



# Fair Work Australia

Mr Dean Mighell  
Secretary, Victorian (formerly Southern States) Electrical Divisional Branch  
CEPU  
PO Box 432  
NORTH MELBOURNE VIC 3051



Dear Mr Mighell

**Re: Lodgement of Financial Statements and Accounts – CEPU Electrical Division, Victorian (formerly Southern States) Branch – for year ending 31 December 2008 (FR2008/634)**

I refer to the abovementioned financial statements and accounts which were lodged in the Australian Industrial Registry on 10 July 2009.

I note that the financial statements represent the financial affairs of the former Southern States Branch up to the reconstitution of separate Victorian and Tasmanian Branches effective 1 November 2008, and of the Victorian Branch from that date until 31 December 2008.

I draw your attention to a matter of presentation which I would ask you to bring to the attention of your auditor when preparing future reports.

Note 5(b) on page 21 simply states that *“Legal expenses are incurred by the union both in pursuing industrial action and in other activities associated with the operations of the union.”*

This may fall short of the standard of disclosure required. I refer you to the Financial Reporting Guidelines, No 14 which provides:

*Total amounts for the following items must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the balance sheet in accordance with Australian Accounting Standards:*

*(Liabilities)*

*(b) payables in respect of legal costs and other expenses related to litigation or other legal matters;*

Accordingly, if a balance for this category is actually expended in a relevant financial period it must be disclosed.

The legislative requirements appear to have otherwise been met and the documents have been filed.

Yours sincerely,

Stephen Kellett  
Statutory Services Branch

22 July 2009



# Electrical Trades Union of Australia - Victorian Branch (Formally Electrical Trades Union of Australia - Southern States Branch)

**Consolidated Financial Statements**

For the Year Ended 31 December 2008

FR 2008/  
634

# Electrical Trades Union of Australia - Victorian Branch

For the Year Ended 31 December 2008



## CONTENTS

	<u>Page</u>
<b>Consolidated Financial Statements</b>	
Operating Report	1
Statement by the Committee of Management	5
Certificate of Secretary	6
Independent Audit Report	7
Statement of Financial Performance	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Cash Flow Statement	13
Notes to the Financial Statements	14

# Electrical Trades Union of Australia - Victorian Branch

## Operating Report

For the Year Ended 31 December 2008

Your committee presents its report on the union and its controlled entities for the financial year ended 31 December 2008

### 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:

	Appointment / Resignation Date
Dean Mighell	
Eric O'Neill	Resigned on 28/08/2008
John Doran	
Garry Laycock	Resigned on 14/11/2008
Garry Carruthers	
Graeme Watson	
Paul Swann	Appointed on 28/08/2008
Kevin Harkins	Resigned on 14/11/2008
Danny Hayes	Appointed on 28/08/2008
Nicole Wells	Resigned on 14/11/2008
Mark Farrell	Appointed on 28/08/2008

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 - Victorian Branch at the end of the financial year:

Dean Mighell

#### c Principal Activities of the Victorian 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;

# Electrical Trades Union of Australia - Victorian Branch

## Operating Report

For the Year Ended 31 December 2008

### 1. General information continued

#### c Principal Activities of the Victorian Branch continued

- 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;
- 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.

#### e Trustee or director of trustee company of superannuation entity or exempt public sector superannuation scheme s254(2)(d)

No officers of the branch held positions of Trustee or director of trustee company of superannuation entity or exempt public sector superannuation scheme.

### 2. Business review

#### a Operating Results

The consolidated surplus of the economic entity amounted to \$ 2,404,475

#### 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 17,644 total members of the union at 31 December 2008 (2007: 16,901); and
- As at 31 December 2008 the Electrical Trades Union of Australia - Victorian Branch employed 44 full time employees.

# Electrical Trades Union of Australia - Victorian Branch

## Operating Report

For the Year Ended 31 December 2008

### 3. Other items

#### a Significant Changes in State of Affairs

The following significant changes in the state of affairs of the parent entity occurred during the financial year:

The ETU Tasmanian Branch has been re-established on 1 November 2008. The re-establishment has been ratified by the CEPU Divisional Executive on 14 November 2008, subject to the following:

- Upon receipt by the Divisional Secretary of \$202,564.01 from ETU Victorian Branch:
  - The ETU Victorian Branch is, as of 1 November 2008, not responsible for any costs, expenses, entitlements and/or liabilities, both present and future, in respect of the CEPU's operations in Tasmania, including, but not limited to, wages, leave and/or accrued entitlements, of officials and employees of the CEPU in Tasmania;
  - The Electrical Divisional Executive is, as of 1 November 2008, solely responsible for any costs, expenses, entitlements and/or liabilities, both present and future, in respect of the CEPU's operations in Tasmania, including, but not limited to, wages, leave and/or accrued entitlements, of officials and employees of the CEPU in Tasmania;
- The \$100,000.00 loan that has been provided to the Tasmanian Branch by the ETU Victorian Branch as per the resolution of the Divisional Council on 13 August 2008.
- The amount of \$200,000 has been contributed by the ETU Victorian Branch for the establishment of the Tasmanian Branch as per the resolution of the ETU Victorian Branch executive meeting on 26 June 2008.

#### b After balance day events

There have been discussions regarding the establishment of Electrical Telecommunications and Renewable Energy Contractors ("ETREC"). The draft constitution and the draft agreement between ETREC and ETU was approved. ETREC was not yet established as at reporting date.

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 2008 has been received and can be found on page 7.

# Electrical Trades Union of Australia - Victorian Branch

## Operating Report

For the Year Ended 31 December 2008

### 3. Other Items continued

#### 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 25<sup>th</sup> day of JUNE 2009

# Electrical Trades Union of Australia - Victorian Branch

## Statement by Committee of Management

On the 25<sup>th</sup> / 6 / 2009 the Executive Committee of the Electrical Trades Union Of Australia – Victorian Branch, passed the following resolution in relation to the general purpose financial report for the year ended 31 December, 2008.

The Electrical Trades Union of Australia - Victorian 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 – Victorian Branch for the financial year ended 31 December, 2008
- (d) There are reasonable grounds to believe that the Electrical Trades Union of Australia – Victorian 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, 2008 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 – Victorian Branch ;
  - ii) The financial affairs of the Electrical Trades Union of Australia – Victorian Branch have been managed in accordance with the rules of the Electrical Trades Union of Australia – Victorian Branch;
  - iii) The financial records of the Electrical Trades Union of Australia – Victorian 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 – Victorian 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 Mighell

Dated this 25<sup>th</sup> day of June 2009



# Electrical Trades Union of Australia - Victorian Branch

Statement by Committee of Management

## Electrical Trades Union of Australia - Victorian Branch


Certificate of Secretary

For the Year Ended 31 December 2008

I, Dean Mighell, being the State Secretary of the Electrical Trades Union of Australia - Victorian 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 25 June 2009; and  
a meeting of the
- (c) The full report was presented to Committee of Management of the reporting unit on 25 June 2009  
in accordance with Section 266 of the RAO Schedule.

Branch Secretary: .....

  
Dean Mighell

Dated: 25 June 2009

**LDB Audit Services Pty Ltd**  
ABN 59 123 774 569 ACN:123 774 569

1-3 Albert Street, Blackburn VIC 3130  
PO Box 550, Blackburn VIC 3130

Telephone 03 9875 2900  
Facsimile 03 9875 2999

www.ldb.com.au



**AUDIT SERVICES**

## **Electrical Trades Union of Australia - Victorian Branch**

**Independent Audit Report to the members of Electrical Trades Union of Australia - Victorian Branch**

### **Report on the Financial Report**

We have audited the accompanying financial report of Electrical Trades Union of Australia - Victorian Branch, which comprises the statement of financial position as at 31 December 2008, and the statement of financial performance, 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 Electrical Trades Union of Australia - Victorian Branch and the entities it controlled at the year's end or from time to time during the financial year.

### **Committee's Responsibility for the Financial Report**

The union's committee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the union's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**LDB Audit Services Pty Ltd**

ABN 59 123 774 569 ACN:123 774 569

1-3 Albert Street, Blackburn VIC 3130  
PO Box 550, Blackburn VIC 3130

Telephone 03 9875 2900

Facsimile 03 9875 2999

www.ldb.com.au



**AUDIT SERVICES**

## **Electrical Trades Union of Australia - Victorian Branch**

**Independent Audit Report to the members of Electrical Trades Union of Australia - Victorian Branch**

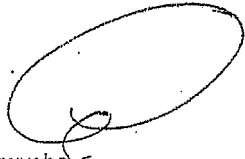
### **Independence**

In conducting our review, we have complied with the independence requirements of the Workplace Relations Act 1996. We confirm that the independence declaration required by the Workplace Relations Act 1996, provided to the committee of Electrical Trades Union of Australia - Victorian Branch, would be in the same terms if provided to the committee as at the date of this auditor's report.

### **Auditor's Opinion**

In our opinion the financial report of Electrical Trades Union of Australia - Victorian Branch is in accordance with the Workplace Relations Act 1996, including:

- (a) giving a true and fair view of the union's financial position as at 31 December 2008 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Act and other mandatory professional reporting requirements.

  
Craig Lutwyche  
Director

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

Dated this 25 day of June 2009

Liability limited by a scheme approved under Professional Standards Legislation

Directors  
T J A DICKSON, ACA  
C LUTWYCHE, CPA

# Electrical Trades Union of Australia - Victorian Branch

## Statement of Financial Performance

For the Year Ended 31 December 2008

	Note	Consolidated		Parent	
		2008	2007	2008	2007
		\$	\$	\$	\$
Revenue	2	11,465,508	8,949,892	11,464,070	8,943,907
Other income	3	2,746,042	6,434,884	2,736,020	6,227,823
Cost of sales and member services		(1,036,770)	(1,050,955)	(1,036,770)	(1,050,955)
Employee benefits expense		(5,221,505)	(5,198,040)	(5,221,505)	(5,198,040)
Depreciation, amortisation and impairments		(968,114)	(570,769)	(976,652)	(374,490)
Other expenses	5	(4,580,686)	(5,320,357)	(5,858,314)	(5,519,646)
<b>Surplus attributable to members</b>		<b>2,404,475</b>	<b>3,244,655</b>	<b>1,106,849</b>	<b>3,028,599</b>

# Electrical Trades Union of Australia - Victorian Branch

## Statement of Financial Position

As At 31 December 2008

	Note	Consolidated		Parent	
		2008 \$	2007 \$	2008 \$	2007 \$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	15,338,056	15,497,477	5,777,339	9,890,656
Trade and other receivables	7(a)	1,015,818	611,972	1,006,169	653,734
Inventories	8	317,876	323,548	317,876	323,548
Other current assets	9	101,528	115,161	100,259	112,434
<b>Total current assets</b>		<b>16,773,278</b>	<b>16,548,158</b>	<b>7,201,643</b>	<b>10,980,372</b>
<b>Non-current assets</b>					
Trade and other receivables	7(b)	518,697	424,745	519,218	424,783
Financial assets	10	5,277,159	3,551,555	2,508,942	618,630
Property, plant and equipment	12	18,778,979	19,914,596	17,518,554	18,720,474
<b>Total non-current assets</b>		<b>24,574,835</b>	<b>23,890,896</b>	<b>20,546,714</b>	<b>19,763,887</b>
<b>TOTAL ASSETS</b>		<b>41,348,113</b>	<b>40,439,054</b>	<b>27,748,357</b>	<b>30,744,259</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	13	616,307	1,191,033	767,261	3,993,639
Short-term provisions	14	1,475,145	1,080,936	1,475,145	1,080,936
Other current liabilities	15	2,055,852	2,439,876	2,055,852	2,439,876
<b>Total current liabilities</b>		<b>4,147,304</b>	<b>4,711,845</b>	<b>4,298,258</b>	<b>7,514,451</b>
<b>Non-current liabilities</b>					
Other long-term provisions	14	73,148	334,810	73,148	334,810
<b>Total non-current liabilities</b>		<b>73,148</b>	<b>334,810</b>	<b>73,148</b>	<b>334,810</b>
<b>TOTAL LIABILITIES</b>		<b>4,220,452</b>	<b>5,046,655</b>	<b>4,371,406</b>	<b>7,849,261</b>
<b>NET ASSETS</b>		<b>37,127,661</b>	<b>35,392,399</b>	<b>23,376,951</b>	<b>22,894,998</b>
<b>EQUITY</b>					
Reserves	16	7,369,550	7,881,172	7,243,848	7,803,848
Accumulated Surplus		29,758,111	27,511,227	16,133,103	15,091,150
<b>TOTAL EQUITY</b>		<b>37,127,661</b>	<b>35,392,399</b>	<b>23,376,951</b>	<b>22,894,998</b>

# Electrical Trades Union of Australia - Victorian Branch

## Statement of Changes in Equity

For the Year Ended 31 December 2008

2008	Accumulated Surplus \$	Parent Asset Revaluation Reserve \$	Total \$
Balance at 1 January 2008	15,091,150	7,803,848	22,894,998
Surplus attributable to members	1,106,849	-	1,106,849
Transfers to and from reserves			
Adjustments on Separation of Tasmania Branch	(64,896)	(560,000)	(624,896)
<b>Sub-total</b>	<b>1,041,953</b>	<b>(560,000)</b>	<b>481,953</b>
<b>Balance at 31 December 2008</b>	<b>16,133,103</b>	<b>7,243,848</b>	<b>23,376,951</b>

2007	Accumulated Surplus \$	Parent Asset Revaluation Reserve \$	Total \$
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>

# Electrical Trades Union of Australia - Victorian Branch

## Statement of Changes in Equity

For the Year Ended 31 December 2008

2008	Consolidated		
	Accumulated Surplus	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2008	27,511,227	7,881,172	35,392,399
Surplus attributable to members	2,404,475	-	2,404,475
Revaluation increment (decrement)	-	48,378	48,378
Transfers to and from reserves			
Adjustments on Separation of Tasmania Branch	(64,896)	(560,000)	(624,896)
Distribution of trust corpus	(92,695)	-	(92,695)
<b>Sub-total</b>	<b>2,246,884</b>	<b>(511,622)</b>	<b>1,735,262</b>
<b>Balance at 31 December 2008</b>	<b>29,758,111</b>	<b>7,369,550</b>	<b>37,127,661</b>

2007	Consolidated		
	Accumulated Surplus	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>

# Electrical Trades Union of Australia - Victorian Branch

## Cash Flow Statement

For the Year Ended 31 December 2008

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>Cash from operating activities:</b>				
Receipts from customers	11,887,271	15,662,015	11,556,202	15,656,031
Payments to suppliers and employees	(11,131,253)	(11,758,389)	(11,047,105)	(11,712,613)
Dividends received	3,978	11,934	3,978	11,934
Interest received	1,256,540	870,001	623,014	446,212
Finance costs	-	(503)	-	(503)
<b>Net cash provided by (used in) operating activities</b>	<b>2,016,536</b>	<b>4,785,058</b>	<b>1,136,089</b>	<b>4,401,061</b>
<b>Cash flows from investing activities:</b>				
Proceeds from sale of plant and equipment	155,865	318	155,865	318
Proceeds from investment matured	2,000,000	-	-	-
Acquisition of property, plant and equipment	(637,489)	(2,833,783)	(628,102)	(2,466,803)
Acquisition of other investments	(3,500,000)	(2,000,000)	(2,000,000)	-
Loans to related parties - payments made	(91,670)	(27,079)	(187,351)	(118,555)
<b>Net cash provided by (used in) investing activities</b>	<b>(2,073,294)</b>	<b>(4,860,544)</b>	<b>(2,659,588)</b>	<b>(2,585,040)</b>
<b>Cash flows from financing activities:</b>				
Proceeds from borrowings	-	-	-	6,800,000
Repayment of borrowings	-	-	(2,579,850)	(3,991,713)
Beneficiary payments	(92,695)	(119,576)	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>(92,695)</b>	<b>(119,576)</b>	<b>(2,579,850)</b>	<b>2,808,287</b>
<b>Net increase (decreases) in cash held</b>	<b>(149,453)</b>	<b>(195,062)</b>	<b>(4,103,349)</b>	<b>4,624,308</b>
Cash at beginning of financial year	15,497,477	15,692,539	9,890,656	5,266,348
Cash transfer out due to the separation of Tasmania Branch	(9,968)	-	(9,968)	-
<b>Cash at end of financial year</b>	<b>15,338,056</b>	<b>15,497,477</b>	<b>5,777,339</b>	<b>9,890,656</b>



# Electrical Trades Union of Australia - Victorian Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2008

### 1 Accounting policies

#### (a) General information

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 - Victorian Branch and controlled entities, and Electrical Trades Union of Australia - Victorian Branch as an individual parent entity. Electrical Trades Union of Australia - Victorian Branch is a registered trade union domiciled in Australia.

The financial report of Electrical Trades Union of Australia - Victorian Branch and controlled entities, and Electrical Trades Union of Australia - Victorian 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

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

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

##### i 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.

##### ii Inter-entity balances

All inter-entity 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.

# Electrical Trades Union of Australia - Victorian Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2008

### 1 Accounting policies continued

#### (d) Principles of Consolidation continued

##### iii Principles of Consolidation

A controlled entity is an entity that Electrical Trades Union of Australia - Victorian 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

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

#### (f) Inventories

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.

##### iii Plant and Equipment - measurement

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

##### iv 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 statement of financial performance. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of financial performance and depreciation based on the assets original cost is transferred from the revaluation reserve to retained earnings.

# Electrical Trades Union of Australia - Victorian Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2008

### 1 Accounting policies continued

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

##### v Depreciation

The depreciable amount of buildings is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the building is held ready for use. All other fixed assets excluding freehold land, are depreciated on a diminishing value 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 statement of financial position date.

#### (h) 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 statement of financial performance as other income.

#### (i) 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.

# Electrical Trades Union of Australia - Victorian Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2008

### 1 Accounting policies continued

#### (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 statement of financial performance 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.

##### 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.

# Electrical Trades Union of Australia - Victorian Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2008

### 1 Accounting policies continued

#### (j) Financial Instruments continued

##### 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 statement of financial performance.

#### (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 statement of financial performance.

##### 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

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

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.

#### (n) 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 statement of financial position.

# Electrical Trades Union of Australia - Victorian Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2008

### 1 Accounting policies continued

#### (o) Revenue

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)

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 statement of financial position 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.

### 2 Revenue

#### Operating activities

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
Operating activities				
- Donations	1,686	45,794	248	39,810
- Management fees	3,367,119	1,274,671	3,367,119	1,274,671
- Member subscriptions	7,233,412	6,839,471	7,233,412	6,839,471
- Other revenue	7,701	26,929	7,701	26,929
- Rental revenue for property investment	801,902	727,095	801,902	727,095
- Sale of goods	53,687	35,932	53,687	35,932
<b>Total Revenue</b>	<b>11,465,507</b>	<b>8,949,892</b>	<b>11,464,069</b>	<b>8,943,908</b>

# Electrical Trades Union of Australia - Victorian Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2008

### 3 Other income

#### (a) Other operating income

	Note	Consolidated		Parent	
		2008	2007	2008	2007
		\$	\$	\$	\$
Commissions		89,515	5,945	89,515	5,945
Directors fees		279,491	293,645	44,946	293,645
Dividends	3(b)	3,978	11,934	3,978	11,934
Government grants		302,991	392,753	302,991	392,753
Interest	3(c)	1,257,809	869,917	581,031	446,212
Trust Distributions		-	-	1,298,501	216,728
Movement in Net Market value		397,200	-	-	-
Profit distributions		411,892	4,860,605	411,892	4,860,605
Recoveries		2,867	-	2,867	-
Sundry		299	85	299	-
<b>Total</b>		<b>2,746,042</b>	<b>6,434,884</b>	<b>2,736,020</b>	<b>6,227,822</b>

#### (b) Dividend revenue breakup

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
Dividend revenue from:				
Professional Investment Holdings	3,978	11,934	3,978	11,934
<b>Total dividend revenue</b>	<b>3,978</b>	<b>11,934</b>	<b>3,978</b>	<b>11,934</b>

#### (c) Interest revenue breakup

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
Interest revenue from:				
bank	1,257,809	869,917	581,031	446,212
<b>Total interest revenue</b>	<b>1,257,809</b>	<b>869,917</b>	<b>581,031</b>	<b>446,212</b>

# Electrical Trades Union of Australia - Victorian Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2008

### 4 Auditors' Remuneration

#### Remuneration details

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
Remuneration of the auditor of the parent entity for:				
- Auditing or reviewing the financial report	34,180	27,500	34,180	27,500
- Other services	9,375	24,222	9,375	20,802
<b>Total</b>	<b>43,555</b>	<b>51,722</b>	<b>43,555</b>	<b>48,302</b>

### 5 Other Expenses

#### (a) Bad & Doubtful debts

A doubtful debts provision is raised by the Electrical Trades Union - Victorian 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.

### 6 Cash and cash equivalents

#### (a) Summary

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
Cash on hand	6,303	6,203	6,250	6,150
Cash at bank	5,064,739	5,956,548	109,996	349,780
Short-term bank deposits	10,267,014	9,534,726	5,661,093	9,534,726
<b>Total</b>	<b>15,338,056</b>	<b>15,497,477</b>	<b>5,777,339</b>	<b>9,890,656</b>



# Electrical Trades Union of Australia - Victorian Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2008

### 6 Cash and cash equivalents continued

#### (b) Effective Interest Rate

The effective interest rate on short-term bank deposits was 5.7% (2007: 6.7%); these deposits have an average maturity of 90 days.

#### (c) Reconciliation of Cash

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
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	15,338,056	15,497,477	5,777,339	9,890,656
	<u>15,338,056</u>	<u>15,497,477</u>	<u>5,777,339</u>	<u>9,890,656</u>

### 7 Trade and other receivables

#### (a) Current receivables

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
CURRENT				
Trade receivables	1,077,147	709,399	884,442	709,399
Provision for impairment of receivables	(259,870)	(167,556)	(259,870)	(167,556)
	<u>817,277</u>	<u>541,843</u>	<u>624,572</u>	<u>541,843</u>
Other receivables - Other	76,365	-	76,365	-
Other receivables - GST	-	39,623	-	(5,990)
Amounts receivable from:				
- wholly-owned subsidiaries	-	-	183,056	87,375
- other related parties	122,176	30,506	122,176	30,506
	<u>1,015,818</u>	<u>611,972</u>	<u>1,006,169</u>	<u>653,734</u>

# Electrical Trades Union of Australia - Victorian Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2008

### 7 Trade and other receivables continued

#### (b) Non current receivables

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
NON-CURRENT				
Related entity - unpaid trust distributions	518,524	424,571	518,524	424,571
Amounts receivable from:				
- wholly-owned subsidiaries	-	-	694	212
- holding companies	173	173	-	-
	<u>518,697</u>	<u>424,744</u>	<u>519,218</u>	<u>424,783</u>

### 8 Inventories

#### Current Inventories

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
CURRENT				
Merchandise	317,876	323,548	317,876	323,548
	<u>317,876</u>	<u>323,548</u>	<u>317,876</u>	<u>323,548</u>

### 9 Other Assets

#### Other Current Assets

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
CURRENT				
Prepayments	101,528	115,161	100,259	112,434
	<u>101,528</u>	<u>115,161</u>	<u>100,259</u>	<u>112,434</u>

# Electrical Trades Union of Australia - Victorian Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2008

### 10 Financial Assets

#### (a) Summary

	Note	Consolidated		Parent	
		2008	2007	2008	2007
		\$	\$	\$	\$
Available for sale financial assets	10(b)	2,056,423	1,159,223	226,690	226,298
Held-to-maturity financial assets	10(c)	3,220,736	2,392,332	2,282,252	392,332
		5,277,159	3,551,555	2,508,942	618,630
Less non-current portion		(5,277,159)	(3,551,555)	(2,508,942)	(618,630)
Current portion		-	-	-	-

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

	Note	Consolidated		Parent	
		2008	2007	2008	2007
		\$	\$	\$	\$
Listed investments, at fair value shares in listed corporations		1,830,600	933,400	-	-
		1,830,600	933,400	-	-
Unlisted investments, at cost					
shares in controlled entities		-	-	867	475
shares in other related parties	10(d)	72	72	72	72
units in unit trusts	10(d)	225,750	225,750	225,750	225,750
		225,822	225,822	226,689	226,297
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)
		1	1	1	1
<b>Total available-for-sale financial assets</b>		<b>2,056,423</b>	<b>1,159,223</b>	<b>226,690</b>	<b>226,298</b>

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.

# Electrical Trades Union of Australia - Victorian Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2008

### 10 Financial Assets continued

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

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
Government and fixed interest securities - non current	3,220,736	2,392,332	2,282,252	392,332
	<b>3,220,736</b>	<b>2,392,332</b>	<b>2,282,252</b>	<b>392,332</b>

#### (d) Investments in other entities

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
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 2008	Percentage Owned 2007
<b>Parent Entity:</b>			
Electrical Trades Union - Victorian 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 - Victorian Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2008

### 12 Property Plant and Equipment

#### (a) Property Plant and Equipment

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>LAND AND BUILDINGS</b>				
Buildings				
At independent valuation	14,620,000	15,320,028	13,345,000	13,905,000
Less accumulated depreciation	(246,725)	(223,405)	(229,650)	-
<b>Total buildings</b>	<b>14,373,275</b>	<b>15,096,623</b>	<b>13,115,350</b>	<b>13,905,000</b>
<b>Total land and buildings</b>	<b>14,373,275</b>	<b>15,096,623</b>	<b>13,115,350</b>	<b>13,905,000</b>
<b>PLANT AND EQUIPMENT</b>				
Furniture, fixture and fittings				
At cost	4,048,193	3,899,426	4,048,193	3,899,427
Less accumulated depreciation	(573,421)	(124,874)	(573,421)	(124,874)
<b>Total furniture, fixture and fittings</b>	<b>3,474,772</b>	<b>3,774,552</b>	<b>3,474,772</b>	<b>3,774,553</b>
Motor vehicles				
At cost	825,412	893,035	825,412	893,035
Less accumulated depreciation	(225,129)	(253,279)	(225,129)	(253,279)
<b>Total motor vehicles</b>	<b>600,283</b>	<b>639,756</b>	<b>600,283</b>	<b>639,756</b>
Office equipment				
At cost	375,788	372,312	375,788	372,312
Less accumulated depreciation	(155,052)	(106,033)	(155,052)	(106,033)
<b>Total office equipment</b>	<b>220,736</b>	<b>266,279</b>	<b>220,736</b>	<b>266,279</b>
Computer equipment				
At cost	356,943	323,297	356,943	323,297
Less accumulated depreciation	(249,530)	(188,411)	(249,530)	(188,411)
<b>Total computer equipment</b>	<b>107,413</b>	<b>134,886</b>	<b>107,413</b>	<b>134,886</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>4,405,704</b>	<b>4,817,973</b>	<b>4,403,204</b>	<b>4,815,474</b>
<b>Total property, plant and equipment</b>	<b>18,778,979</b>	<b>19,914,596</b>	<b>17,518,554</b>	<b>18,720,474</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 - Victorian Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2008

### 12 Property Plant and Equipment continued

#### (b) Movements in Carrying Amounts

Parent

	Buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Office Equipment	Computer Equipment	Other Property, Plant and Equipment	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at the beginning of year	13,905,000	3,774,553	639,756	266,279	134,886	-	18,720,474
Additions	-	148,766	408,577	22,111	48,648	-	628,102
Disposals	(560,000)	-	(273,016)	(14,960)	(5,394)	-	(853,370)
Depreciation expense	(229,650)	(448,547)	(175,034)	(52,694)	(70,727)	-	(976,652)
<b>Carrying amount at the end of year</b>	<b>13,115,350</b>	<b>3,474,772</b>	<b>600,283</b>	<b>220,736</b>	<b>107,413</b>	<b>-</b>	<b>17,518,554</b>

# Electrical Trades Union of Australia - Victorian Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2008

### 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
	\$	\$	\$	\$	\$	\$	\$
Balance at the beginning of year	15,096,623	3,774,552	639,756	266,279	134,886	2,500	19,914,596
Additions	9,386	148,767	408,577	22,111	48,648	-	637,489
Disposals	(560,000)	-	(273,016)	(14,960)	(5,394)	-	(853,370)
Depreciation expense	(221,112)	(448,547)	(175,034)	(52,694)	(70,727)	-	(968,114)
Revaluation increase recognised in equity	48,378	-	-	-	-	-	48,378
Carrying amount at the end of year	14,373,275	3,474,772	600,283	220,736	107,413	2,500	18,778,979

# Electrical Trades Union of Australia - Victorian Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2008

### 13 Trade and other payables

#### Current payables

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
CURRENT				
Trade payables	426,090	1,092,888	413,340	1,087,672
GST Payables	109,480	-	45,211	-
Other payables	80,738	98,147	80,738	98,147
Amount Payables to the associates	-	-	227,972	2,807,822
	<b>616,308</b>	<b>1,191,035</b>	<b>767,261</b>	<b>3,993,641</b>

### 14 Provisions

#### (a) Analysis of Total Provisions

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
Current	1,475,145	1,080,936	1,475,145	1,080,936
Non-current	73,148	334,810	73,148	334,810
	<b>1,548,293</b>	<b>1,415,746</b>	<b>1,548,293</b>	<b>1,415,746</b>

#### (b) Movement in carrying amounts

##### Parent

	Employee entitlements	Total
	\$	\$
Opening balance at 1 January 2008	1,415,746	1,415,746
Additional provisions	132,547	132,547
Balance at 31 December 2008	<b>1,548,293</b>	<b>1,548,293</b>

##### Consolidated

	Employee entitlements	Total
	\$	\$
Opening balance at 1 January 2008	1,415,746	1,415,746
Additional provisions	132,547	132,547
Balance at 31 December 2008	<b>1,548,293</b>	<b>1,548,293</b>



# Electrical Trades Union of Australia - Victorian Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2008

### 15 Other Liabilities

Current	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
Members Contributions in Advance	1,414,123	1,447,695	1,414,123	1,447,695
Accrued Expenses	641,729	992,181	641,729	992,181
<b>Total</b>	<b>2,055,852</b>	<b>2,439,876</b>	<b>2,055,852</b>	<b>2,439,876</b>

### 16 Reserves

#### (a) Asset Revaluation Reserve

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

### 17 Cash Flow Information

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

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
Net surplus / (deficit) for the period	2,404,475	3,244,653	1,106,848	3,028,599
Cash flows excluded from surplus attributable to operating activities				
IFRS adjustments on present value of financial instruments	(225,603)	-	110,081	-
Non-cash flows in surplus				
Depreciation	968,114	570,770	976,652	374,490
Net gain on disposal of property, plant and equipment	137,504	56,700	137,504	56,700
changes in assets and liabilities				
(Increase)/decrease in trade and term receivables	(506,278)	215,712	(314,447)	215,712
(Increase)/decrease in other current assets	13,633	(45,188)	12,175	(42,461)
(Increase)/decrease in inventories	5,672	105,143	5,672	105,143
Increase/(decrease) in trade payables and accruals	(913,528)	496,250	(1,030,943)	521,860
Increase/(decrease) in provisions	132,547	141,018	132,547	141,018
<b>Net Cash provided by (used in) operating activities</b>	<b>2,016,536</b>	<b>4,785,058</b>	<b>1,136,089</b>	<b>4,401,061</b>

# Electrical Trades Union of Australia - Victorian Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2008

### 18 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:

<b>Key Management Person</b>	<b>Position</b>
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 - Victorian Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2008

### 19 Change in Accounting Policy

The following Australian Accounting Standards issued or amended and are applicable to the entity 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 2007-3 Amendments to Australian Accounting Standards	AASB 5: Non-current Assets Held for Sale and Discontinued Operations	The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing AASB 8: Segment Reporting in February 2007. These amendments will involve changes to segment reporting disclosures. However it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report as the association does not fall within the scope of AASB 8.	1 January 2009	1 July 2009
	AASB 6: Exploration for and Evaluation of Mineral			
	AASB 102: Inventories			
	AASB 107: Cash Flow Statements			
	AASB 119: Employee Benefits			
	AASB 127: Consolidated and Separate Financial Statements			
	AASB 134: Interim Financial Reporting			
	AASB: 136: Impairment of Assets			
AASB 8: Operating Segments	AASB 1023: General Insurance Contracts	As above	1 January 2009	1 July 2009
	AASB 1038: Life Insurance Contracts			
	AASB 114: Segment Reporting			

# Electrical Trades Union of Australia - Victorian Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2008

### 19 Change in Accounting Policy continued

AASB Amendment	Standard Affected	Outline of Amendment	Application Date of Standard	Application Date for the Entity
AASB 2007-6 Amendments to Australian Accounting Standards	AASB 1: First-time Adoption of AIFRS	The revised AASB 123: Borrowing Costs issued in June 2007	1 January 2009	1 July 2009
	AASB 101: Presentation of Financial Statements	has removed the option to expense all borrowing costs directly attributable to the acquisition, construction or		
	AASB 107: Cash Flow Statements	production of a qualifying asset.		
	AASB 111: Construction Contracts	However, there will be no direct impact to the amounts included in the association as it already capitalise borrowing costs related to qualifying assets.		
	AASB 116: Property, Plant and Equipment			
AASB 138: Intangible Assets				
AASB 123: Borrowing Costs	AASB 123: Borrowing Costs	As above	1 January 2009	1 July 2009
AASB 2007-8 Amendments to Australian Accounting Standards	AASB 101: Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in recognised income and expenditure.	1 January 2009	1 July 2009
AASB 101	AASB 101: Presentation of Financial Statements	As above	1 January 2009	1 July 2009

# Electrical Trades Union of Australia - Victorian Branch

## Notes to the Financial Statements

For the Year Ended 31 December 2008

### 19 Change in Accounting Policy continued

#### (a) 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 entity.

#### AASB

#### Amendment

#### AASB Standard Affected

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 New Standard	AASB 121: The Effects of Changes in Foreign Exchange Rates AASB 119: Employee Benefits: December 2004

### 20 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 - Victorian Branch

Notes to the Financial Statements

For the Year Ended 31 December 2008

## 21 Union Details

### Registered office

The registered office of the union is:

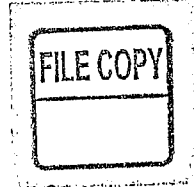
Electrical Trades Union of Australia - Victorian Branch  
200 Arden Street  
NORTH MELBOURNE, VIC 3051



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

8 January 2009

Mr Dean Mighell  
Secretary, Southern States Branch (Electrical, Energy & Services Division)  
CEPU  
PO Box 432  
NORTH MELBOURNE VIC 3051



Dear Mr Mighell

**Lodgment of Financial Statements and Accounts for year ended 31 December 2008 (FR2008/634)**  
**Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

The financial year of the Southern States Branch of the Electrical, Energy and Services Division of the CEPU has recently ended. This is a courtesy letter to remind you of the obligations imposed by the RAO Schedule regarding the preparation of financial accounts and statements.

As you are aware, the RAO Schedule sets out a particular chronological order in which financial documents and statements must be prepared, made available to members and presented to a meeting. All of these events must occur within particular timeframes that are also set out in the Schedule.

Detailed information can be found on our website at  
<http://www.airc.gov.au/registered/FR/information.htm>, including:

- Fact sheets – the following fact sheets provide information regarding financial reporting:
  - Sheet 6 – Accounting, Auditing and Reporting Obligations;
  - Sheet 7 – Information Needs of Members;
  - Sheet 8 – Financial Reporting Process and Time Limits;
  - Sheet 9 – Diagrammatic Summary of Financial Reporting Process and Time Limits; and
  - Sheet 10 – Auditors.
- Sample Documents – a sample Committee of Management Statement and Designated Officer's Certificate is available;
- RAO Schedule and RAO Regulations;
- Registrar's Reporting Guidelines – the Guidelines set out requirements that must be met *in addition to* those required by Australian Accounting Standards; and
- Document Checklist and Timeline Planner to assist with meeting timeframes.

The Registry strongly encourages you to lodge documents electronically by sending an email with the documents attached to [orgs@airc.gov.au](mailto:orgs@airc.gov.au). Alternatively, you may wish to send the documents by fax to (02) 9380 6990.

If you need any further information or assistance or if you do not believe that the documents will be lodged within the timeframes specified by the RAO Schedule please contact me on 0429 462 979 or by email at [stephen.kellett@airc.gov.au](mailto:stephen.kellett@airc.gov.au).

Yours sincerely,



Stephen Kellett  
Statutory Services Branch