



**Australian Government**  
**Australian Industrial Registry**

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80 William Street, East Sydney, NSW 2011  
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Fax: (02) 9380 6990  
Email: sydney@air.gov.au

Mr Dean Mighell  
Branch Secretary, Southern States Divisional Branch  
CEPU – Electrical Division  
Level 1; 200 Arden St  
North Melbourne VIC 3051

Dear Mr Mighell

**Re: Lodgement of Financial Statements and Accounts – CEPU Electrical, Energy and Services Division – Southern States Divisional Branch – for year ending 31 December 2007 (FR2007/581)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 15 July 2008.

I note that under “Revenue” there is an amount of \$45,794 for the item “Donations”. If this amount included any single donation exceeding \$1,000, then s237 of the RAO Schedule requires a separate statement giving certain particulars to be lodged.

There is no further action required unless you need to lodge a section 237 statement. I enclose an extract for your ready reference.

The legislative requirements having been satisfied in every other respect, the documents have been filed.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'D. Mighell'.

Statutory Services Branch

31 July 2008

**EXTRACT FROM RAO SCHEDULE**

S237

- (1) An organisation must, within 90 days after the end of each financial year (or such longer period as the Registrar allows), lodge in the Industrial Registry a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 made by the organisation during the financial year.
- (2) A statement lodged.....must be signed by an officer of the organisation.
- (6) The relevant particulars, in relation to a .... donation are:
  - (a) the amount of the...donation;
  - (b) the purpose for which the.....donation was made, and
  - (c) except where the....donation was made to relieve a member...or a dependant of a member....from severe financial hardship – the name and address of the person to whom the....donation was made



# **Electrical Trades Union of Australia - Southern States Branch**

**Consolidated Financial Statements**

**For the Year Ended 31 December 2007**

10

# Electrical Trades Union of Australia - Southern States Branch

For the Year Ended 31 December 2007



## CONTENTS

	<u>Page</u>
<b>Consolidated Financial Statements</b>	
Operating Report	1
Statement by the Committee of Management	4
Certificate of Secretary	5
Independent Audit Report	6
Income Statement	8
Balance Sheet	9
Statement of Changes in Equity	10
Cash Flow Statement	12
Notes to the Financial Statements	13

# Electrical Trades Union of Australia - Southern States Branch

## Operating Report

For the Year Ended 31 December 2007

Your committee presents its report on the union and its controlled entities for the financial year ended 31 December 2007

### 1. General information

#### a Members

In accordance with section 254 of the RAO Schedule we advise that the names of those who have been members of the Committee of Management of the Branch at any time during, or since the end of the year are:

Dean Mighell  
Eric O'Neill  
John Doran  
Garry Laycock  
Garry Carruthers  
Graeme Watson  
Paul Swann

All other members of the Committee of Management held office for the full year to the date of this report unless otherwise stated.

#### b Company Secretary

The following person held the position of state secretary of the Electrical Trades Union of Australia - Southern States Branch at the end of the financial year:

Dean Mighell

#### c Principal Activities of the Southern States Branch

The principal activities of the economic entity during the financial year were:

- Implementation of the decisions of the Branch Executive and Branch Council;
- Implementation of the union's organising agenda, including direct assistance and strategic advice on particular industry or site organising projects, the training and development of officials and assistance to branches on planning and resourcing campaigns;
- Industrial support including representation of individual member grievances, advice on legal and legislative matters, pursuing relevant changes to the conditions of eligibility rules of the union, and responding to other union's rules applications where they impact on membership of the ETU;
- The administration of federal awards, the variation of awards following major test cases (such as living wage) and making applications to vary federal awards on behalf of branches;

# Electrical Trades Union of Australia - Southern States Branch

## Operating Report

For the Year Ended 31 December 2007

### 1. General information continued

#### c Principal Activities of the Southern States Branch continued

- Management of information technology and strategic membership systems designs to support organising;
- Media and communications to members and to the broader community via media releases in support of campaigns, video and film development, and targeted publications, including the magazine ETU News; and
- National bargaining in key industries and assistance to branches on bargaining by request.

The branch has also been involved in lobbying and negotiations with different levels of Government and key industry organisations around issues of importance to ETU members, e.g. shorter hours, apprentices, safety and licences.

#### d Right of Members to Resign

All members of the union have the right to resign from the union in accordance with the rules of the union and section 174 of the *Workplace Relations Act 1996*; namely by providing written notice addressed and delivered to the secretary of the relevant branch, including via email.

### 2. Business review

#### a Operating Results

The consolidated surplus of the economic entity amounted to \$ 3,244,655

#### b Review of operations

A review of the operations of the economic entity during the financial year and the results of those operations found:

- There were 15,159 members of the union at 31 December 2007; and
- As at 31 December 2007 the Electrical Trades Union of Australia - Southern States Branch employed 45 full time employees.

### 3. Other items

#### a Significant Changes in State of Affairs

No significant changes in the economic entity's state of affairs occurred during the financial year.

# Electrical Trades Union of Australia - Southern States Branch

## Operating Report

For the Year Ended 31 December 2007

### 3. Other items continued

#### b After balance day events

1. There have been discussions regarding the potential separation of two branches; being Tasmania and Victoria. To date this separation has not materialised, and will not have an adverse effect on the Southern States Branch.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the economic entity, the results of those operations or the state of affairs of the economic entity in future financial years.

#### c Auditors Independence Declaration

The lead auditors' independence declaration for the year ended 31 December 2007 has been received and can be found on page 6.

#### d Rounding of amounts

Amounts in the financial statements and operating report have been rounded to the nearest dollar.

### 4. Sign off details

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

Branch Secretary: .....

  
Dean Mighell

Dated this 14<sup>th</sup> day of July 2008

# Electrical Trades Union of Australia - Southern States Branch

## Statement by Committee of Management



On the 14/7/2008 the Executive Committee of the Electrical Trades Union Of Australia – Southern States Branch, passed the following resolution in relation to the general purpose financial report for the year ended 31 December, 2007.

The Electrical Trades Union of Australia - Southern States Branch declares in relation to the GPFR that in its opinion:

- (a) The financial report and notes comply with the Australian Accounting Standards;
- (b) The financial report and notes comply with the reporting guidelines of the Industrial Registrar for the purposes of section 270 of the RAO Schedule;
- (c) The financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the Electrical Trades Union of Australia – Southern States Branch for the financial year ended 31 December, 2007
- (d) 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 become due and payable; and
- (e) During the financial year ended 31 December, 2007 and since the end of the financial year:
  - (i) Meetings of the Committee of Management were held in accordance with the rules of the Electrical Trades Union of Australia – Southern States Branch ;
  - (ii) The financial affairs of the Electrical Trades Union of Australia – Southern States Branch have been managed in accordance with the rules of the Electrical Trades Union of Australia – Southern States Branch;
  - (iii) The financial records of the Electrical Trades Union of Australia – Southern States Branch have been kept and maintained in accordance with Schedule 1B to the *Workplace Relations Act 1996* and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003;
  - (iv) The financial records of the Electrical Trades Union of Australia – Southern States Branch have been kept, as far as practicable, in a consistent manner to each of the other branches of the national organisation;
  - (v) No information has been sought in any request of a member of the Electrical Trades Union of Australia or a Registrar under section 272 of Schedule 1B to the *Workplace Relations Act 1996*; and
  - (vi) No orders have been made by the Industrial Registrar under section 273 of Schedule 1B to the *Workplace Relations Act 1996*.

This declaration is made in accordance with a resolution of the Committee of Management.

Branch Secretary:   
Dean Mitchell

Dated this  day of  2008



10

Electrical Trades Union of Australia - Southern States Branch

Statement by Committee of Management

Electrical Trades Union of Australia - Southern States Branch

Certificate of Secretary

For the Year Ended 31 December 2007

I, Dean Mighell, being the State Secretary of the Electrical Trades Union of Australia - Southern States Branch certify:

- (a) That the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule;
- (b) The full report was provided to members on 14/7/08 and a meeting of the
- (c) The full report was presented to committee of management of the reporting unit on 12/07/08 in accordance with Section 266 of the RAO Schedule.

Branch Secretary:  .....

Dean Mighell

Dated: 14/7/08 .....

**LDB Audit Services Pty Ltd**

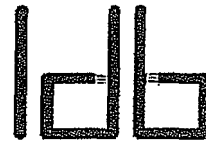
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**AUDIT SERVICES**

CHARTERED ACCOUNTANTS

## **Electrical Trades Union of Australia - Southern States Branch**

### **Independent Audit Report**

**For the Year Ended 31 December 2007**

#### **Scope**

We have audited the accompanying financial report of Electrical Trades Union of Australia - Southern States Branch, which comprises of the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended that date, a summary of significant accounting policies, other explanatory notes and the statement by committee of management of the consolidated entity comprising the union and the entities it controlled at the year's end or from time to time during the financial year

The union's committee is responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the union.

#### **Audit Approach**

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 and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the union's and consolidated entity's financial position and performance as represented by the results of their operations and their cash flows.

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

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

#### **Independence**

In conducting our audit, we followed the applicable independence requirements of Australian professional and ethical pronouncements and the *Workplace Relations Act 1996*.

**LDB Audit Services Pty Ltd**

ABN 59 123 774 569 ACN 123 774 569

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**AUDIT SERVICES**

CHARTERED ACCOUNTANTS

## **Electrical Trades Union of Australia - Southern States Branch**

### **Independent Audit Report**

**For the Year Ended 31 December 2007**

### **Audit Opinion**

In our opinion the consolidated financial report of Electrical Trades Union of Australia - Southern States Branch is in accordance with:

- (a) The *Workplace Relations Act 1996*;
- (b) Presents fairly the union and consolidated entity's financial position as at 31 December 2007 and performance for the year ended on that date; in accordance with:
  - i. Accounting Standards in Australia; and
  - ii. Any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Act; and
- (b) Other mandatory professional reporting requirements.

Craig Lutwyche  
Director

14 July 2008

LDB Audit Services  
Suite 3  
1-3 Albert Street  
BLACKBURN, VIC 3130

Liability limited by a scheme approved under Professional Standards Legislation.

# Electrical Trades Union of Australia - Southern States Branch

## Income Statement

For the Year Ended 31 December 2007

	Note	Consolidated		Parent	
		2007	2006	2007	2006
		\$	\$	\$	\$
Revenue	2	8,949,892	9,407,936	8,943,907	9,390,877
Other income	3	6,434,884	2,991,572	6,227,823	2,965,509
Changes in inventories of finished goods and work in progress		(1,050,955)	(718,041)	(1,050,955)	(718,041)
Employee benefits expense		(5,198,040)	(4,822,626)	(5,198,040)	(4,822,626)
Depreciation, amortisation and impairments		(570,769)	(421,466)	(374,490)	(394,341)
Other expenses	5	(5,320,357)	(4,039,752)	(5,519,646)	(3,974,643)
<b>Surplus before income tax</b>		<b>3,244,655</b>	<b>2,397,623</b>	<b>3,028,599</b>	<b>2,446,735</b>
<b>Surplus attributable to members</b>		<b>3,244,655</b>	<b>2,397,623</b>	<b>3,028,599</b>	<b>2,446,735</b>

# Electrical Trades Union of Australia - Southern States Branch

## Balance Sheet

As At 31 December 2007

	Note	Consolidated		Parent	
		2007 \$	2006 \$	2007 \$	2006 \$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	15,497,477	15,692,778	9,890,656	5,266,587
Trade and other receivables	7(a)	611,972	799,509	653,734	781,953
Inventories	8	323,548	428,691	323,548	428,691
Other current assets	9	115,161	69,973	112,434	69,973
<b>Total current assets</b>		<b>16,548,158</b>	<b>16,990,951</b>	<b>10,980,372</b>	<b>6,547,204</b>
<b>Non-current assets</b>					
Trade and other receivables	7(b)	424,745	428,171	424,783	424,571
Financial assets	10	3,551,555	1,551,555	618,630	618,168
Property, plant and equipment	12	19,914,596	15,205,366	18,720,474	14,185,180
<b>Total non-current assets</b>		<b>23,890,896</b>	<b>17,185,092</b>	<b>19,763,887</b>	<b>15,227,919</b>
<b>TOTAL ASSETS</b>		<b>40,439,054</b>	<b>34,176,043</b>	<b>30,744,259</b>	<b>21,775,123</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	13	1,191,033	1,022,097	3,993,639	1,022,099
Financial liabilities	14	-	239	-	239
Short-term provisions	15	1,080,936	939,918	1,080,936	939,918
Other current liabilities	16	2,439,876	2,111,658	2,439,876	2,111,658
<b>Total current liabilities</b>		<b>4,711,845</b>	<b>4,073,912</b>	<b>7,514,451</b>	<b>4,073,914</b>
<b>Non-current liabilities</b>					
Other long-term provisions	15	334,810	334,810	334,810	334,810
<b>Total non-current liabilities</b>		<b>334,810</b>	<b>334,810</b>	<b>334,810</b>	<b>334,810</b>
<b>TOTAL LIABILITIES</b>		<b>5,046,655</b>	<b>4,408,722</b>	<b>7,849,261</b>	<b>4,408,724</b>
<b>NET ASSETS</b>		<b>35,392,399</b>	<b>29,767,321</b>	<b>22,894,998</b>	<b>17,366,399</b>
<b>EQUITY</b>					
Reserves	17	7,881,172	5,381,172	7,803,848	5,303,848
Retained earnings		27,511,227	24,386,149	15,091,150	12,062,551
<b>TOTAL EQUITY</b>		<b>35,392,399</b>	<b>29,767,321</b>	<b>22,894,998</b>	<b>17,366,399</b>

# Electrical Trades Union of Australia - Southern States Branch

## Statement of Changes in Equity

For the Year Ended 31 December 2007

2007	Retained	Parent	Total
	Earnings	Asset Revaluation Reserve	
	\$	\$	\$
Balance at 1 January 2007	12,062,551	5,303,848	17,366,399
Surplus attributable to members	3,028,599	-	3,028,599
Revaluation increment (decrement)	-	2,500,000	2,500,000
Transfers to and from reserves			
<b>Sub-total</b>	<b>3,028,599</b>	<b>2,500,000</b>	<b>5,528,599</b>
<b>Balance at 31 December 2007</b>	<b>15,091,150</b>	<b>7,803,848</b>	<b>22,894,998</b>

2006	Retained	Parent	Total
	Earnings	Asset Revaluation Reserve	
	\$	\$	\$
Balance at 1 January 2006	10,189,994	4,104,908	14,294,902
Surplus attributable to members	2,446,735	-	2,446,735
Revaluation increment	-	1,198,940	1,198,940
Transfers to and from reserves			
Distribution of trust corpus	(574,178)	-	(574,178)
<b>Sub-total</b>	<b>1,872,557</b>	<b>1,198,940</b>	<b>3,071,497</b>
<b>Balance at 31 December 2006</b>	<b>12,062,551</b>	<b>5,303,848</b>	<b>17,366,399</b>

# Electrical Trades Union of Australia - Southern States Branch

## Statement of Changes in Equity

For the Year Ended 31 December 2007

2007	Consolidated		
	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2007	24,386,149	5,381,172	29,767,321
Surplus attributable to members	3,244,655	-	3,244,655
Revaluation increment (decrement)	-	2,500,000	2,500,000
Transfers to and from reserves			
Distribution of trust corpus	(119,577)	-	(119,577)
<b>Sub-total</b>	<b>3,125,078</b>	<b>2,500,000</b>	<b>5,625,078</b>
<b>Balance at 31 December 2007</b>	<b>27,511,227</b>	<b>7,881,172</b>	<b>35,392,399</b>

2006	Consolidated		
	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2006	22,161,471	4,182,232	26,343,703
Surplus attributable to members	2,397,623	-	2,397,623
Revaluation increment	-	1,198,940	1,198,940
Transfers to and from reserves			
Distribution of trust corpus	(172,945)	-	(172,945)
<b>Sub-total</b>	<b>2,224,678</b>	<b>1,198,940</b>	<b>3,423,618</b>
<b>Balance at 31 December 2006</b>	<b>24,386,149</b>	<b>5,381,172</b>	<b>29,767,321</b>

# Electrical Trades Union of Australia - Southern States Branch

## Cash Flow Statement

For the Year Ended 31 December 2007

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>Cash from operating activities:</b>				
Receipts from customers	15,662,015	12,418,153	15,656,031	11,560,506
Payments to suppliers and employees	(11,758,389)	(8,956,436)	(11,712,613)	(8,913,414)
Dividends received	11,934	-	11,934	-
Interest received	870,001	-	446,212	-
Finance costs	(503)	-	(503)	-
<b>Net cash provided by (used in) operating activities</b>	<b>4,785,058</b>	<b>3,461,717</b>	<b>4,401,061</b>	<b>2,647,092</b>
<b>Cash flows from investing activities:</b>				
Proceeds from sale of plant and equipment	318	-	318	-
Interest received	-	7,956	-	7,956
Dividends received	-	818,305	-	245,589
Acquisition of property, plant and equipment	(2,833,783)	(1,449,044)	(2,466,803)	(1,474,662)
Acquisition of other investments	(2,000,000)	(1,000,000)	-	-
Loans to related parties - payments made	(27,079)	(460,487)	(118,555)	(328,853)
<b>Net cash provided by (used in) investing activities</b>	<b>(4,860,544)</b>	<b>(2,083,270)</b>	<b>(2,585,040)</b>	<b>(1,549,970)</b>
<b>Cash flows from financing activities:</b>				
Proceeds from borrowings	-	10,578	6,800,000	10,578
Repayment of borrowings	-	-	(3,991,713)	-
Beneficiary Payments	(119,576)	-	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>(119,576)</b>	<b>10,578</b>	<b>2,808,287</b>	<b>10,578</b>
<b>Other activities:</b>				
<b>Net increase (decreases) in cash held</b>	<b>(195,062)</b>	<b>1,389,025</b>	<b>4,624,308</b>	<b>1,107,700</b>
Cash at beginning of financial year	15,692,539	14,303,514	5,266,348	4,158,648
<b>Cash at end of financial year</b>	<b>15,497,477</b>	<b>15,692,539</b>	<b>9,890,656</b>	<b>5,266,348</b>



# Electrical Trades Union of Australia - Southern States Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2007

### 1 Accounting policies

#### (a) General information

##### Introduction

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, other mandatory professional requirements and the *Workplace Relations Act 1996*, except for AASB124.

The financial report covers the economic entity of Electrical Trades Union of Australia - Southern States Branch and controlled entities, and Electrical Trades Union of Australia - Southern States Branch as an individual parent entity. Electrical Trades Union of Australia - Southern States Branch is a registered trade union domiciled in Australia.

The financial report of Electrical Trades Union of Australia - Southern States Branch and controlled entities, and Electrical Trades Union of Australia - Southern States Branch as an individual parent entity comply with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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

#### (b) Basis of Preparation

##### Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

#### (c) Comparatives

##### Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### (d) Principles of Consolidation

##### Controlled entities

A list of controlled entities is contained in Note 11 to the financial statements. All controlled entities have a June financial year-end.

# Electrical Trades Union of Australia - Southern States Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2007

### 1 Accounting policies continued

#### (d) Principles of Consolidation continued

##### ii Inter-company balances

All inter-company balances and transactions between entities in the economic entity, including any unrealised surpluses or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

##### iii Principles of Consolidation

A controlled entity is an entity that Electrical Trades Union of Australia - Southern States Branch has the power to control the financial and operating policies of an entity so as to obtain benefits from its activities.

#### (e) Income Tax

##### Current Income Tax Expense

No provision for Income Tax is necessary as the union is exempt from Income Tax under section 50-15 of the *Income Tax Assessment Act 1997*.

#### (f) Inventories

##### Measurement

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

#### (g) Property, Plant and Equipment

##### i General Information

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

##### ii Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. It is the policy of the economic entity to have an independent valuation every three years, with annual appraisals being made by the committee of management.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

# Electrical Trades Union of Australia - Southern States Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2007

### 1 Accounting policies continued

#### (g) Property, Plant and Equipment continued

##### iii Plant and Equipment - measurement

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

##### iv Plant and Equipment - increases in carrying amount

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the assets original cost is transferred from the revaluation reserve to retained earnings.

##### v 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 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 depreciation.

##### vi Depreciation rates

The depreciation rates used for each class of depreciable assets are:

Buildings	2.5%
Furniture, Fixtures and Fittings	11.25%
Motor Vehicles	18.75%
Office Equipment	10 - 15%
Computer Equipment	37.5%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

#### (h) Investment Property

##### Investment Property

Investment property, comprising of freehold office complexes, is held to generate long-term rental yields. All tenant leases are on an arms length basis. Investment property is carried at fair value, determined with an independent valuation every three years and annual appraisals being made by the committee of management. Changes to fair value are recorded in the income statement as other income.

# Electrical Trades Union of Australia - Southern States Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2007

### 1 Accounting policies continued

#### (i) Leases

##### Leases

Income is derived from rental operations which represents the letting of excess office space in the union's buildings to outside parties. These parties include other unions, allied organisations and commercial entities.

#### (j) Financial Instruments

##### i Recognition and Initial Measurement

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

##### ii Financial assets at fair value through income statement

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

##### iii Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

##### iv Held-to-maturity investments

These investments have fixed maturities, and it is the economic entity's intention to hold these investments to maturity. Any held-to-maturity investments held by the economic entity are stated at amortised cost using the effective interest rate method.

##### v Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

##### vi Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

# Electrical Trades Union of Australia - Southern States Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2007

### 1 Accounting policies continued

#### (j) Financial Instruments continued

##### vii Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

##### viii Impairment

At each reporting date, the economic entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

#### (k) Impairment of Assets

##### i Impairment determination

At each reporting date, the economic entity reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

##### ii Recoverable amount not possible to estimate

Where it is not possible to estimate the recoverable amount of an individual asset, the economic entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### (l) Employee benefits

##### Employee benefits

A provision is made for the union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

#### (m) Provisions

##### Recognition

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

# Electrical Trades Union of Australia - Southern States Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2007

### 1 Accounting policies continued

#### (n) Cash and Cash Equivalents

##### Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

#### (o) Revenue

##### Recognition

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

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

Revenue from rental activities is recognised on an accruals basis or straight-line basis in accordance with lease agreements.

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 services 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).

#### (p) Goods and Services Tax (GST)

##### GST

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

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

# Electrical Trades Union of Australia - Southern States Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2007

### 2 Revenue

Operating activities	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
Operating activities				
- Donations	45,794	1,500	39,810	-
- Management fees	1,274,671	1,836,941	1,274,671	1,836,941
- Member subscriptions	6,839,471	6,594,561	6,839,471	6,594,561
- Other revenue	26,929	65,471	26,929	62,639
- Rental revenue for property investment	727,095	837,341	727,095	824,614
- Sale of goods	35,932	72,122	35,932	72,122
<b>Total Revenue</b>	<b>8,949,892</b>	<b>9,407,936</b>	<b>8,943,908</b>	<b>9,390,877</b>

### 3 Other income

#### (a) Other operating income

	Note	Consolidated		Parent	
		2007	2006	2007	2006
		\$	\$	\$	\$
Commissions		5,945	3,974	5,945	3,974
Directors fees		293,645	529,469	510,373	1,076,123
Discounts		-	5,755	-	5,755
Dividends	3(b)	11,934	7,956	11,934	7,956
Government grants		392,753	153,980	392,753	153,980
Interest	3(c)	869,917	818,305	446,212	245,589
Profit distributions		4,860,605	1,472,134	4,860,605	1,472,134
Sundry		85	-	-	-
<b>Total</b>		<b>6,434,884</b>	<b>2,991,573</b>	<b>6,227,822</b>	<b>2,965,511</b>

#### (b) Dividend revenue breakup

Dividend revenue from:	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
Professional Investment Holdings	11,934	7,956	11,934	7,956
<b>Total dividend revenue</b>	<b>11,934</b>	<b>7,956</b>	<b>11,934</b>	<b>7,956</b>

# Electrical Trades Union of Australia - Southern States Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2007

### 3 Other income continued

#### (c) Interest revenue breakup

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
Interest revenue from:				
bank	869,917	818,305	446,212	245,589
<b>Total interest revenue</b>	<b>869,917</b>	<b>818,305</b>	<b>446,212</b>	<b>245,589</b>

### 4 Auditors' Remuneration

#### Remuneration details

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
Remuneration of the auditor of the parent entity for:				
- Auditing or reviewing the financial report	27,500	26,400	27,500	25,000
- Other services	24,222	32,270	20,802	32,270

### 5 Other Expenses

#### (a) Bad & Doubtful debts

A doubtful debts provision is raised by the Electrical Trades Union - Southern States Branch for bad and doubtful debts incurred as a result of unpaid membership fees and other unpaid transactions previously recorded as income. Movements in this provision are recognised through the income statement.

#### (b) Legal Expenses

Legal expenses are incurred by the union both in pursuing industrial action and in other activities associated with the operations of the union.

#### (c) Political Funding and Other Donations

Consistent with the aims of the organisation the union from time to time provides funding and donations to political candidates and other like-minded organisations.



# Electrical Trades Union of Australia - Southern States Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2007

### 6 Cash and cash equivalents

#### (a) Summary

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
Cash on hand	6,203	8,303	6,150	8,250
Cash at bank	5,956,548	10,432,002	349,780	5,863
Short-term bank deposits	9,534,726	5,252,474	9,534,726	5,252,474
	<b>15,497,477</b>	<b>15,692,779</b>	<b>9,890,656</b>	<b>5,266,587</b>

#### (b) Effective Interest Rate

The effective interest rate on short-term bank deposits was 6.7% (2006: 6.3%); these deposits have an average maturity of 90 days.

#### (c) Reconciliation of Cash

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:				
Cash and cash equivalents	15,497,477	15,692,778	9,890,656	5,266,587
Bank overdraft	-	(239)	-	(239)
	<b>15,497,477</b>	<b>15,692,539</b>	<b>9,890,656</b>	<b>5,266,348</b>

# Electrical Trades Union of Australia - Southern States Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2007

### 7 Trade and other receivables

#### (a) Current receivables

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>CURRENT</b>				
Trade receivables	709,399	850,691	709,399	850,691
Provision for impairment of receivables	(167,556)	(93,136)	(167,556)	(93,136)
	<u>541,843</u>	<u>757,555</u>	<u>541,843</u>	<u>757,555</u>
Other receivables - GST	39,623	41,954	(5,990)	24,398
Amounts receivable from:				
- wholly-owned subsidiaries	-	-	87,375	-
- other related parties	30,506	-	30,506	-
	<u>611,972</u>	<u>799,509</u>	<u>653,734</u>	<u>781,953</u>

#### (b) Non current receivables

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>NON-CURRENT</b>				
Related entity - unpaid trust distributions	424,571	424,571	424,571	424,571
Amounts receivable from:				
- wholly-owned subsidiaries	-	-	212	-
- holding companies	173	3,600	-	-
	<u>424,744</u>	<u>428,171</u>	<u>424,783</u>	<u>424,571</u>

### 8 Inventories

#### Current Inventories

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>CURRENT</b>				
Merchandise	323,548	428,691	323,548	428,691
	<u>323,548</u>	<u>428,691</u>	<u>323,548</u>	<u>428,691</u>

# Electrical Trades Union of Australia - Southern States Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2007

### 9 Other Assets

#### Other Current Assets

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
CURRENT				
Prepayments	115,161	69,973	112,434	69,973
	<u>115,161</u>	<u>69,973</u>	<u>112,434</u>	<u>69,973</u>

### 10 Financial Assets

#### (a) Summary

	Note	Consolidated		Parent	
		2007	2006	2007	2006
		\$	\$	\$	\$
Available for sale financial assets	10(b)	1,159,223	1,159,223	226,298	225,836
Held-to-maturity financial assets	10(c)	2,392,332	392,332	392,332	392,332
		<u>3,551,555</u>	<u>1,551,555</u>	<u>618,630</u>	<u>618,168</u>
Less non-current portion		(3,551,555)	(1,551,555)	(618,630)	(618,168)

#### (b) Available-for-sale Financials Assets

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
Listed investments, at fair value				
shares in listed corporations	933,400	933,400	-	-
	<u>933,400</u>	<u>933,400</u>	<u>-</u>	<u>-</u>
Unlisted investments, at cost				
shares in controlled entities	-	-	475	13
shares in other related parties	72	72	72	72
units in unit trusts	225,750	225,750	225,750	225,750
	<u>225,822</u>	<u>225,822</u>	<u>226,297</u>	<u>225,835</u>
Unlisted investment, at recoverable amount				
shares in other corporations at cost	374,250	374,250	374,250	374,250
Less: impairment provision	(374,249)	(374,249)	(374,249)	(374,249)
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<b>Total available-for-sale financial assets</b>	<u>1,159,223</u>	<u>1,159,223</u>	<u>226,298</u>	<u>225,836</u>

# Electrical Trades Union of Australia - Southern States Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2007

### 10 Financial Assets continued

Available-for-sale financial assets comprise of investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

#### (c) Held-to-maturity investments

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
Government and fixed interest securities - non current	2,392,332	392,332	392,332	392,332
	<b>2,392,332</b>	<b>392,332</b>	<b>392,332</b>	<b>392,332</b>

#### (d) Investments in other entities

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
Unlisted				
Sparkie Pty Ltd	2	2	2	2
IPP Pty Ltd	1	1	1	1
Elecnet Trust	5	5	5	5
IPP Property Trust	225,750	225,750	225,750	225,750
SAFS Unit Trust	65	65	65	65
	<b>225,823</b>	<b>225,823</b>	<b>225,823</b>	<b>225,823</b>

### 11 Controlled Entities

#### Controlled Entities

	Country of incorporation	Percentage Owned	Percentage Owned
		2007	2006
<b>Parent Entity:</b>			
Electrical Trades Union - Southern States Branch	Australia		
<b>Controlled Entities:</b>			
ETU - Victorian Branch Trust	Australia	100	100
ETU - (Victorian Branch) Distress, Mortality & Training Fund	Australia	100	100
ETU (Distress, Mortality & Training) Pty Ltd	Australia	100	100
ETU (Southern States) Pty Ltd	Australia	100	100
ETU (National) Pty Ltd	Australia	100	100
Comrades Social Club Pty Ltd	Australia	100	100
ETU Pty Ltd	Australia	100	100

# Electrical Trades Union of Australia - Southern States Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2007

### 12 Property Plant and Equipment

#### (a) Property Plant and Equipment

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>LAND AND BUILDINGS</b>				
Buildings				
At independent valuation	15,320,027	12,441,622	13,905,000	11,405,000
At cost - fit out	3,357,324	1,432,926	3,357,324	1,424,737
Less accumulated depreciation	(223,405)	(27,125)	-	-
<b>Total buildings</b>	<b>18,453,946</b>	<b>13,847,423</b>	<b>17,262,324</b>	<b>12,829,737</b>
<b>Total land and buildings</b>	<b>18,453,946</b>	<b>13,847,423</b>	<b>17,262,324</b>	<b>12,829,737</b>
<b>PLANT AND EQUIPMENT</b>				
Furniture, fixture and fittings				
At cost	542,103	322,964	542,103	322,964
Less accumulated depreciation	(124,874)	(65,778)	(124,874)	(65,778)
<b>Total furniture, fixture and fittings</b>	<b>417,229</b>	<b>257,186</b>	<b>417,229</b>	<b>257,186</b>
Motor vehicles				
At cost	893,035	1,012,435	893,035	1,012,435
Less accumulated depreciation	(253,279)	(262,264)	(253,279)	(262,264)
<b>Total motor vehicles</b>	<b>639,756</b>	<b>750,171</b>	<b>639,756</b>	<b>750,171</b>
Office equipment				
At cost	372,312	218,949	372,312	218,949
Less accumulated depreciation	(106,033)	(58,658)	(106,033)	(58,658)
<b>Total office equipment</b>	<b>266,279</b>	<b>160,291</b>	<b>266,279</b>	<b>160,291</b>
Computer equipment				
At cost	323,297	306,660	323,297	306,660
Less accumulated depreciation	(188,411)	(118,865)	(188,411)	(118,865)
<b>Total computer equipment</b>	<b>134,886</b>	<b>187,795</b>	<b>134,886</b>	<b>187,795</b>
Other property, plant and equipment				
At independent valuation	2,500	2,500	-	-
<b>Total other property, plant and equipment</b>	<b>2,500</b>	<b>2,500</b>	<b>-</b>	<b>-</b>
<b>Total plant and equipment</b>	<b>1,460,650</b>	<b>1,357,943</b>	<b>1,458,150</b>	<b>1,355,443</b>
<b>Total property, plant and equipment</b>	<b>19,914,596</b>	<b>15,205,366</b>	<b>18,720,474</b>	<b>14,185,180</b>

In the current financial year property held by the economic entity was primarily owner occupied for the full year.

# Electrical Trades Union of Australia - Southern States Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2007

### 12 Property Plant and Equipment continued

#### (b) Movements in Carrying Amounts

Parent

	Buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Office Equipment	Computer Equipment	Total
	\$	\$	\$	\$	\$	\$
<b>Current Year</b>						
Balance at the beginning of year	12,829,737	257,186	750,171	160,291	187,795	14,185,180
Additions	1,932,587	219,139	306,356	153,363	59,336	2,670,781
Disposals	-	-	(371,498)	-	(84,457)	(455,955)
Depreciation expense	-	(59,096)	(45,273)	(47,375)	(27,788)	(179,532)
Revaluation increase recognised in equity	2,500,000	-	-	-	-	2,500,000
<b>Carrying amount at the end of year</b>	<b>17,262,324</b>	<b>417,229</b>	<b>639,756</b>	<b>266,279</b>	<b>134,886</b>	<b>18,720,474</b>
<b>Prior Year</b>						
Balance at the beginning of year	10,365,000	212,416	701,570	102,188	130,406	11,511,580
Additions	1,424,737	65,993	267,157	77,885	135,620	1,971,392
Disposals	-	(5,566)	(73,655)	(2,423)	(20,747)	(102,391)
Depreciation expense	(158,940)	(15,657)	(144,901)	(17,359)	(57,484)	(394,341)
Revaluation increase recognised in equity	1,198,940	-	-	-	-	1,198,940
<b>Carrying amount at the end of year</b>	<b>12,829,737</b>	<b>257,186</b>	<b>750,171</b>	<b>160,291</b>	<b>187,795</b>	<b>14,185,180</b>

# Electrical Trades Union of Australia - Southern States Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2007

### 12 Property Plant and Equipment continued

#### (b) Movements in Carrying Amounts continued

Consolidated

	Buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Office Equipment	Computer Equipment	Other Property, Plant and Equipment	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Current Year</b>							
Balance at the beginning of year	13,847,424	257,186	750,171	160,291	187,795	2,500	15,205,367
Additions	2,302,802	219,139	306,356	153,363	59,336	-	3,040,996
Disposals	-	-	(371,498)	-	(84,457)	-	(455,955)
Depreciation expense	(196,280)	(59,096)	(45,273)	(47,375)	(27,788)	-	(375,812)
Revaluation increase recognised in equity	2,500,000	-	-	-	-	-	2,500,000
<b>Carrying amount at the end of year</b>	<b>18,453,946</b>	<b>417,229</b>	<b>639,756</b>	<b>266,279</b>	<b>134,886</b>	<b>2,500</b>	<b>19,914,596</b>
<b>Prior Year</b>							
Balance at the beginning of year	11,408,303	212,417	701,570	102,188	130,405	2,500	12,557,383
Additions	1,426,245	65,992	267,157	77,885	135,621	-	1,972,900
Disposals	-	(5,566)	(73,655)	(2,423)	(20,747)	-	(102,391)
Depreciation expense	(186,065)	(15,657)	(144,901)	(17,359)	(57,484)	-	(421,466)
Revaluation increase recognised in equity	1,198,940	-	-	-	-	-	1,198,940
<b>Carrying amount at the end of year</b>	<b>13,847,423</b>	<b>257,186</b>	<b>750,171</b>	<b>160,291</b>	<b>187,795</b>	<b>2,500</b>	<b>15,205,366</b>

# Electrical Trades Union of Australia - Southern States Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2007

### 13 Trade and other payables

Current payables	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>CURRENT</b>				
Trade payables	1,092,888	1,022,100	1,087,672	1,022,100
Other payables	98,147	-	98,147	-
Amount payable to:				
- wholly-owned subsidiaries	-	-	2,807,822	-
	<b>1,191,035</b>	<b>1,022,100</b>	<b>3,993,641</b>	<b>1,022,100</b>

### 14 Borrowings

Current secured and unsecured liabilities	Note	Consolidated		Parent	
		2007	2006	2007	2006
		\$	\$	\$	\$
<b>CURRENT</b>					
Secured liabilities					
Bank overdraft		-	239	-	239
		-	239	-	239

### 15 Provisions

#### (a) Analysis of Total Provisions

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
Current	1,080,936	939,918	1,080,936	939,918
Non-current	334,810	334,810	334,810	334,810
	<b>1,415,746</b>	<b>1,274,728</b>	<b>1,415,746</b>	<b>1,274,728</b>



# Electrical Trades Union of Australia - Southern States Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2007

### 15 Provisions continued

#### (b) Movement in carrying amounts

##### Parent

	Employee entitlements	Total
	\$	\$
Opening balance at 1 January 2007	1,274,728	1,274,728
Additional provisions	750,030	750,030
Unused amounts reversed	(609,012)	(609,012)
<b>Balance at 31 December 2007</b>	<b>1,415,746</b>	<b>1,415,746</b>

##### Consolidated

	Employee entitlements	Total
	\$	\$
Opening balance at 1 January 2007	1,274,728	1,274,728
Additional provisions	750,030	750,030
Unused amounts reversed	(609,012)	(609,012)
<b>Balance at 31 December 2007</b>	<b>1,415,746</b>	<b>1,415,746</b>

### 16 Other Liabilities

#### Current

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>CURRENT</b>				
Members Contribution in Advance	1,447,695	1,344,071	1,447,695	1,344,071
American Express	-	39,098	-	39,098
Accrued Expenses	992,181	728,488	992,181	728,488
<b>Total</b>	<b>2,439,876</b>	<b>2,111,657</b>	<b>2,439,876</b>	<b>2,111,657</b>

### 17 Reserves

#### (a) Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non-current assets.

# Electrical Trades Union of Australia - Southern States Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2007

### 17 Reserves continued

#### (b) General Reserve

The general reserve records funds set aside for future expansion of the economic entity.

### 18 Cash Flow Information

#### (a) Reconciliation of Cash Flow from Operations with Surplus after Income Tax

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
Net income/loss for the period	3,244,653	2,397,623	3,028,599	2,446,736
Cash flows excluded from surplus attributable to operating activities				
Non-cash flows in surplus				
Depreciation	570,770	421,466	374,490	394,341
Net gain on disposal of property, plant and equipment	56,700	-	56,700	-
Net gain/(loss) on disposal of investments	-	(826,261)	-	(253,544)
Unpaid trust distributions	-	-	-	(546,654)
changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries				
(Increase)/decrease in trade and term receivables	215,712	578,478	215,712	(282,555)
(Increase)/decrease in other current assets	(45,188)	694,628	(42,461)	672,539
(Increase)/decrease in inventories	105,143	(394,602)	105,143	(394,602)
Increase/(decrease) in trade payables and accruals	496,250	301,058	521,860	321,504
Increase/(decrease) in provisions	141,018	289,327	141,018	289,327
	<u>4,785,058</u>	<u>3,461,717</u>	<u>4,401,061</u>	<u>2,647,092</u>

# Electrical Trades Union of Australia - Southern States Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2007

### 19 Key Management Personnel Compensation

#### (a) Compensation Practices

The committee's policy for determining the nature and amount of compensation for key management for the economic entity is as follows:

The compensation structure for key management personnel is governed by registered rules of the Electrical Division of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia. This information is publicly available from other sources.

#### (b) Key Management Personnel

Names and positions held of key management personnel in office at any time during the financial year are:

Key Management Person	Position
Dean Mighell	State Secretary
Eric O'Neill	Treasurer
John Doran	President
Garry Laycock	Branch Executive
Garry Carruthers	Branch Executive
Graeme Watson	Branch Executive
Paul Swann	Branch Executive
Howard Worthing	Assistant Branch Secretary
Kevin Harkins	Assistant Branch Secretary
Alex McCallum	Business Director

# Electrical Trades Union of Australia - Southern States Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2007

### 20 Change in Accounting Policy

#### (a) Accounting Standards Issued/Amended

The following Australian Accounting Standards issued or amended and are applicable to the association but not yet effective and have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	Standard Affected	Outline of Amendment	Application Date of Standard	Application Date for the Entity
AASB 2005-10:	AASB 1: First-time Adoption of AIFRS	The disclosure requirements of AASB	1 January 2007	1 July 2007
Amendments to Australian Accounting Standards	AASB 4: Insurance Contracts AASB 101: Presentation of Financial Statements AASB 114: Segment Reporting AASB 117: Leases AASB 133: Earnings Per Share AASB 139: Financial Instruments: Recognition and Measurement AASB 1023: General Insurance Contracts AASB 1038: Life Insurance Contracts	132: Financial Instruments: Disclosure and Presentation have been replaced due to the issuing of AASB 7: Financial Instruments: Disclosures in August 2005. These amendments will involve changes to financial instrument disclosures within the financial report. However, there will be no direct impact on amounts included in the financial report as it is a disclosure standard.		
AASB 7: Financial Instruments: Disclosures	AASB 132: Financial Instruments: Presentation	As above	1 January 2007	1 July 2007
AASB 2007-4: Amendments to Australian Accounting Standards arising from ED 151 and other amendments	AASB 1: First-time Adoption of AIFRS AASB 2: Share-based Payment AASB 3: Business Combinations AASB4: Insurance Contracts AASB 5: Non-current Assets Held for Sale and Discontinued Operations	Australian Additions to, and Deletions from IFRSs	1 July 2007	1 July 2007

# Electrical Trades Union of Australia - Southern States Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2007

### 20 Change in Accounting Policy continued

#### (a) Accounting Standards Issued/Amended continued

AASB Amendment	Standard Affected	Outline of Amendment	Application Date of Standard	Application Date for the Entity
	AASB 6: Exploration for and Evaluation of Mineral Resources			
	AASB 7: Financial Instruments: Disclosures			
	AASB 102: Inventories			
	AASB 107: Cash Flow Statements			
	AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors			
	AASB 110: Events after the Balance Sheet Date			
	AASB 112: Income Taxes			
	AASB 114: Segment Reporting			
	AASB 116: Property, Plant and Equipment			
	AASB 117: Leases			
	AASB 118: Revenue			
	AASB 119: Employee Benefits			
	AASB 120: Accounting for Government Grants and Disclosure of Government Assistance			
	AASB 121: The Effects of Changes in Foreign Exchange Rates			
	AASB 127: Consolidated and Separate Financial Statements			
	AASB 128: Investments in Associates			
	AASB 129: Financial Reporting in Hyperinflationary Economies			

# Electrical Trades Union of Australia - Southern States Branch

Notes to the Financial Statements

For the Year Ended 31 December 2007

## 20 Change in Accounting Policy continued

### (a) Accounting Standards Issued/Amended continued

AASB Amendment	Standard Affected	Outline of Amendment	Application Date of Standard	Application Date for the Entity
	AASB 130: Disclosures in the Financial Statements of Banks and Similar Financial Institutions			
	AASB 131: Interests in Joint Ventures			
	AASB 132: Financial Instruments: Presentation			
	AASB 133: Earnings Per Share			
	AASB 134: Interim Financial Reporting			
	AASB 136: Impairment of Assets			
	AASB 137: Provisions, Contingent Liabilities and Contingent Assets			
	AASB 138: Intangible Assets			
	AASB 139: Financial Instruments: Recognition and Measurement			
	AASB 141: Agriculture			
	AASB 1023: General Insurance Contracts			
	AASB 1038: Life Insurance Contracts			

# Electrical Trades Union of Australia - Southern States Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2007

### 20 Change in Accounting Policy continued

#### (b) Accounting Standards Issued but not Applicable

All other pending Standards issued between the previous financial report and the current reporting dates have no application to the association.

#### AASB

Amendment	AASB Standard Affected
2004-3	AASB 1: First-time Adoption of AIFRS AASB 101: Presentation of Financial Statements AASB 124: Related Party Disclosures
2005-1	AASB 139: Financial Instruments: Recognition and Measurement
2005-2	AASB 1023: General Insurance Contracts
2005-4	AASB 139: Financial Instruments: Recognition and Measurement AASB 132: Financial Instruments: Disclosure and Presentation
2005-9	AASB 4: Insurance Contracts AASB 1023: General Insurance Contracts AASB 139: Financial Instruments: Recognition and Measurement AASB 132: Financial Instruments: Disclosure and Presentation
2006-1	AASB 121: The Effects of Changes in Foreign Exchange Rates
New Standard	AASB 119: Employee Benefits: December 2004

### 21 Other Disclosures

#### Workplace Relations Act 1996

##### Section 272

In accordance with the requirements of the *Workplace Relations Act 1996*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Registrar:

- (1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

# Electrical Trades Union of Australia - Southern States Branch

Notes to the Financial Statements

For the Year Ended 31 December 2007

## 22 Union Details

### Registered office

The registered office of the company is:

Electrical Trades Union of Australia - Southern States Branch  
200 Arden Street  
NORTH MELBOURNE, VIC 3051





**Australian Government**  
**Australian Industrial Registry**

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

**Ref: FR2007/581-[128V-VIC]**

Mr Dean Mighell  
Branch Secretary  
CEPU - Electrical, Energy and Services Division -  
Southern States Divisional Branch  
Level 1, 200 Arden Street  
North Melbourne VIC 3051

Dear Mr Mighell

**Financial Return - year ending 31 December, 2007**

Our records show the organisation's financial year ended recently. This letter outlines some of the things you must do to meet your financial reporting obligations and when you have to do them. For simplicity, we will call the documents you have to lodge with us your *financial return*.

This letter is intended as guide to the law applicable on the date of this letter, and should not be used as a substitute for legal or accounting advice. We only summarise some of the reporting requirements in this letter. More detailed information is at the end of this letter.

**Information on AIRC Website**

We recommend you and your accountant/auditor also refer to the following documents on the Commission's website at [www.airc.gov.au](http://www.airc.gov.au):

- [RAO Schedule](#)
- [RAO Regulations](#)
- [Registrar's Reporting Guidelines](#) - All GPFR's must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- [RAO Fact Sheets](#) - These Fact Sheets explain the requirements of the RAO Schedule - many of them deal with financial reporting matters.

**Reporting Unit**

Under the provisions of the Registration and Accountability of Organisations Schedule (RAO), Schedule 1 of the *Workplace Relations Act 1996*, reporting entities are known as "*reporting units*". Where an organisation is **not** divided into branches the reporting unit is the whole of the organisation. Where an organisation **is** divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will use the term "reporting unit" in this letter.

## Industrial Registrar's Guidelines

The Industrial Registrar's reporting guidelines set out certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the Workplace Relations Act.

The disclosure requirements prescribed by the reporting guidelines are directed towards providing members of the reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the financial report about the reporting unit's economic support of, or economic dependency on, other reporting units of the organisation.

### Timeline Planner and Checklist

We have attached a Timeline/Planner (*Attachment A*) to help you **plan** your financial return and carry out all the necessary steps. We have also attached a Document Checklist (*Attachment B*) to **check** your documents before lodging them in the Registry. Both documents are abbreviated summaries of the relevant provisions of the RAO Schedule, RAO Regulations and the Industrial Registrar's Reporting Guidelines.

In the following section we describe some of the documents your reporting unit must prepare and the sequence of their preparation and completion.

### Three Reports

Your reporting unit must prepare two reports as soon as practicable after its financial year, which, together with the Auditor's Report, comprise the reporting unit's financial return.

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar's Reporting Guidelines. The GPFR consists of:

(a) Financial Statements containing:

- a profit and loss statement, or other operating statement; and
- a balance sheet; and
- a statement of cash flows; and
- any other statements required by the Australian Accounting Standards; and

(b) Notes to the Financial Statements containing:

- notes required by the Australian Accounting Standards; and
- information required by the Industrial Registrar's *Reporting Guidelines* under section 255 including disclosures related to any recovery of wages activity; and

(c) Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C) including declarations related to the recovery of wages activity.

2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

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Your reporting unit must appoint an auditor to audit the GPFR and to provide:

3. an Auditor's Report.

### First Meeting (Committee of Management)

For simplicity, we will call the meeting at which the committee of management first considers the GPFR the first meeting. At the first meeting your committee, if satisfied that all is in order, will resolve to express its opinion on the GPFR and complete a Committee of Management Statement.

### **The Auditor**

After the first meeting, the auditor takes the GPFR and the Committee of Management Statement and prepares a report on the GPFR. In practice, your auditor may have already completed most of his or her examination of your accounts. The auditor may only be waiting on the Committee to pass the required resolution and make the Statement before signing the report the same day.

### **Informing Your Members**

Your reporting unit must provide free of charge to the general membership, copies of the GPFR, the Operating Report and the Auditor's Report. RAO calls these the "full report". Under certain circumstances, your reporting unit can provide a more limited *concise report*.

The reporting unit can meet its obligation to provide copies of the full or concise report to members by publishing the report in a journal that is available to the members free of charge.

A reporting unit may meet this obligation in whole or in part by publication of the report in a journal published on a web site on the Internet dependent on:

- a. the extent of the accessibility of the members of the reporting unit to the Internet; and
- b. that the members are notified by the reporting unit in the usual manner in which it communicates with its members that the report has been so published at a specified Internet address.

The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the organisation for the presentation of its financial reports.

### **The Second Meeting - if it is a General Meeting of Members**

After providing the full report to members it must be presented to a general meeting of members. For simplicity this is referred to as the *second meeting*.

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval is to enable the members to have time to consider the report and, if they wish, to attend the second meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

### **The Second Meeting - if it is a Committee of Management Meeting**

If the rules of your organisation contain a provision that allows up to 5% of members to demand a general meeting to be held consider the report (see s266(3)), it is permissible to present the report directly to a Committee of Management meeting.

### **Lodge full report within 14 days of meeting**

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at [www.airc.gov.au](http://www.airc.gov.au)).

The Secretary (or another officer appropriately authorised under the rules of the organisation) must *certify* that the full report is a copy of the one provided to members and presented to the second meeting and provide the date of the meeting (a sample certification for illustrative purposes is at *Attachment D*).

When we receive your return we will check that it includes the information you must provide your members and that you have provided it to them correctly.

### **Complying with time limits**

This letter has outlined some of the steps in preparing and lodging your return. Many of the steps must be completed within fixed time limits.

Failure to complete them in time could make your reporting unit or its officers liable to financial or "civil penalties".

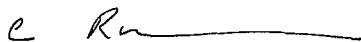
### **Extensions of Time**

We appreciate that sometimes circumstances beyond your reporting unit's control may delay completion of a financial return. If you believe your reporting unit is going to be unable to meet a time limit tell us as soon as you know. We can advise you if the step is one for which you may apply under RAO to the Industrial Registrar for extra time to complete. The maximum extra time allowed can be no more than one month.

### **Contact the Registry**

We encourage you to contact the Registry on (02) 8374 6618 or by e-mail at [belinda.penna@air.gov.au](mailto:belinda.penna@air.gov.au) as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedures but we cannot give you legal or accounting advice.

Yours sincerely



For Deputy Industrial Registrar...  
21 January 2008



**Documents Checklist**

You can use this checklist as soon as possible after the financial year ends to ensure you have all the necessary documents prepared and that those documents contain all information required by RAO.

You can also use this checklist to ensure all documents in your financial return are complete before lodging them in the Registry.

No	Document	✓
<b>1</b>	<b>General Purpose Financial Report</b>	
	Does the report contain a Profit and Loss Statement?	
	Does the report contain a Balance Sheet?	
	Does the report contain a Statement of Cash Flows?	
	Does the report contain notes to the financial statements as required by AAS and the reporting guidelines?	
	Does the report contain all other information required by the reporting guidelines?	
<b>2</b>	<b>Committee of Management Statement</b>	
	Is the statement signed by the officer responsible for undertaking functions necessary to enable the reporting unit to comply with RAO?	
	Is the statement dated?	
	Is the statement in accordance with a resolution of the committee?	
	Does the statement specify the date of the resolution?	
	Does the statement contain declarations required by the reporting guidelines?	
	Does the statement contain declarations relating to any recovery of wages activity?	
<b>3</b>	<b>Auditor's Report</b>	
	Is the Report dated and signed by the auditor?	
	Is the name of the auditor clear?	
	Are the qualifications of the auditor on the report?	
	Has the auditor expressed an opinion on all matters required?	
<b>4</b>	<b>Operating Report</b>	
	Is the report signed and dated?	
	Does the report provide the number of members?	
	Does the report provide the number of employees?	
	Does the report contain a review of principal activities?	
	Does the report give details of significant changes?	
	Does the report give details of right of members to resign?	
	Does the report give details of superannuation trustees?	
	Does the report give details of membership of the committee of management?	
<b>5</b>	<b>Concise report*</b>	
<b>6</b>	<b>Certificate of Secretary or other Authorised Officer</b>	
	Is the certificate signed and dated?	
	Is the signatory the secretary or another officer authorised to sign the certificate?	
	Is the date that the report was provided to members stated?	
	Is the date of the Second Meeting at which the report was presented stated?	
	Does the certificate state that the documents are copies of those provided to members?	
	Does the certificate state that the documents are copies of those presented to the Second Meeting?	

\* This is an optional way of providing documents to members (see RAO s265(3) and RAO Reg. 161).

**Committee Of Management Statement**

On \_\_\_\_/\_\_\_\_/\_\_\_\_ [date of meeting] the Committee of Management of \_\_\_\_\_ [name of reporting unit] passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended \_\_\_\_/\_\_\_\_/\_\_\_\_ [date]:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply\* with the Australian Accounting Standards;
- (b) the financial statements and notes comply\* with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view\* of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds\* to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held\* in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been\* managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been\* kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
  - #(iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been\* kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - #(v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been\* furnished to the member or Registrar; and
  - #(vi) there has been\* compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

*[Add the following if any recovery of wages activity has been undertaken during the financial year]*

- (f) in relation to recovery of wages activity:
  - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
  - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
  - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
  - (iv) that prior to engaging in any recovery of wages activity, the organization has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and

- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

For Committee of Management: \_\_\_\_\_ [name of designated officer per section 243 of the RAO Schedule]

Title of Office held:

Signature:

Date:

\* Where compliance or full compliance has not been attained - set out details of non compliance instead.

# Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by the Commission under section 273 of the RAO Schedule during the period."



**Certificate of Secretary or other Authorised Officer<sup>1</sup>**

s268 of Schedule 1B *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]<sup>2</sup>*, referred to in s268 of the RAO Schedule; and
- that the *[full report OR concise report]<sup>3</sup>*, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members OR the last of a series of general meetings of members OR a meeting of the committee of management]<sup>3</sup>* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

<sup>1</sup>*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

<sup>2</sup>*Only applicable where a concise report is provided to members*

<sup>3</sup>*Insert whichever is applicable*