (3) 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.
- (4) Accounts prepared under section 273 shall include a notice drawing attention to subsections (1), (2), and (3) and setting out those subsections.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION - VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002**

3. FUND ANALYSIS

	<u>2002</u>	<u>2001</u>
	\$	\$
3.1 DEFENCE FUND		
INCOME		
Interest Received	61,295	56,619
Levies	<u>26,505</u>	<u>22,404</u>
Total Income	87,800	79,023
EXPENDITURE		
	<u>-</u>	<u>-</u>
Surplus for Year	87,800	79,023
Surplus B/Fwd	<u>1,466,411</u>	<u>1,387,388</u>
Accumulated Surplus	<u>1,554,211</u>	<u>1,466,411</u>
3.2 GENERAL FUND		
INCOME		
Interest Received	18,833	9,020
Net Surplus transferred	<u>177,150</u>	<u>363,208</u>
Total Income	195,983	372,228
EXPENDITURE		
	<u>-</u>	<u>-</u>
Surplus for Year	195,983	372,228
Surplus/(Deficit) B/Fwd	<u>299,847</u>	<u>(72,381)</u>
Accumulated Surplus	<u>495,830</u>	<u>299,847</u>
3.4 INCIDENTAL FUND		
INCOME		
Interest Received	13,804	5,827
Net Surplus transferred	<u>88,575</u>	<u>181,604</u>
Total Income	102,379	187,431
EXPENDITURE		
	<u>-</u>	<u>-</u>
Surplus for Year	102,379	187,431
Surplus B/Fwd	<u>330,234</u>	<u>142,803</u>
Accumulated Surplus	<u>432,613</u>	<u>330,234</u>

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION - VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002.**

	<u>2002</u>	<u>2001</u>
	\$	\$
3.5 SPECIAL PURPOSE FUND		
INCOME		
Interest Received	42,075	38,993
Rent Received	-	21,253
Sale of T Shirts/Wincheaters	20,823	14,763
Federal Office Levy	41,349	35,298
Royal Commission Levy	<u>44,245</u>	<u>-</u>
Total Income	<u>148,492</u>	<u>110,307</u>
EXPENDITURE		
Gordon Institute Apprentice Award	205	-
Ivor Kelly Award Year 1	150	100
Ivor Kelly Award Year 2	150	100
Ivor Kelly Award Year 3	150	100
Douglas Badges Pty Ltd	1,408	-
Miscellaneous Donations	1,350	2,320
National Council Fund	11,068	3,754
Radio 3CR	-	1,250
Function - staff & other	5,517	1,438
T. Shirts/Wincheaters purchases	18,599	14,848
Federal Office Levy Payments	<u>41,349</u>	<u>35,298</u>
Total Expenditure	<u>79,946</u>	<u>59,208</u>
Surplus for Year	68,546	51,099
Surplus B/Fwd	<u>1,006,573</u>	<u>955,474</u>
Accumulated Surplus	<u>1,075,119</u>	<u>1,006,573</u>

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
PLUMBING DIVISION - VICTORIAN BRANCH**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

4.	<u>Cash Assets</u>	<u>2002</u>	<u>2001</u>
		\$	\$
	Cash at Bank	437,917	257,679
	Cash in Hand	<u>1,500</u>	<u>1,500</u>
		<u>439,417</u>	<u>259,179</u>
5.	Receivables		
	Sundry Debtors and Accrued Income	118,618	434,168
	Amounts Due from other Branches	2,764	9,563
	Amounts Due from Training & Education Centres	<u>342,508</u>	<u>407,146</u>
		<u>463,890</u>	<u>850,877</u>
6.	Other Financial Assets		
	Current		
	Cash Deposits	470,445	534,937
	Commercial Bills	1,000,000	-
	Bonds	<u>1,200,626</u>	-
	Total Current	<u>2,671,071</u>	<u>534,937</u>
	Non Current		
	Bonds	-	1,201,780
	Shares	<u>200</u>	<u>200</u>
	Total Non Current	<u>200</u>	<u>1,201,980</u>
7.	Other		
	Prepayments	<u>21,691</u>	<u>13,906</u>

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002**

8. Property, Plant & Equipment

	<u>2002</u>	<u>2001</u>
	\$	\$
Freehold Land		
At Independent Valuation	-	400,000
At Fair Value	<u>400,000</u>	-
Buildings on Freehold Land		
At Independent Valuation	-	670,000
At Fair Value	<u>670,000</u>	-
Motor Vehicles		
At Cost	131,139	310,502
<u>Less: Accumulated Depreciation</u>	<u>54,638</u>	<u>68,833</u>
	<u>76,501</u>	<u>241,669</u>
Furniture & Equipment		
At Cost	140,767	282,747
<u>Less: Accumulated Depreciation</u>	<u>84,643</u>	<u>240,109</u>
	<u>56,124</u>	<u>42,638</u>
Fixtures and Fittings		
At Cost	7,105	45,893
<u>Less: Accumulated Depreciation</u>	<u>3,364</u>	<u>40,982</u>
	<u>3,741</u>	<u>4,911</u>
Total Property, Plant & Equipment	<u>1,206,366</u>	<u>1,359,218</u>

The fair values of freehold land and buildings on freehold land have been determined by reference to the Committee of Management valuations, based upon independent valuations previously obtained. The basis of these independent valuations is described below.

Freehold land and buildings on freehold land were valued by Craig A Velijkovic A.A.P.I Certified Practising Valuer of PretonRowePaterson Vic Pty Ltd as at 31 March 2001. The valuation of the property was arrived at by capitalising the net income achievable from such property at an appropriate market yield after allowing for leasing and or rent free period.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002**

8. Property, Plant & Equipment (cont'd)

Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current year.

	Freehold Land	Buildings	Motor Vehicles	Furniture & Equipment	Fixtures & Fittings	Total
	\$	\$	\$	\$	\$	\$
Carrying amount at beginning	400,000	670,000	241,669	42,638	4,911	1,359,218
Additions	-	-	-	37,465	-	37,465
Disposals	-	-	(104,204)	(10,179)	(246)	(114,629)
Depreciation Expense	-	-	(60,964)	(13,800)	(924)	(75,688)
Carrying amount at end	400,000	670,000	76,501	56,124	3,741	1,206,366

	<u>2002</u>	<u>2001</u>
	\$	\$
9. Payables		
Creditors and accruals	<u>193,801</u>	<u>138,398</u>
10. Non Interest Bearing Liabilities		
Amounts Payable to Federal Office	<u>148,533</u>	<u>82,821</u>
11. Provisions		
Employee Entitlements	<u>88,066</u>	<u>72,780</u>

12. Equity

Retained Profits	Defence	General	Incidental	Special Purpose
	\$	\$	\$	\$
Balance at beginning of year	1,466,411	299,847	330,234	1,006,573
Net Profit for year	<u>87,800</u>	<u>195,983</u>	<u>102,379</u>	<u>68,546</u>
Balance at end of year	<u>1,554,211</u>	<u>495,830</u>	<u>432,613</u>	<u>1,075,119</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002**

13. Notes to Statement of Cashflows

(a) Reconciliation of Cash

Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows:-

	<u>2002</u>	<u>2001</u>
	\$	\$
Cash at Bank	437,917	257,679
Cash on Hand	1,500	1,500
Deposits	<u>470,445</u>	<u>534,937</u>
	<u>909,862</u>	<u>794,116</u>

(b) Reconciliation of Net Cash Provided by Operating Activities to Net Profit

<u>Net Profit</u>		
General Fund (note 3.2)	195,983	372,229
Special Purpose Fund (note 3.5)	68,546	51,099
Incidental Fund (note 3.4)	102,379	187,432
Defence Fund (note 3.1)	<u>87,800</u>	<u>79,023</u>
	454,708	689,783
Depreciation	75,688	77,728
Provision for Employee Entitlements	35,403	20,492
Provision for Diminution in Investments	1,154	1,208
Loss/(Profit) on Disposal of Non Current Assets	35,846	(353,351)
<u>Changes in Assets & Liabilities</u>		
Decrease/(Increase) in Prepayments	(7,785)	4,456
Decrease/(Increase) in Inventories	(8,571)	1,141
Increase/(Decrease) in Trade Creditors & Accruals	55,403	(5,900)
Increase in Sundry Debtors	<u>(76,201)</u>	<u>(29,404)</u>
Net Cash Provided by Operating Activities	<u>565,645</u>	<u>406,153</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

14. Related Party Information

- (a) The names or persons who formed part of the Committee of Management at any time during the year were:-

President

N. Ottobre

Vice-President

M. Connoley

Trustees

C. Delidakis

R Vaughan

Secretary & General Secretary

L. Willmott (resigned -30/3/2002)

E. Setches (appointed - 31/3/2002)

Assistant Secretary

E. Setches (until 30/3/2002)

A. Murphy (appointed 31/3/2002)

Committee of Management

M. Connoley

A. Gell

R. Lansley

N. Ottobre

M. Stephens

C. Delidakis

N. Kelly

N. O'Brien

B. Rendino

R. Vaughan

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

15. Related Party Information (cont'd)

(b) Amounts received or due and receivable (i.e. wages paid to L Willmott, E Setches, A Murphy, N Ottobre and Committee fees paid to Committee of Management) by the Union members of the Committee of Management were \$ 151,838 (2001: \$133,253).

(c) Amounts paid on behalf of L Willmott, E Setches, A Murphy and N Ottobre to the Building Union Superannuation Scheme in respect to the retirement of Committee of Management members \$13,626 (2001: \$12,536).

(d) Other transactions between the Committee Members and the Union were conducted on normal commercial terms in respect of subscriptions and supply of other goods and services.

(e) Transactions Between Victorian Branch and Federal Office

(i) <u>Per Capita Payment</u>	<u>2002</u>	<u>2001</u>
During the year, the Victorian Branch of the Union paid to the Federal Office of the Union a per capita payment calculated in accordance with the rules.	\$179,775	\$338,446
(ii) <u>Rent Received</u> During the year, the Victorian Branch of the Union received from the Federal Office of the Union an amount for the rental of offices at Victoria Street, Carlton	\$-	\$(16,000)

16. Commitments

Capital Expenditure commitments	\$130,227	\$-
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17. Contingent Liability

There was no contingent liability at 31 March 2002.

18. Segment Reporting

The Union provides services to members employed in executing plumbing, gas fitting, pipe fittings and domestic engineering works in the state of Victoria.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002**

19. Union's Details

The principal place of business of the branch is:
52 Victoria Street
Carlton South Victoria 3053.

20. Financial Instruments

(a) Accounting Policies, Terms and Conditions

The Union's accounting policies, including terms and conditions of each material class of financial asset and liability, both recognised and unrecognised at the balance date, are as follows:

	Financial Instruments	Note Ref	Accounting Policy	Terms & Conditions
(i)	<u>Financial Assets</u>			
	Cash Assets	4	Cash at bank and on hand are carried at principal amounts. Interest is recognised as it is earned.	All cash and bank balances are at call.
	Receivables	5	Amounts receivable are carried at nominal amounts due. As stated in note 1(d), membership contributions are accounted for on a cash basis.	No interest is chargeable on late payment.
	Other Financial Assets	6	Bonds & deposits are stated at lower of cost and net realisable value. Interest is recognised in the Income and Expenditure account when earned.	The deposits are short term with effective interest rates of 5%. The Bonds have a maturity date of within one year with an effective interest rate of 6.25%
(ii)	<u>Financial Liabilities</u>			
	Payables	9	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Union.	Trade liabilities are normally settled on 30 day term.
	Non Interest Bearing Liabilities	10	Amounts payable to Federal Office are carried at nominal amounts due.	No interest is charged on amounts due.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2002

20. Financial Instruments (Cont'd)

(b) **Interest Rate Risk**

The Union's exposure to interest rate risks and the effective interest rates of financial assets and liabilities, both recognised and unrecognised are as follows:

Financial Instruments	Floating Interest Rate		Fixed Interest Rate maturing in: 1 year or less		Fixed Interest Rate maturing 2 year or less		Non-Interest Bearing		Total Carrying Amount as per Statement of Financial Position		Weighted Average Effective Interest Rate	
	2002 \$	2001 \$	2002 \$	2001 \$	2002 \$	2001 \$	2002 \$	2001 \$	2002 \$	2001 \$	2002 %	2001 %
(i) <u>Financial Assets</u>												
Cash Assets	437,917	257,679	-	-	-	-	1,500	1,500	439,417	259,179	3.15%	4.30%
Receivables	-	-	-	-	-	-	463,890	850,877	463,890	850,877	0%	0%
Other Financial Assets	-	-	2,671,071	534,937	-	1,201,780	200	200	2,671,271	1,736,917	5.12%	5.86%
(ii) <u>Financial Liabilities</u>												
Payables	-	-	-	-	-	-	193,801	138,398	193,801	138,398	N/A	N/A
Non Interest Bearing Liabilities	-	-	-	-	-	-	148,533	82,821	148,533	82,821	N/A	N/A

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002**

20. Financial Instruments (Cont'd)

(c) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The organisation has a material credit risk exposure amounting to \$345,272 (2001- \$416,709) to a group of debtors under financial instruments entered into by the organisation

(d) Net Fair Values

The net fair value of the investments in Bonds at 31 March 2002 is estimated at \$1,239,550. The net fair values of the Union's other financial assets and financial liabilities are not expected to be significantly different from the class of asset and liability as disclosed above and recognised in the statement of financial position as at 31 March 2002.



AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Mr. Earl Setches
CEPU -Plumbing Division Victorian Divisional Branch
52 Victoria Street
CARLTON SOUTH VIC 3053

Dear Mr. Setches

**Re: Financial Statements for CEPU -Plumbing Division Victorian Divisional
Branch for the year ended 31 March 2002 (FR2002/649)**

Receipt is acknowledged of the above financial statements, which were lodged in the Registry on 5 February 2003.

These documents have now been filed.

I would however, draw your attention to the following matters which you may care to consider when preparing future returns.

When the financial statements have been presented to the second meeting they should be lodged in the Industrial Registry within 14 days as specified in s280 *Workplace Relations Act 1996*. This sequence of events should be observed for future financial reporting years or an extension requested.

The Salaries item in the Expenses from Ordinary activities column of the Statement of Financial Performance makes no distinction between any salaries paid to office-holders and any salaries paid to employees, as required by subregulations 107(xiv) and (xv) of the Workplace Relations Regulations. There is a note 15(b) which refers to "amounts received ..(ie wages..).." however it could be made more transparent in future financial reports.

Should you have any enquires regarding these matters, please do not hesitate to contact me on (02) 8374 6516.

Yours sincerely,

Caroline Pryor
NSW Statutory Services Branch

07 February 2003