



Australian Government

Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

Mr Dean Mighell
Divisional Branch Secretary, Southern States Divisional Branch
CEPU
516 - 520 Swanston St
CARLTON SOUTH VIC 3053

Dear Mr Mighell

Financial Return for year ending 31 December 2003 (FR 2003/726)

I refer to the Accounting Officer's Certificate and Auditor's Opinion which were forwarded to the Registry by Ms Dianne Rich on behalf of the Branch and received on 1 November 2005.

The documents meet the requirements and the financial return has now been filed.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Stephen Kellett', with a horizontal line extending to the right.

Stephen Kellett
Assistant Manager, Sydney Registry

2 November 2005



**Electrical Trades Union
of Australia**

Southern States Branch

Communications, Electrical, Electronic,
Energy, Information,
Postal, Plumbing and
Allied Services Union of Australia

Melbourne

516-520 Swanston Street
Carlton South, Victoria 3053
Ph 03 8341 5555 Fax 03 8341 5566
Toll free 1800 134 835
Email etu@etu.asn.au
Website www.etu.asn.au

Dear Stephen,

Enclosed are required forms that have
been requested by Peter McKerrow in

With Compliments

relation to our audited accounts for
the year ending 2003 (31 Dec).

Email from Peter is attached for your info.

If you have any queries, please contact me
on 03 83415524.

Regards, *Dianne Nick*

Secretary Dean Mighell

Assistant Secretaries Alex McCallum / Kevin Harkins

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF ELECTRICAL TRADES UNION - SOUTHERN STATES BRANCH**

Scope

We have audited the attached financial report, being a general purpose financial report of Electrical Trades Union - Southern States Branch for the year ended 31 December 2003, as set out on pages 2 to 9.

The executive committee is responsible for the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members.

We have conducted an independent audit of the financial report in order to express an opinion on it to members of Electrical Trades Union - Southern States Branch. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members.

The financial report has been prepared for distribution to members for the purpose of fulfilling the executive committees' financial reporting requirements under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of 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 the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

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

AUDIT OPINION

We have received all the information and explanations required for the purposes of our audit.


In our opinion:

- 1) There were kept by the Union in respect of the period under review, satisfactory records detailing the sources and nature of income of the Union (including income from members) and the nature and purposes of expenditure; and
- 2) The attached financial report, including the Certificates of the Committee of Management and the Accounting Officer, is prepared in accordance with Section 273 of the Workplace Relations Act, 1996. The financial report has been prepared from the accounting records of the Union and is properly drawn up so as to give a true and fair view of

a) the financial position of the Union as at 31 December, 2003

b) the financial performance of the Union for the year ended 31 December, 2003;

and is in accordance with Australian Accounting Standards and other mandatory professional reporting requirements in Australia.



Peter W Jess & Associates
Peter W Jess – Registered Auditor
Essendon

23 July 2004


ELECTRICAL TRADES UNION OF AUSTRALIA

SOUTHERN STATES BRANCH

STATEMENT BY THE ACCOUNTING OFFICER

I, Dean Mighell, being the officer responsible for keeping the accounting records of the Electrical Trades Union of Australia, Southern States Branch, certify that as at 31 December 2003, the number of members were 16,730 and the number of financial members were 14,393. In my opinion:

- (i) the attached accounts show a true and fair view of the financial affairs of the Electrical Trades Union of Australia, Southern States Branch, as at 31 December 2003;
- (ii) a record has been kept of all moneys paid by or collected from members and all moneys so paid or collected have been credited to the bank account to which those moneys are to be credited, in accordance with the Rules of the Electrical Trades Union of Australia, Southern States Branch;
- (iii) before any expenditure was incurred, approval of the incurring of the expenditure was obtained in accordance with the Rules of the Electrical Trades Union of Australia, Southern States Branch;
- (iv) with regard to funds of the organisation raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such funds for purposes other than those for which the fund was operated;
- (v) no loans or other financial benefits other than remuneration in respect to their full-time employment with the union were made to persons holding office in the Electrical Trades Union of Australia, Southern States Branch;
- (vi) the register of members of the Electrical Trades Union of Australia, Southern States Branch, is maintained in accordance with the Workplace relations Act 1996.


DEAN J. MIGHELL
Accounting Officer


PETER W. JESS
Registered Company Auditor

Dated at Melbourne on the 23 July, 2004.

dianne

From: McKERROW, Peter [Peter.McKERRROW@air.gov.au]
Sent: Thursday, 1 September 2005 12:11 PM
To: 'dianne@etu.asn.au'
Cc: PENNA, Belinda
Subject: Branch Financial Return - y/e 31 December 2004 (FR2003/726)

Ms Dianne Rich
Financial Accountant/Registered Tax Agent

Dianne

As discussed this morning, there remain some omissions from the documents lodged in the Registry for the above financial year:

* Accounting Officer's Certificate - there is no certificate among the documents although there is a Committee of Management Certificate

* Audit opinion: the auditor has expressed his opinion that the financial report complies with Accounting Standards and among other things, "the Corporation Regulations 2001". He has not expressed an opinion on the matters referred to in former s276(4) of the Workplace Relations Act which provides:

An auditor shall, in a report under this section in relation to a financial year, state:

(a) whether in the auditor's opinion:

(i) there were kept by the organisation in relation to the year satisfactory accounting records, including:

(A) records of the sources and nature of the income of the organisation (including income from members); and

(B) records of the nature and purposes of the expenditure of the organisation; and

(ii) the accounts and statements prepared under section 273 in relation to the year were properly drawn up so as to give a true and fair view of:

(A) the financial affairs of the organisation as at the end of the year; and

(B) the income and expenditure, and any surplus or deficit, of the organisation for the year; and

(b) whether all the information and explanations that, under subsection (2), officers or employees of the organisation were required to provide were provided;

and, in addition, the auditor shall state in the report particulars of any deficiency, failure or shortcoming in relation to a matter referred to in paragraph (a) or (b).

We would appreciate the Branch's comments on the audit opinion. If an opinion in the terms required can be provided, please forward it.

If you have any queries, please contact me on (02) 8374 6666 or by email.

Regards

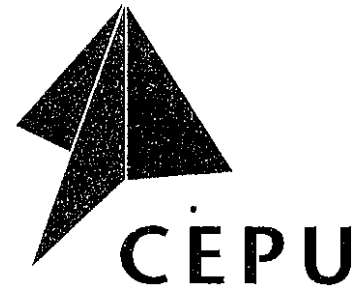
Peter McKerrow
Australian Industrial Registry

*Stephen Kellert
Level 8
80 William St
Sydney*

7/10/2005

22 April 2005

Peter McKerrow
Australian Industrial Registry
Level 8, Terrace Towers
80 William Street
EAST SYDNEY NSW 2011



COMMUNICATIONS
ELECTRICAL
PLUMBING
UNION

RE: Various Financial Returns

Dear Peter,

I wish to respond to your correspondence dated the 11th of April 2004 regarding a number of outstanding matters associated with CEPU financial returns. I would like to deal with each issue in the order raised by the registry. The first issue you raised concerns the date of the auditors sign off the reports with respect to the CEPU national office (FR 2003/31) and the Electrical Division Southern States Branch (FR 2002/845 and 846).

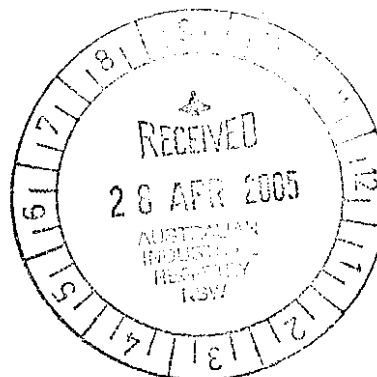
In your letter you pointed out that I had stated that both reports were circulated to members in the second week of September, which is correct. You ask how this can be reconciled with the fact that the auditor signed off the statements after this date. This is not unusual as the custom has been on occasion to circulate the final financial report endorsed by the Committee of Management but unsigned. The second meeting of the Committee of Management authorises the final signing off of the reports, this often means that the Officers and auditor formally sign off at approximately the same time.

With respect to the outstanding financial statements for the Electrical Division (FR 2003/726), the Electrical Division Southern States Branch (FR2003/722), the Electrical Division South Australian Branch (FR2003/725) and the Electrical Division New South Wales Branch (FR 2003/723) for the year ending 31 December 2003, I attached those returns and a Secretary Certificate outlining the process under the Act prior to the introductions of the new amendments. You will note that the South Australian Branch circulation of the financial statements was delayed past the 56 day period because of a need to meet national circulation requirements of our news magazine, please accept my unions apology for this technical breach of the previous act.

Hopefully this response addresses all the issues raised in your correspondence.

Yours faithfully,

Peter Tighe
NATIONAL SECRETARY



NATIONAL
OFFICE

Peter Tighe
National Secretary

Brian Bauk
National President

Suite 701, Level 7
1 Rosebery Avenue
Rosebery
NSW 2018

Ph: (02) 9663 3699
Fax: (02) 9663 5599

Email:
edno@nat.cepu.asn.au

Communications Electrical
Electronic Energy
Information Postal
Plumbing and Allied
Services Union of Australia

SECRETARY'S CERTIFICATE

CEPU ELECTRICAL DIVISION SOUTHERN STATES BRANCH FINANCIAL STATEMENTS

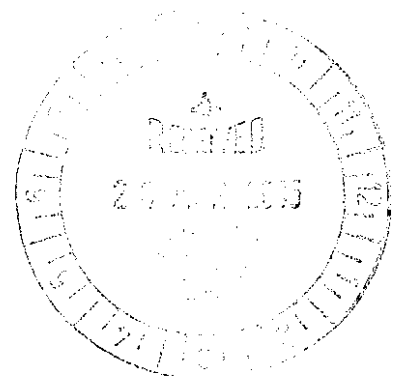
FOR YEAR ENDING 31 DECEMBER 2003

I, Peter Tighe, Divisional Secretary of the Electrical Division of the Communications, Electrical and Plumbing Union (CEPU) certify that:

- That the Southern States Branch Committee of Management of the Electrical Division of the CEPU received the attached financial statements prepared pursuant to Section 273 (of the Act prior to amendment) in the last week of July 2004.
- That the Electrical Division and the Divisional Branches detailed above circulated to their members the attached financial statements pursuant to Section 279 (of the Act prior to amendment) in the first week of September.
- That the Committees of Management of the Electrical Division and the Divisional Branches detailed above following the circulation to its members endorsed the financial statements pursuant to Section 279(6) (of the Act prior to amendment) in the last week of September.

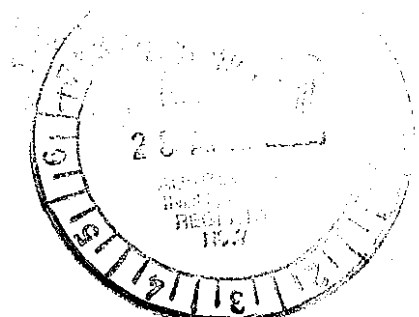


Peter Tighe
DIVISIONAL SECRETARY



ELECTRICAL TRADES UNION – SOUTHERN STATES BRANCH

FINANCIAL REPORT
FOR THE YEAR ENDING
31 DECEMBER 2003



ELECTRICAL TRADES UNION OF AUSTRALIA

SOUTHERN STATES BRANCH

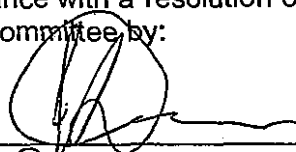
STATEMENT BY THE EXECUTIVE COMMITTEE

We, John Doran and Eric O'Neill, being two members of the Executive Committee of the Electrical Trades Union of Australia, Southern States Branch, do state on behalf of the Committee and in accordance with a resolution of the Committee that:

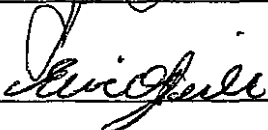
- (a) In the opinion of the Executive Committee, that the Financial Report set out on pages 2 to 14 presents fairly the financial position of the Electrical Trades Union of Australia, Southern States Branch as at the 31st December 2003 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
- (b) In the opinion of the Executive Committee, meetings of the Committee were held during the year ended 31st December, 2003, in accordance with the Rules of the Electrical Trades Union of Australia, Southern States Branch;
- (c) To the knowledge of any member of the Committee, there have been no instances where records of the Electrical Trades Union of Australia, Southern States Branch, or other documents (not being documents containing information made available to the member of the Electrical Trades Union of Australia, Southern States Branch under Section 274 Sub-section (2) of the Workplace Relations Act 1996), or copies of the Rules of the Union, have not been furnished, or made available to members in accordance with the requirements of the Workplace Relations Act, 1996, the Regulations thereto, or the Rules of the Electrical Trades Union of Australia, Southern States Branch ; and
- (d) The Electrical Trades Union of Australia, Southern States Branch has complied with Section 279 and Sub-sections (1) and (6) of the Act in relation to the Financial Accounts and Auditor's Report thereon, in respect of the year ended 31st December, 2003.
- (e) At the date of this statement, there are reasonable grounds to believe that the Electrical Trades Union of Australia, Southern States Branch will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Executive Committee and is signed for and on behalf of the committee by:

John Doran (President)



Eric O'Neill (Treasurer)



Dated at MELBOURNE on the July, 2004

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2003

| | Note | ETU | | Consolidated | |
|------------------------------------------------------------------------------------------------------------------------------|------|-------------|-------------|--------------|-------------|
| | | 2003 \$ | 2002 \$ | 2003 \$ | 2002 \$ |
| Membership revenue | 2 | 4,381,752 | 4,916,898 | 4,381,752 | 4,916,898 |
| Cost of sales | | - | - | - | - |
| Gross profit | | 4,381,752 | 4,916,898 | 4,381,752 | 4,916,898 |
| Other revenues from ordinary activities | 2 | 2,346,726 | 1,311,340 | 4,590,080 | 2,678,393 |
| Distribution expenses | | | | | |
| Marketing expenses | | | | | |
| Occupancy expenses | | (41,012) | (34,894) | (41,012) | (34,894) |
| Administration & Payroll expenses | | (3,156,255) | (2,943,128) | (3,446,231) | (3,108,547) |
| Borrowing costs expense | 3 | - | - | - | - |
| Other expenses from ordinary activities | | (4,887,074) | (3,241,932) | (4,985,772) | (3,475,134) |
| Profit from ordinary activities before income tax expense | 3 | (1,355,863) | 8,284 | 498,817 | 976,716 |
| Net profit from ordinary activities after income tax expense attributable to members of the Union | 13 | (1,355,863) | 8,284 | 498,817 | 976,716 |
| Increase (decrease) in Trust Corpus | 13 | - | - | 144,495 | (1,689,413) |
| Total revenues, expenses and valuation adjustments attributable to members of the Union recognised directly in Members Funds | | - | - | 144,495 | (1,689,413) |
| Total changes in equity other than those resulting from transactions with members | | (1,355,863) | 8,284 | 643,312 | (712,697) |

The accompanying notes form part of these financial statements.

ELECTRICAL TRADES UNION - SOUTHERN STATES BRANCH ABN 37 211 681 988
AND CONTROLLED ENTITIES

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2003

| | Note | ETU | | Consolidated | |
|--------------------------------------|------|-------------------|-------------------|-------------------|-------------------|
| | | 2003 | 2002 | 2003 | 2002 |
| | | \$ | \$ | \$ | \$ |
| CURRENT ASSETS | | | | | |
| Cash assets | 4 | 4,305,514 | 5,289,430 | 7,875,913 | 8,147,103 |
| Receivables | 5 | 873,570 | 1,884,443 | 2,515,760 | 1,931,912 |
| Inventories | 6 | 11,816 | 51,820 | 11,816 | 51,820 |
| Other | 7 | - | - | 2,177 | 2,177 |
| TOTAL CURRENT ASSETS | | 5,190,900 | 7,225,693 | 10,405,666 | 10,133,012 |
| NON-CURRENT ASSETS | | | | | |
| Other financial assets | 8 | 717,939 | 717,939 | 717,939 | 717,939 |
| Property, plant and equipment | 10 | 8,713,551 | 7,361,218 | 9,410,254 | 8,291,108 |
| TOTAL NON-CURRENT ASSETS | | 9,431,490 | 8,079,157 | 10,128,193 | 9,009,047 |
| TOTAL ASSETS | | 14,622,390 | 15,304,850 | 20,533,859 | 19,142,059 |
| CURRENT LIABILITIES | | | | | |
| Payables | 11 | 1,612,731 | 2,409,998 | 1,716,568 | 2,472,947 |
| Provisions | 12 | 652,371 | 602,190 | 652,371 | 602,190 |
| TOTAL CURRENT LIABILITIES | | 2,265,102 | 3,012,188 | 2,368,939 | 3,075,137 |
| NON-CURRENT LIABILITIES | | | | | |
| Provisions | 12 | 31,266 | 10,355 | 65,463 | 10,355 |
| TOTAL NON-CURRENT LIABILITIES | | 31,266 | 10,355 | 65,463 | 10,355 |
| TOTAL LIABILITIES | | 2,296,368 | 3,022,543 | 2,434,402 | 3,085,492 |
| NET ASSETS | | 12,326,022 | 12,282,307 | 18,099,457 | 16,056,567 |
| EQUITY | | | | | |
| Retained profits | 13 | 12,326,022 | 12,282,307 | 18,099,457 | 16,056,567 |
| TOTAL EQUITY | | 12,326,022 | 12,282,307 | 18,099,457 | 16,056,567 |

The accompanying notes form part of these financial statements.

ELECTRICAL TRADES UNION - SOUTHERN STATES BRANCH ABN 37 211 681 988
AND CONTROLLED ENTITIES

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2003

| | | ETU | |
|-----------------------------------------------------|------|------------------|------------------|
| | Note | 2003 | 2002 |
| | | \$ | \$ |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Receipts from operating activities | | 5,633,102 | 7,850,448 |
| Payments to suppliers and employees | | (6,439,465) | (6,450,210) |
| Dividends received | | | |
| Interest received | | 235,375 | 197,805 |
| Borrowing costs paid | | | |
| Net cash provided by (used in) operating activities | 15b | <u>(570,988)</u> | <u>1,598,043</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from sale of property, plant and equipment | | 134,811 | 42,171 |
| Proceeds from sale of investments | | | |
| Payment for property, plant and equipment | | (507,151) | (393,786) |
| Payment for investments | | | |
| Loans to related entities | | | |
| — payments made | | (40,588) | (23,182) |
| Net cash provided by (used in) investing activities | | <u>(412,928)</u> | <u>(374,797)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds from borrowings | | | |
| Repayment of borrowings | | | |
| Net cash provided by (used in) financing activities | | - | - |
| Net increase in cash held | | (983,916) | 1,223,246 |
| Cash at beginning of year | | 5,289,430 | 4,066,184 |
| Cash at end of year | 15a | <u>4,305,514</u> | <u>5,289,430</u> |

The accompanying notes form part of these financial statements.

**ELECTRICAL TRADES UNION - SOUTHERN STATES BRANCH ABN 37 211 681 988
AND CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

Note 1 Statement of Significant Accounting Policies

The financial report is a general purpose financial report prepared in order to satisfy the financial report preparation requirements of the *Corporations Act 2001*. The Executive have determined that the Union is a reporting entity.

The financial report covers Electrical Trades Union - Southern States Branch as an individual entity and Electrical Trades Union - Southern States Branch and controlled entities as a Consolidated Entity. Electrical Trades Union - Southern States Branch is a Trade Union domiciled in Australia.

The report has been prepared in accordance with the requirements of the *Corporations Act 2001*, and the following applicable Accounting Standards and Urgent Issues Group Consensus Views:

| | |
|------------|------------------------------------------------------------------|
| AASB 1008: | Leases |
| AASB 1018: | Statement of Financial Performance |
| AASB 1025: | Application of the Reporting Entity Concept and Other Amendments |
| AASB 1031: | Materiality |
| AASB 1034: | Financial Report Presentation and Disclosures |
| AASB 1040: | Statement of Financial Position |

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

The financial report has been prepared on an accruals 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 the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a. Principles of Consolidation

A controlled entity is any entity controlled by Electrical Trades Union - Southern States Branch. Control exists where Electrical Trades Union - Southern States Branch has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Electrical Trades Union - Southern States Branch to achieve the objectives of Electrical Trades Union - Southern States Branch. Details of the controlled entities are contained in Note 9.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

Where a controlled entity has entered or left the economic entity during the year its operating results have been included from the date control was obtained or until the date control ceased.

b. Inventories

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

c. Property, Plant and Equipment

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

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the Executive to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their estimated useful lives to the economic entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

| Class of Fixed Asset | Depreciation Rate |
|----------------------|-------------------|
| Buildings | 2.5% |
| Plant and equipment | 10 to 40% |

d. Leases

**ELECTRICAL TRADES UNION - SOUTHERN STATES BRANCH ABN 37 211 681 988
AND CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entities within the economic entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

e. Investments

Non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually by the Executive to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for shares in listed companies or the underlying net assets for other non-listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

e. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs.

Contributions are made by the Union to an employee superannuation fund and are charged as expenses when incurred.

f. Cash

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

g. Revenue

Revenue from Membership subscriptions is recognised on an Accruals basis.

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

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

h. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Note 2 Revenue

| | Note | ETU | | Consolidated Entity | |
|---------------------------------------|------|------------------|------------------|---------------------|------------------|
| | | 2003 \$ | 2002 \$ | 2003 \$ | 2002 \$ |
| Operating activities | | | | | |
| — Membership Contributions | | 4,381,752 | 4,916,898 | 4,381,752 | 4,916,898 |
| — dividends | 2a | - | - | - | - |
| — interest | 2b | 235,375 | 197,805 | 427,985 | 322,675 |
| — rental income | | 384,431 | 681,932 | 414,127 | 681,932 |
| — other revenue | | 1,726,920 | 431,603 | 3,747,968 | 1,673,786 |
| | | <u>6,728,478</u> | <u>6,228,238</u> | <u>8,971,832</u> | <u>7,595,291</u> |
| Non-operating activities | | | | | |
| — proceeds on disposal of investments | | - | - | - | - |
| Total revenue | | <u>6,728,478</u> | <u>6,228,238</u> | <u>8,971,832</u> | <u>7,595,291</u> |
| a. Dividends from | | | | | |
| — other corporations | | - | - | - | - |
| b. Interest from | | | | | |
| — Financial Institutions | | 235,375 | 197,805 | 427,985 | 322,675 |
| | | <u>235,375</u> | <u>197,805</u> | <u>427,985</u> | <u>322,675</u> |

**ELECTRICAL TRADES UNION - SOUTHERN STATES BRANCH ABN 37 211 681 988
AND CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

Note 3 Profit from Ordinary Activities

| | ETU | | Consolidated | |
|--------------------------------------------------------------------------------------|---------|---------|--------------|--------|
| | 2003 | 2002 | 2003 | 2002 |
| | \$ | \$ | \$ | \$ |
| Profit from ordinary activities before income tax expense has been determined after: | | | | |
| a. Expenses | | | | |
| Cost of sales | | | | |
| Borrowing costs | | | | |
| Total borrowing costs | - | - | - | - |
| Depreciation of non-current assets | | | | |
| — buildings | 227,875 | 136,196 | | |
| — plant and equipment | 191,710 | 343,733 | | |
| — leased plant and equipment | | | | |
| | 419,585 | 479,929 | - | - |
| Capitalised depreciation charges | | | | |
| Total depreciation | 419,585 | 479,929 | - | - |
| Bad and doubtful debts | | | | |
| Total bad and doubtful debts | - | - | - | - |
| Remuneration of auditor | | | | |
| — audit or review | 25,061 | 20,730 | 29,031 | 20,730 |
| — other services | | 698 | | 698 |

Note 4 Cash Assets

| | ETU | | Consolidated | |
|------------------|-----------|-----------|--------------|-----------|
| | 2003 | 2002 | 2003 | 2002 |
| | \$ | \$ | \$ | \$ |
| Cash at bank | 288,838 | 735,824 | 392,644 | 3,593,497 |
| Deposits at call | 4,016,676 | 4,553,606 | 7,483,269 | 4,553,606 |
| | 4,305,514 | 5,289,430 | 7,875,913 | 8,147,103 |

Note 5 Receivables

| | Note | ETU | | Consolidated | |
|------------------------------|------|----------|-----------|--------------|-----------|
| | | 2003 | 2002 | 2003 | 2002 |
| | | \$ | \$ | \$ | \$ |
| CURRENT | | | | | |
| Trade debtors - members | | 423,089 | 1,581,635 | 423,089 | 1,581,635 |
| Provision for doubtful debts | | (55,001) | (205,765) | (55,001) | (205,765) |
| | | 368,088 | 1,375,870 | 368,088 | 1,375,870 |
| Other debtors | | 253,189 | 215,692 | 396,628 | 556,042 |
| Amounts Receivable from: | | | | | |
| Associated Entities | | 252,293 | 292,881 | 1,751,044 | |
| | | 505,482 | 508,573 | 2,147,672 | 556,042 |
| | | 873,570 | 1,884,443 | 2,515,760 | 1,931,912 |

Note 6 Inventories

| | Note | ETU | | Consolidated | |
|----------------------|------|--------|--------|--------------|--------|
| | | 2003 | 2002 | 2003 | 2002 |
| | | \$ | \$ | \$ | \$ |
| CURRENT | | | | | |
| At cost | | | | | |
| Finished goods | | 11,816 | 51,820 | 11,816 | 51,820 |
| Land held for resale | 7 | - | - | - | - |
| | | 11,816 | 51,820 | 11,816 | 51,820 |

**ELECTRICAL TRADES UNION - SOUTHERN STATES BRANCH ABN 37 211 681 988
AND CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

| | | 11,816 | 51,820 | | 11,816 | 51,820 |
|----------------------------|------|--------|--------|--------------|--------|--------|
| Note 7 Other Assets | | | | | | |
| | | ETU | | Consolidated | | |
| | Note | 2003 | 2002 | 2003 | 2002 | |
| | | \$ | \$ | \$ | \$ | |
| CURRENT | | | | | | |
| Formation expenses | | | | 2,177 | 2,177 | |
| | | - | - | 2,177 | 2,177 | |

| | | ETU | Consolidated | | ETU | Consolidated |
|------------------------------------------------------|------|---------|--------------|---------|---------|--------------|
| | Note | 2003 | 2002 | 2003 | 2002 | |
| | | \$ | \$ | \$ | \$ | |
| Shares in listed corporations — at cost | 8a | | | | | |
| Investments in other corporations — at cost | | 717,939 | 717,939 | 717,939 | 717,939 | |
| Less: Provision for write-down to recoverable amount | | | | | | |
| Shares in other corporations — at recoverable amount | 8b | 717,939 | 717,939 | 717,939 | 717,939 | |
| | | 717,939 | 717,939 | 717,939 | 717,939 | |

Note 9 Controlled Entities

The following related parties are included in the consolidation (where the ETU and/or its officers have material control)

ETU Southern States Branch
Electrical & Electronic Industry Training Ltd
Southern Alliance Financial Services Pty Ltd
ETU Vic Branch Trust & ETU Distress Mortality & Training Fund

Note 10 Property, Plant & Equipment

| | | ETU | Consolidated | | ETU | Consolidated |
|----------------------------------------|--|-----------|--------------|-----------|-----------|--------------|
| | | 2003 | 2002 | 2003 | 2002 | |
| | | \$ | \$ | \$ | \$ | |
| Land and Buildings | | | | | | |
| Freehold land at: | | | | | | |
| — cost | | - | 687,665 | - | 687,665 | |
| Buildings at: | | | | | | |
| — cost (including land) | | 9,115,000 | 6,788,937 | 9,795,635 | 7,701,275 | |
| Less accumulated depreciation | | 1,109,620 | 881,746 | 1,109,620 | 881,943 | |
| | | 8,005,380 | 5,907,191 | 8,686,015 | 6,819,332 | |
| Total Land and Buildings | | 8,005,380 | 6,594,856 | 8,686,015 | 7,506,997 | |
| Plant and equipment at cost | | 1,572,303 | 2,269,433 | 1,602,610 | 2,297,144 | |
| Less accumulated depreciation | | 864,132 | 1,503,071 | 878,371 | 1,513,033 | |
| | | 708,171 | 766,362 | 724,239 | 784,111 | |
| Capitalised leased plant and equipment | | | | | | |
| Less accumulated depreciation | | | | | | |
| | | - | - | - | - | |
| Total Plant and Equipment | | 708,171 | 766,362 | 724,239 | 784,111 | |
| Total Property, Plant and Equipment | | 8,713,551 | 7,361,218 | 9,410,254 | 8,291,108 | |

a. Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

| | Freehold Land | Land & Buildings | Plant and Equipment | Leased Plant and Equipment | Total |
|--|------------------|---------------------|------------------------|----------------------------------|-------|
| | \$ | \$ | \$ | \$ | \$ |

**ELECTRICAL TRADES UNION - SOUTHERN STATES BRANCH ABN 37 211 681 988
AND CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

Economic Entity

| | | |
|----------------------------------------------|------------------|----------------|
| Balance at the beginning of the year | 6,594,856 | 766,362 |
| Additions | 238,821 | 268,330 |
| Disposals | | (134,811) |
| Revaluation increments/ (decrements) | 1,399,578 | |
| Depreciation expense | (227,875) | (191,710) |
| Capitalised borrowing costs and depreciation | | |
| Carrying amount at the end of the year | <u>8,005,380</u> | <u>708,171</u> |

Note 11 Payables

| | ETU | | Consolidated | |
|------------------------------|------------------|------------------|------------------|------------------|
| | 2003 | 2002 | 2003 | 2002 |
| | \$ | \$ | \$ | \$ |
| CURRENT | | | | |
| Trade creditors | 554,554 | 910,248 | 586,156 | 967,729 |
| GST Control Account | 268,240 | 286,910 | 340,475 | 292,378 |
| Prepaid Member Contributions | 789,937 | 1,212,840 | 789,937 | 1,212,840 |
| | <u>1,612,731</u> | <u>2,409,998</u> | <u>1,716,568</u> | <u>2,472,947</u> |

Note 12 Provisions

| | Note | ETU | | Consolidated | |
|-----------------------------------------|------|----------------|----------------|----------------|----------------|
| | | 2003 | 2002 | 2003 | 2002 |
| | | \$ | \$ | \$ | \$ |
| CURRENT | | | | | |
| Employee benefits | 12a | 652,371 | 602,190 | 652,371 | 602,190 |
| | | <u>652,371</u> | <u>602,190</u> | <u>652,371</u> | <u>602,190</u> |
| NON-CURRENT | | | | | |
| Employee benefits | 12a | 31,266 | 10,355 | 65,463 | 10,355 |
| a. Aggregate employee benefit liability | | <u>683,637</u> | <u>612,545</u> | <u>717,834</u> | <u>612,545</u> |

Note 13 Retained Profits

| | Note | ETU | | Consolidated | |
|---------------------------------------------------------|------|-------------------|-------------------|-------------------|-------------------|
| | | 2003 | 2002 | 2003 | 2002 |
| | | \$ | \$ | \$ | \$ |
| Retained profits at the beginning of the financial year | | 12,282,307 | 12,274,023 | 16,056,567 | 16,769,264 |
| Net profit attributable to members of the company | | (1,355,863) | 8,284 | 498,817 | 976,716 |
| Dividends provided for or paid | 3 | - | - | - | - |
| Asset Revaluation Reserve | | 1,399,578 | - | 1,399,578 | - |
| Retained profits at the end of the financial year | | <u>12,326,022</u> | <u>12,282,307</u> | <u>18,099,457</u> | <u>16,056,567</u> |

Note 14 Capital & Leasing Commitments

| | | ETU | | Consolidated | |
|--------------------------------------------------------------------------------------------------|--|-------|-------|--------------|-------|
| | | 2003 | 2002 | 2003 | 2002 |
| a. Operating Lease Commitments | | | | | |
| Non-cancellable operating leases contracted for but not capitalised in the financial statements: | | | | | |
| Payable | | | | | |
| —not later than 1 year | | 1,785 | 3,570 | 1,785 | 3,570 |
| —later than 1 year but not later than 5 years | | | 1,785 | | 1,785 |
| —later than 1 year but not later than 5 years | | | | | |

Note 15 Cash Flow Information

| | ETU | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------|
| | 2003 | 2002 |
| | \$ | \$ |
| a. Reconciliation of Cash | | |
| Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows: | | |

**ELECTRICAL TRADES UNION - SOUTHERN STATES BRANCH ABN 37 211 681 988
AND CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

| | | |
|----------------------------------------------|------------------|------------------|
| Cash on hand | 288,838 | 735,824 |
| At call deposits with financial institutions | 4,016,676 | 4,553,606 |
| Bank overdrafts — secured | - | - |
| | <u>4,305,514</u> | <u>5,289,430</u> |

b. Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax

| | | |
|---------------------------------------------------------|------------------|------------------|
| Profit (loss) from ordinary activities after income tax | (1,355,863) | 8,284 |
| Non-cash flows in profit from ordinary activities | - | - |
| Depreciation | 419,585 | 479,929 |
| Loss on Sale of Motor Vehicles | - | 59,400 |
| Doubtful debts | 150,764 | 285,882 |
| | - | - |
| Changes in assets and liabilities | | |
| (Increase)/decrease in receivables | 900,697 | 646,724 |
| (Increase)/decrease in other assets | - | 37,528 |
| (Increase)/decrease in inventories | 40,004 | (19,150) |
| Increase/(decrease) in payables | (797,267) | 121,860 |
| Increase/(decrease) in other liabilities | - | 241,599 |
| Increase/(decrease) in provisions | 71,092 | (264,013) |
| Cash Flow from operations | <u>(570,988)</u> | <u>1,598,043</u> |

Note 16 Union Details

The registered office of the Union is:

Electrical Trades Union - Southern States Branch
516 - 520 Swanston Street
Carlton South 3053

The principal place of business is:

Electrical Trades Union - Southern States Branch
516 - 520 Swanston Street
Carlton South 3053

The names of persons who were on the Executive Committee of the Electrical Trades Union (Southern States Branch) as at 31st December 2003 were

John Doran (President)
Eric O'Neill (Treasurer)
Dean Mighell (Secretary)
Kevin Harkins (Assistant Secretary)
Alex McCallum (Assistant Secretary)

Note 17 Workplace Relations Act 1996

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 specific 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 specific information available to the member or the Registrar in such a manner, and within such time , as is prescribed.

[3] A Registrar may only make an 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.



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

Mr Peter Tighe
National Secretary
CEPU
Suite 701, Level 1
1 Roseberry Avenue
ROSEBERRY NSW 2018

Dear Mr Tighe

Various Financial Returns

I refer to previous correspondence concerning the following financial returns. I have enclosed copies of correspondence in relation to each for your information. As you will note, the first three matters relate to apparent inconsistencies between the date of the relevant auditors' reports and the date on which the Union has advised the financial accounts and auditor's report were provided to members. Your early clarification will enable the Registry to finalise these matters.

CEPU - National Office (FR2003/31) - year ending 31 March 2003

In our letter of 6 October 2004, the Registry noted the dates referred to in your letter of 17 August 2004 and sought clarification of the date of provision of the financial documents to members of the Union. The documents cannot be filed until it is clear when the Union provided members with the accounts and the auditor's report dated 11 December 2003.

Electrical Division, Southern States Divisional Branch (FR2002/845 and 846) - year ending 31 December 2002

In our letter of 6 October 2004, the Registry noted the dates referred to in your letter of 17 August 2004 and sought clarification of the date of provision of the financial documents to members of the Branch. The documents cannot be filed until it is clear when the Branch provided members with the accounts and the auditor's report dated 6 October 2003 (not 2 October 2003 as incorrectly stated in our letter).

Outstanding Financial Returns

The Registry has no record of lodgement of the following:

Electrical Division, Southern States Divisional Branch (FR2003/726) - year ending 31 December 2003.

Following its letter to the Branch of 18 October 2004, the Registry was advised by the accountant of this Branch on that the national office was arranging lodgement of these documents. Copies of the Registry's letter and the accountant's email are attached. As this return is now substantially overdue, could you please advise when the documents will be lodged in the Registry.

Electrical Division (FR2003/722) - year ending 31 December 2003

A copy of the Registry's letter of 12 October 2004 is attached. As this return is now substantially overdue, could you please advise when the documents will be lodged in the Registry.

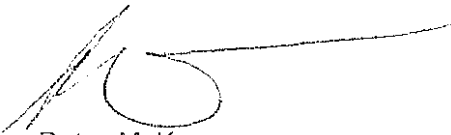
Electrical Division South Australian Divisional Branch (FR2003/725) - year ending 31 December 2003

In recent discussion with the Divisional Branch, the Registry was advised that the national office was arranging to lodge these documents. As this return is now substantially overdue, could you please advise when the documents will be lodged in the Registry.

Electrical Division, New South Wales Divisional Branch (FR2003/723) - year ending 31 December 2003

In recent discussion with the Divisional Branch, the Registry was advised that the national office was arranging to lodge these documents. As this return is now substantially overdue, could you please advise when the documents will be lodged in the Registry.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Peter McKerrow', with a long horizontal stroke extending to the right.

Peter McKerrow
for Deputy Industrial Registrar

11 April 2005

enc.

PENNA, Belinda

From: dianne [dianne@etu.asn.au]
Sent: Monday, 18 October 2004 11:18 AM
To: belinda.penna@air.gov.au
Subject: REF: FR2003/726

Hi Belinda,

Following letter and recent discussion re: lodgement of 2003 financials, I have called Carla Croce at the National Office 02 9663 3699 and she has confirmed that they handle this matter and it is currently being attended to.

Regards,

Dianne Rich
Accountant
Electrical trades Union
Tel: 03 8341 5555
Fax: 03 8341 5565
Email: dianne@etu.asn.au

*****Important Message*****
This e-mail message is intended only for the addressee and contains information which may be confidential. If you are not the intended recipient please advise the sender by return email, do not use or disclose the contents, and delete the message and any attachments from your system. Unless specifically indicated, this email does not constitute formal advice or commitment by the sender or the Electrical Trades Union or its subsidiaries.



Ref: FR2003/726 -[128V-VIC]

Mr Dean Mighell
Branch Secretary
CEPU Electrical Division
Southern States Divisional Branch
516-520 Swanston Street
CARLTON SOUTH VIC 3053

Dear Mr Mighell

Re: CEPU -Electrical Division Southern States 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 December, 2003.

While the accounting, auditing and reporting obligations have changed with the introduction of the *Registration and Accountability of Organisations Schedule* (the RAO Schedule) which generally came into operation on 12 May 2003, Part IX, Division 11 of the Act continues to apply in relation to a financial year of an organisation that ends on 31 December, 2003. The corresponding obligations set out in the RAO Schedule apply to each financial year of an organisation that starts on or after 1 July 2003.

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.

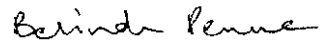
Therefore, I request your written advice *by 2 November, 2004* as to when each of the following steps is expected to be completed:-

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: **FR2003/726**.

Yours sincerely



Belinda Penna

E-mail: belinda.penna@air.gov.au

12 October, 2004



AUSTRALIAN INDUSTRIAL REGISTRY

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

Ref: FR2003/726-[128V-VIC]

Mr Dean Mighell
Branch Secretary
CEPU Electrical Division
Southern States Divisional Branch
516-520 Swanston Street
CARLTON SOUTH VIC 3053

Dear Mr Mighell

**Re: CEPU Electrical Division, Southern States Divisional Branch
Financial Reporting Obligations under *Workplace Relations Act 1996***

This is a courtesy letter to remind you of the financial reporting obligations of the abovenamed body under the *Workplace Relations Act 1996* ('the Act') for the financial year ended 31 December, 2003.

While the accounting, auditing and reporting obligations have changed with the introduction of the *Registration and Accountability of Organisations Schedule* (the RAO Schedule) which generally came into operation on 12 May 2003, Part IX, Division 11 of the Act continues to apply in relation to a financial year of an organisation that ends on 31 December, 2003. The corresponding obligations set out in the RAO Schedule apply to each financial year of an organisation that starts on or after 1 July 2003.

Now that the financial year for 31 December, 2003 has ended, it is timely that you put in train the various steps of the financial reporting requirements. To assist you with this process I have enclosed for your information a notice summarising these requirements including the time-scales prescribed by the legislation.

Please note that a branch of an organisation may be exempted from the accounting, auditing and reporting obligations in respect of a financial year by satisfying a Registrar that the branch did not have any financial affairs during the financial year. An application under subsection 271A(1) of the Act must be made within 90 days (unless extended by a Registrar) after the end of the financial year.

Please do not hesitate to contact me on (02) 8374 6618 if you wish to discuss the financial reporting requirements, especially if you anticipate any difficulty in meeting any step in the time-scales prescribed.

Yours sincerely

Belinda Penna

E-mail: belinda.penna@air.gov.au
9 January 2004