

27th April 2017



Mr Chris Enright
Director – Regulatory Compliance Branch
Fair Work Commission
GPO Box 1994, Melbourne
VIC 3001

Via email: orgs@fwc.gov.au

**Electrical Trade Union of Australia
Victorian Branch**

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

President

Gary Carruthers

Secretary

Troy Gray

Assistant Secretary

Wes Hayes

Dear Mr Enright

**CEPU EE&S Division – VICTORIAN BRANCH
Operating Reports as at 31 December 2013, 2014 & 2015
– Reporting of Membership Numbers**

I refer to the above and enclose by way of lodging:

- Declaration correcting the membership figure reported in the operating reports for the reporting periods ending 31 December 2013, 2014 and 2015.

As you are aware, in response to the Fair Work Commission querying the reporting of CEPU membership figures, the CEPU instigated an independent audit of the membership figures reported in both its annual returns and annual committee of management operating reports. This audit was conducted by Stannards Accounting and overseen by retired Fair Work Commissioner, Mr Greg Harrison.

As a consequence of the independent audit, the Branch Executive in a meeting held on 27th April 2017 authorised the submission of a declaration to the FWC to correct the figures reported in the operating reports for the total members for the reporting periods ending 31 December 2013, 2014 and 2015.

These amended figures have now been published to our website for the information of members.

Please do not hesitate to contact me should you wish to discuss this matter

Yours faithfully



Troy Gray
Branch Secretary

Melbourne

Level 1
200 Arden Street
North Melbourne VIC 3051

Tel 03 8329 0000

Fax 03 8329 0066

Post PO Box 432
North Melbourne VIC 3051

Geelong

67 Gheringhap Street
Geelong VIC 3220

Tel 03 5229 3344

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Morwell

42 Buckley Street
Morwell VIC 3840

Tel 03 5134 3847

Fax 03 5133 9238

Bendigo

38 View Street
Bendigo VIC 3550

Tel 0407 925 696



**DECLARATION - CORRECTING REPORT TO CEPU
Electrical, Energy and Services Division - Victorian Branch
OPERATING REPORT**

lodged pursuant to s.268



**Electrical Trade Union of Australia
Victorian Branch**

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Electronic, Energy, Information,
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38 View Street
Bendigo VIC 3550

Tel 0407 925 696

I, Troy Gray, of Level 1, 200 Arden St, North Melbourne, in the state of Victoria,
declare:

- I am the Branch Secretary of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Electrical, Energy and Services Division - Victorian Branch (the branch), a branch of an organisation registered under the *Fair Work (Registered Organisations) Act 2009* (the Act).
- Pursuant to s.268 of the Act, for the periods ended 31 December 2013; 31 December 2014 and 31 December 2015, the full financial reports, including the operating reports, of the branch were lodged with the Fair Work Commission (FWC) in FR2013/495, FR2014/445 and FR2015/436 respectively.
- An independent audit report into the membership figures reported in the committee of management operating reports for the reporting periods 31 December 2013; 31 December 2014 and 31 December 2015, conducted by Stannards Accounting in 2016 (the Stannards audit), found the following variances with the figures reported in the operating reports:

As at 31 Dec	2013	2014	2015
Reported	18807	17864	18151
Audited	19357	18425	18120
Variance	550	561	-31

- On 27th April 2017, in response to the findings of the Stannards audit, the Branch Executive authorise the Branch Secretary to amend the committee of management operating reports for the years ended 31 December 2013, 31 December 2014 and 31 December 2015 to reflect the membership figures resulting from the Stannards audit.

Signed:

Name: Mr Troy Gray

Date: 27th April 2017





FAIR WORK
COMMISSION

6 January 2015

Mr Troy Gray
Secretary
Victorian Branch, Electrical Division
CEPU
PO Box 432
NORTH MELBOURNE VIC 3051

Dear Mr Gray,

Re: Lodgement of Financial Report - *Fair Work (Registered Organisations) Act 2009 - Communications, Electrical, Energy, Information, Postal, Plumbing and Allied Services Union, Electrical and Energy Services Division, Victorian Branch - for year ended 31 December 2013 (FR2013/495)*

I acknowledge receipt of the amended financial report for the Electrical and Energy Services Division, Victorian Branch for the year ended 31 December 2013, which was lodged with the Fair Work Commission (FWC) on 18 December 2014.

The amended documents address the issues raised in the letter I sent dated 15 September 2014. I acknowledge the advice provided by Mr Phillip Carruthers yesterday in respect of the disclosure of grants and donations expenses at Note 5 compared to the information contained in the statement lodged under section 237 on 26 March 2014 and note that an amended statement will be lodged. I confirm my earlier advice to the Branch and the auditor that a separate disclosure of balances (nil or otherwise) in respect of grants and donations revenues in accordance with Reporting Guideline 15(d) (i.e. as distinct from the disclosure of balances (nil or otherwise) in respect of grants and donations expenses required by Reporting Guideline 17(e)) will be expected in the next financial report.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or by email at stephen.kellett@fwc.gov.au.

Yours sincerely

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

cc. Mr Robert Miano, Auditor
cc. Mr Phillip Carruthers

From: KELLETT, Stephen
To: ["Phillip Carruthers"](#)
Cc: ["Robert Miano"](#)
Subject: Attention Mr Troy Gray - Financial reporting y/e 31 Dec 2013 - CEPU Vic Electrical Branch - filing
Date: Tuesday, 6 January 2015 7:57:00 AM
Attachments: [CEPU EVIC FR2013_495 \(final\).pdf](#)

Dear Phillip,

Please see attached my letter, addressed to the Secretary, in relation to the above.

Yours sincerely

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6723 7237
(email) stephen.kellett@fwc.gov.au

From: [Robert Miano](#)
To: [KELLETT, Stephen](#)
Subject: FW: ETU - Accounts attached
Date: Thursday, 18 December 2014 4:47:23 PM
Attachments: [Consolidated Financial Statements for the YE 31 December 2013.pdf](#)

Dear Mr Kellett,

Attached are the revised set of ETU - Victorian Branch Financial Statements for the year ended 31 December 2013.

Please do not hesitate to contact me should you have any questions.

Robert Miano

Partner

RSM Bird Cameron Partners

Level 21, 55 Collins Street Melbourne VIC 3000
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**Electrical Trades Union of Australia -
Victorian Branch**

**Consolidated Financial Statements
For the Year Ended 31 December 2013**

Electrical Trades Union of Australia - Victorian Branch

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Electrical Trades Union of Australia - Victorian Branch

Operating Report For the Year Ended 31 December 2013

Your committee presents its report on the Union and its controlled entities for the financial year ended 31 December 2013

1. General information

a. Members

In accordance with section 254 of the Fair Work (Registered Organisations) Act 2009 we advise that the names of those who have been members of the Branch Executives at any time during, or since the end of, the year are:

Key Management Person	Position
Dean Mighell	State Secretary (Resigned 4 March 2013)
Troy Gray	Assistant State Secretary/ State Secretary (Commenced 5 March 2013)
Gary Carruthers	President
Graeme Watson	Treasurer
Paul Swann	Vice President
Mark Farrell	Branch executive
Jeremy Barnard	Branch executive
Stephen O'Brien	Branch executive
Daniel Filazzola	Branch executive
Luke Peterson	Branch executive
Patrick Tutton	Branch executive

All members of the Branch Executive held office since the start of the financial year to the date of this report unless otherwise stated.

b. Union Secretary

The following person held the position of State Secretary of the Union at the end of the financial year:
Troy Gray

c. Number of members

The number of persons who were members at the end of the financial year was 18,807 (2012: 18,750).

d. Number of employees

The number of persons, who were, at the end of the financial year to which the report relates, full time equivalent employees of the reporting unit, were 38.5 (2012: 36.5).

e. Principal activities and significant changes in nature of activities

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;
- 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 have an impact on membership of the ETU;

Electrical Trades Union of Australia - Victorian Branch

Operating Report (Cont.)

For the Year Ended 31 December 2013

- The administration of federal awards, the variation of awards following major test cases (such as living wage) and making applications to vary federal awards;
- Management of information technology and strategic membership systems designed to support organizing;
- Communicating 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 other branches on bargaining by request.

The above activities were successfully achieved or in progress during the financial year.

There were no significant changes in the nature of the economic entity's principal activities during the financial year.

e. 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 Fair Work (Registered Organizations) Act 2009; by providing written notice addressed and delivered to the State Secretary, including via email.

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

No officers of the branch held the position of trustee or as a director of a trustee company of a superannuation entity or exempt public sector superannuation scheme.

2. Business review – Review of operations

The consolidated profit / (loss) of the Union for the financial year amounted to (\$1,580,001) (2012: \$526,876 profit).

3. Other items

a. Significant changes in state of affairs

There have been no significant changes in the state of affairs of entities in the economic entity during the year.

b. Events after the reporting date

The economic entity sold its 120 Cardigan Street Carlton South property on 30 January 2014.

Except for the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or could 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.

Signed in accordance with a resolution of the committee of management:

Branch Secretary: 

Dated this 18th day of December 2014

Electrical Trades Union of Australia - Victorian Branch

Statement by Committee of Management

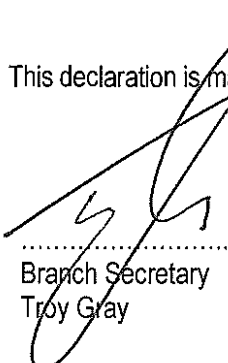
For the Year Ended 31 December 2013

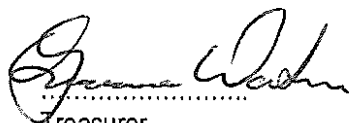
On the 8 / 12 / 2014 the Executive Committee of the Electrical Trades Union Of Australia – Victorian Branch, passed the following resolution in relation to the general purpose financial report ("GPFR") for the year ended 31 December, 2013.

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 statements and notes comply with the reporting guidelines of the General Manager of the Fair Work Commission;
- (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, 2013
- (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;
- (e) During the financial year ended 31 December, 2013 and since the end of the financial year:
 - i) Meetings of the Branch Executive 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 the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009;
 - 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 the General Manager of Fair Work Australia under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - vi) No orders have been made by the General Manager of Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009
- (f) The reporting unit has not engaged in recovery of wages activity which has resulted in the derivation of revenue in respect of such activity.

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


.....
Branch Secretary
Troy Gray


.....
Treasurer
Graeme Watson

Dated this 18th day of December 2014

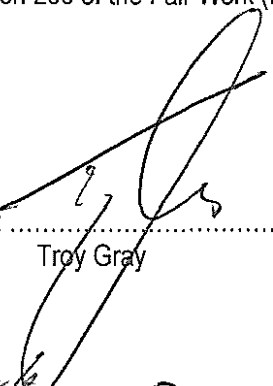
Electrical Trades Union of Australia - Victorian Branch

Certificate of Secretary

For the Year Ended 31 December 2013

I, Troy Gray, being the Branch Secretary of Electrical Trades Union of Australia —Victorian Branch certify that:

- (a) The documents lodged herewith are copies of the full report, referred to in Section 268 of the Fair Work (Registered Organisations) Act 2009 for Electrical Trades Union of Australia — Victorian Branch for the period ended 31 December 2013; and
- (b) The full report was provided to members of the Union on 18/12/2014; and
- (c) The full report was presented to the Committee of Management of the reporting unit on 5/12/2014 in accordance with Section 266 of the Fair Work (Registered Organisations) Act 2009.

Branch Secretary: 
Troy Gray

Dated this 18th day of December 2014

RSM Bird Cameron

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INDEPENDENT AUDITOR'S 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 consolidated statement of financial position as at 31 December 2013, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration 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.

Committee's Responsibility for the Financial Report

The committee of the union are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the committee determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the committee also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

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 about 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 judgement, 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 entity'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 directors, 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.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Fair Work (Registered Organisations) Act 2009.

Opinion

In our opinion:

- (a) the financial report of Electrical Trades Union of Australia – Victorian Branch is in accordance with the Fair Work (Registered Organisations) Act 2009, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the year ended on that date;
 - (ii) complying with Australian Accounting Standards;
 - (iii) any other requirements imposed by the Reporting Guidelines of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009, and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1

Going Concern

The auditor declares that as part of the audit of the financial statements, it was concluded that management's use of the going concern basis of accounting in the preparation of the consolidated entity's financial statements is appropriate.

Approved Auditor

The auditor declares that he is an approved auditor who is a member of The Institute of Chartered Accountants in Australia and New Zealand and holds a current Public Practice Certificate.

Emphasis of matter - Reissued Financial Report

Without qualification to the opinion expressed above, attention is drawn to the following matter. As indicated in Note 1r, Reissued Financial Report, the attached financial report of Electrical Trades Union of Australia – Victorian Branch for the year ended 31 December 2013 is a "reissued financial report" and supersedes the financial report signed by the Committee, and lodged with the Fair Work Commission, on 26 June 2014. This audit report supersedes our audit report dated 26 June 2014 relating to the previously issued and now superseded financial report.



RSM BIRD CAMERON



R B MIANO

Partner

Fellow - Chartered Accountants (Australia & New Zealand)

Dated: 18 December 2014

Melbourne, VIC

Electrical Trades Union of Australia - Victorian Branch

Consolidated Statement of Comprehensive Income For the Year Ended 31 December 2013

	Notes	Consolidated		Parent	
		2013	2012	2013	2012
		\$	\$	\$	\$
Revenue	2(a)	16,312,684	16,316,806	11,067,123	11,568,348
Other Income	2(b)	1,171,554	1,282,766	1,741,806	708,597
Employee benefits expenses	4	(9,284,952)	(7,888,346)	(6,887,383)	(5,557,315)
Depreciation and amortisation expense		(976,652)	(959,350)	(613,723)	(656,641)
Other expenses	5	(8,802,635)	(8,225,000)	(6,874,216)	(6,769,858)
Profit/(loss) before income tax		(1,580,001)	526,876	(1,566,393)	(706,869)
Income tax expense		-	-	-	-
Profit/(loss) for the year		(1,580,001)	526,876	(1,566,393)	(706,869)
Other comprehensive income					
Net gain on revaluation of land and buildings		-	2,568,322	-	-
Distribution of trust corpus		-	(146,718)	-	-
Other comprehensive income for the year		-	2,421,604	-	-
Total comprehensive income for the year		(1,580,001)	2,948,480	(1,566,393)	(706,869)
Comprehensive income attributable to members of the parent entity		(1,694,177)	2,784,853	(1,566,393)	(706,869)
Comprehensive income attributable to outside equity interest		114,176	163,627	-	-

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Electrical Trades Union of Australia - Victorian Branch

Consolidated Statement of Financial Position As at 31 December 2013

	Notes	Consolidated		Parent	
		2013	2012	2013	2012
		\$	\$	\$	\$
Current Assets					
Cash and cash equivalents	6	12,707,917	14,276,399	6,021,141	3,275,439
Trade and other receivables	7	1,070,294	1,871,752	4,937,016	1,154,722
Inventories	8	59,372	106,848	59,372	106,848
Other assets	9	196,899	60,543	30,013	39,756
Non-current assets held for sale	10	8,000,000	8,000,000	8,000,000	8,000,000
Total Current Assets		22,034,482	24,315,542	19,047,542	12,576,765
Non-Current Assets					
Trade and other receivables	7	2,003,372	2,003,372	503,372	503,372
Financial assets	11	11,483,823	10,148,935	19	4,515,660
Property, Plant and Equipment	13	19,312,345	18,966,320	3,871,631	3,652,712
Investments accounted for using the equity method	14	225,751	225,751	225,751	225,751
Total Non Current Assets		33,025,291	31,344,378	4,600,773	8,897,495
Total Assets		55,059,773	55,659,920	23,648,315	21,474,260
Current Liabilities					
Trade and other payables	15	5,595,517	4,874,902	11,698,748	8,709,908
Employee entitlements	16	2,989,459	2,205,687	2,989,459	2,205,687
Total Current Liabilities		8,584,976	7,080,589	14,688,207	10,915,595
Non-Current Liabilities					
Employee entitlements	16	11,736	43,900	11,736	43,900
Total Non-Current Liabilities		11,736	43,900	11,736	43,900
Total Liabilities		8,596,712	7,124,489	14,699,943	10,959,495
Net Assets		46,463,061	48,535,431	8,948,372	10,514,765
Members Equity					
Reserves		9,692,904	9,692,904	-	-
Accumulated surplus		36,707,982	38,724,773	8,948,372	10,514,765
Equity attributable to members of the parent entity		46,400,886	48,417,677	8,948,372	10,514,765
Outside equity interests in controlled entities		62,175	117,754	-	-
Total Members Equity		46,463,061	48,535,431	8,948,372	10,514,765

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Electrical Trades Union of Australia - Victorian Branch

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2013

2013 Parent	Parent	Parent Asset	Total Equity
	Accumulated Surplus	Revaluation Reserve	
	\$	\$	\$
Balance at 1 January 2013	10,514,765	-	10,514,765
Profit/(loss) for the year	(1,566,393)	-	(1,566,393)
Balance at 31 December 2013	8,948,372	-	8,948,372

2012 Parent	Parent	Parent Asset	Total Equity
	Accumulated Surplus	Revaluation Reserve	
	\$	\$	\$
Balance at 1 January 2012	11,221,634	-	11,221,634
Profit/(loss) for the year	(706,869)	-	(706,869)
Balance at 31 December 2012	10,514,765	-	10,514,765

2013 Consolidated	Consolidated	Consolidated	Consolidated	Total Equity
	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	
	\$	\$	\$	\$
Balance at 1 January 2013	38,842,527	2,865,546	6,827,358	48,535,431
Profit/(loss) for the year	(1,580,001)	-	-	(1,580,001)
Distribution to beneficiaries	(492,369)	-	-	(492,369)
Balance at 31 December 2013	36,770,157	2,865,546	6,827,358	46,463,061

2012 Consolidated	Consolidated	Consolidated	Consolidated	Total Equity
	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	
	\$	\$	\$	\$
Balance at 1 January 2012	38,508,245	297,224	6,827,358	45,632,827
Profit/(loss) for the year	526,876	-	-	526,876
Revaluation increment / (decrement)	-	2,568,322	-	2,568,322
Distribution to beneficiaries	(45,876)	-	-	(45,876)
Distribution of trust corpus	(146,718)	-	-	(146,718)
Balance at 31 December 2012	38,842,527	2,865,546	6,827,358	48,535,431

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Electrical Trades Union of Australia - Victorian Branch

Consolidated Statement of Cash Flows For the Year Ended 31 December 2013

	Notes	Consolidated		Parent	
		2013	2012	2013	2012
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		16,984,412	16,732,609	13,358,344	12,582,399
Payments to suppliers and employees		(16,492,089)	(16,662,355)	(12,235,116)	(12,432,947)
Interest received		1,134,398	1,309,793	313,938	727,655
Net cash provided by/(used in) operating activities	17	<u>1,626,721</u>	<u>1,380,047</u>	<u>1,437,166</u>	<u>877,107</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property plant and equipment		297,606	313,468	297,606	313,468
Purchase of property, plant and equipment		(1,665,552)	(423,242)	(1,175,517)	(423,242)
Proceeds from sale of other investment		-	3,068,133	-	-
Purchase of financial assets		(1,334,889)	-	-	-
Proceeds from maturity of financial assets		-	2,036,529	4,515,641	2,036,529
Net proceeds / (payments) to related parties		-	(1,159,509)	(2,329,194)	(5,839,616)
Net cash provided by/(used in) investing activities		<u>(2,702,835)</u>	<u>3,835,379</u>	<u>1,308,536</u>	<u>(3,912,861)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Beneficiary payments		(492,369)	(146,718)	-	(130,000)
Net cash provided by/(used in) financing activities		<u>(492,369)</u>	<u>(146,718)</u>	<u>-</u>	<u>(130,000)</u>
Net increase/(decrease) in cash held		(1,568,482)	5,068,708	2,745,702	(3,165,754)
Cash and cash equivalents at beginning of year		<u>14,276,399</u>	<u>9,207,691</u>	<u>3,275,439</u>	<u>6,441,193</u>
Cash and cash equivalents at end of year	6	<u>12,707,917</u>	<u>14,276,399</u>	<u>6,021,141</u>	<u>3,275,439</u>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Electrical Trades Union of Australia - Victorian Branch

Notes to the Financial Statements For the Year Ended 31 December 2013

1. Accounting policies

Electrical Trades Union of Australia - Victorian Branch is a registered trade union domiciled in Australia.

a. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The Electrical Trade Union of Australia – Victorian Branch is a not for profit entity.

b. Comparatives

Comparatives are consistent with prior years, unless otherwise stated.

c. Principles of consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost. A controlled entity is any entity over which Electrical Trade Union of Australia – Victorian Branch has power to govern the financial and operating policies so as to obtain benefits from its activities.

Controlled entities

Where controlled entities have entered or left the economic entity during the year, the financial performance of those entities is included only for the period that they were controlled. A list of controlled entities is contained in Note 12 to the financial statements. All controlled entities have a June 30 financial year-end.

Inter-entity balances

In preparing the consolidated financial statements, all inter-entity balances and transactions between entities in the economic entity have been eliminated in full for the purpose of these consolidated financial statements. Appropriate adjustments have been made to a controlled entity's financial statements where the accounting policies used by those entities were different from those adopted in the consolidated financial statements.

d. Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year and is only recognised for financial members.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Electrical Trades Union of Australia - Victorian Branch

Notes to the Financial Statements For the Year Ended 31 December 2013

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue is recognised when the right to receive a dividend has been established.

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

e. Income Tax

No provision for income tax has been raised as the Union is exempt from income tax under section 50-15 of the *Income Tax Assessment Act 1997*.

f. Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

g. Inventories

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

h. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Assets classified as held for sale are not amortized or depreciated.

Non-current assets classified as held for sale and any associated liabilities are presented separately in the consolidated statement of financial position.

i. Property, Plant and Equipment

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

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 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.

In the periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors valuations to ensure the land and buildings carrying amount is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus 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 consolidated statement of profit or loss and other comprehensive income.

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 - Victorian Branch

Notes to the Financial Statements For the Year Ended 31 December 2013

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

The carrying amount of plant and equipment is reviewed annually by the committee of management to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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 the asset's useful life to the economic entity commencing from the time the asset is held ready for use. Land is not depreciated.

Depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation rate
Buildings	2.50%
Furniture, Fixtures and Fittings	11.25%
Motor Vehicles	18.75%
Office Equipment	10 - 15%
Computer Equipment	37.50%

Assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

j. 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 2013

1. Accounting policies (cont.)

k. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Union commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

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.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value or cost.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in arm's length transaction. Where available, quoted prices in an active market are used to determine the fair value of the financial instrument. In other circumstances, valuation techniques are adopted.

Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

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 subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the economic entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the economic entity sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

Electrical Trades Union of Australia - Victorian Branch

Notes to the Financial Statements For the Year Ended 31 December 2013

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period.

l. Impairment of Assets

At the end of each reporting period, the economic entity assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information and dividends received from controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Value in use is calculated by discounting the estimated future cash flows of the asset or cash-generating unit (CGU) at a pre-tax discount rate reflecting the specific risks in the asset / CGU. Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated statement of profit or loss and other comprehensive income.

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.

m. Employee benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to the end of the reporting period. 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.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

n. Provisions

Provisions are recognised when the economic entity 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.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period.

o. Goods and Services Tax (GST)

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

Cash flows are presented in the consolidated statement of cash flows 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 - Victorian Branch

Notes to the Financial Statements For the Year Ended 31 December 2013

p. Investments in associate using the equity method of accounting

Associates are those entities over which the Union exercises significant influence, but not control. Investments in associates are accounted for in the financial statements using the equity method. Under this method, the Union's share of the post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment.

q. Standards not yet effective

At the date of this financial report, AASB 9, AASB 2009-11, AASB 2010-7, ASSB 10, AASB 11, and AASB 2011-4 which may impact the entity in the period of initial application, have been issued but are not yet effective. These new standards and interpretations have not been applied in the preparation of this financial report. Other than changes to disclosure formats, it is not expected that the initial application of these standards and interpretations in the future will have any material impact.

r. Reissued Financial Report

This reissued financial report replaces the previously issued financial report approved on 26 June 2014.

The reason for the reissue of the financial report dated 26 June 2014 is due to a request from the Fair Work Commission to include additional disclosure items outlined in Note 27. The items disclosed in Note 27 had no material effect on the previous financial report and provided confirmation of specific matters requested by the Fair Work Commission.

Electrical Trades Union of Australia - Victorian Branch

Notes to the Financial Statements For the Year Ended 31 December 2013

	Consolidated		Parent	
	2013	2012	2013	2012
	\$	\$	\$	\$
2. REVENUE				
(a) Revenue from continuing operations				
Sales revenue				
- Sale of goods	19,819	22,470	19,819	22,470
Finance income				
- interest received	1,134,398	1,201,600	313,938	665,557
Other revenue				
- member subscriptions	7,814,579	7,835,456	7,814,579	7,835,456
- management fees	2,821,987	3,029,269	2,918,787	3,029,269
- administration income	4,125,849	3,977,509	-	-
- training income	396,052	234,906	-	-
- other trading revenue	-	15,596	-	15,596
	<u>15,158,467</u>	<u>15,092,736</u>	<u>10,733,366</u>	<u>10,880,321</u>
	<u>16,312,684</u>	<u>16,316,806</u>	<u>11,067,123</u>	<u>11,568,348</u>
(b) Other Income				
Rental income	590,445	751,795	116,119	178,213
Recoveries	56,176	53,950	56,176	53,950
Sundry income	77,663	12,434	8,394	11,847
Directors Fees	229,770	314,592	266,815	314,592
Trust distributions	217,500	149,995	1,294,302	149,995
	<u>1,171,554</u>	<u>1,282,766</u>	<u>1,741,806</u>	<u>708,597</u>
3. AUDITOR'S REMUNERATION				
Remuneration of LDB as the auditor of the parent entity for:				
- audit of the financial statements	-	23,309	-	23,309
- other services	-	26,964	-	26,964
Remuneration of LDB as the auditor of controlled entities for:				
- audit of the financial statements of controlled entities	15,471	17,658	-	-
	<u>15,471</u>	<u>67,931</u>	<u>-</u>	<u>50,273</u>
Remuneration of RSM Bird Cameron as the auditor of the parent entity for:				
- audit of the financial statements	28,500	-	28,500	-
- other services	-	-	-	-
Remuneration of RSM Bird Cameron as the auditor of controlled entities for:				
- audit of the financial statements of controlled entities	-	-	-	-
	<u>28,500</u>	<u>-</u>	<u>28,500</u>	<u>-</u>

Electrical Trades Union of Australia - Victorian Branch

Notes to the Financial Statements For the Year Ended 31 December 2013

Consolidated	
2013	2012
\$	\$

4. EMPLOYEE BENEFITS EXPENSE

(a) Employee benefits to Key Management Personnel

In accordance with the Fair Work (Registered Organisations) Act 2008 and Regulations, the Salaries and Wages in the Statement of Profit or Loss and Other Comprehensive Income is made up of the following:

Wages and salaries	423,699	626,114
Annual and long service leave	61,167	30,499
Personal leave	2,767	5,305
Superannuation	74,465	115,080
	<u>562,098</u>	<u>776,998</u>

(b) Employee benefits to employees other than Key Management Personnel

Wages and salaries (i)	7,055,954	5,743,844
Annual and long service leave	356,496	372,509
Personal leave	51,808	31,779
Superannuation	820,108	555,238
	<u>8,284,366</u>	<u>6,703,370</u>

(i) In November 2013, the Executive of the Union approved the payment of a retirement benefit to organisers of the Union. Such retirement benefit may be a payment of three week's pay for every completed year of service with the Union. Hence, an expense (and corresponding provision) was taken up at 31 December 2013 for the amount of \$1,112,104.

(c) Other employee expenses

FBT and payroll tax	340,611	290,539
Workcover expenses	48,359	35,044
Training expenses	17,494	64,639
Health benefit expenses	32,024	17,756
	<u>438,488</u>	<u>407,978</u>

Total employee benefits expenses

	<u>9,284,952</u>	<u>7,888,346</u>
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(d) Disclosure of remuneration of Elected Officials

State secretary	161,998	146,996
Assistant state secretary	145,019	132,927
Organisers	1,779,848	1,630,773
	<u>2,086,865</u>	<u>1,910,696</u>

Electrical Trades Union of Australia - Victorian Branch

Notes to the Financial Statements For the Year Ended 31 December 2013

	Consolidated		Parent	
	2013	2012	2013	2012
	\$	\$	\$	\$
5. OTHER EXPENSES				
Other expenses includes the following amounts:				
Bad and doubtful debts (a)	-	48,465	-	48,291
Legal expenses (b)	740,357	911,952	739,793	911,952
Grants and Donations (c)	676,625	403,587	676,625	403,587
Loss on sale of fixed assets	45,269	26,532	45,269	26,532
Computer related costs	576,866	529,581	222,493	185,767
Motor vehicle costs	285,196	282,958	285,196	282,958
Consultants	822,056	521,955	822,056	521,955
Printing costs	403,233	467,275	403,233	467,275
Ambulance membership costs	386,592	371,302	386,592	371,302
Publication costs	382,715	344,164	212,358	203,481
CEPU Nat. Office - Sustentation	950,832	1,034,141	950,832	1,034,141
Penalties - via RO Act or RO Regulations	-	-	-	-
	<u>5,269,741</u>	<u>4,941,912</u>	<u>4,744,447</u>	<u>4,457,241</u>

(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.

Description	2013	2012
	\$	\$
Industrial activities of the union	449,344	31,777
Operations of the union	291,013	880,175
TOTAL	<u>740,357</u>	<u>911,952</u>

(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.

	2013	2012
	\$	\$
Grants	-	-
Donations:		
Total paid that were \$1,000 or less	44,283	8,866
Total paid that exceeded \$1,000	632,342	394,721
TOTAL	<u>676,625</u>	<u>403,587</u>

Electrical Trades Union of Australia - Victorian Branch

Notes to the Financial Statements For the Year Ended 31 December 2013

	Notes	Consolidated		Parent	
		2013	2012	2013	2012
		\$	\$	\$	\$
6. CASH AND CASH EQUIVALENTS					
Cash on hand		4,644	6,652	4,600	6,600
Cash at bank		3,506,586	2,319,747	3,016,541	1,768,839
Short-term bank deposits		9,196,687	11,450,000	3,000,000	1,000,000
Other cash and cash equivalents		-	500,000	-	500,000
		<u>12,707,917</u>	<u>14,276,399</u>	<u>6,021,141</u>	<u>3,275,439</u>
7. TRADE AND OTHER RECEIVABLES					
Current					
Trade receivables		710,899	1,302,224	265,077	851,135
Provision for Impairment		-	(242,499)	-	(242,499)
		<u>710,899</u>	<u>1,059,725</u>	<u>265,077</u>	<u>608,636</u>
Other receivables		30,616	695,391	15,463	500,000
Controlled entity receivable		-	-	4,645,647	-
Accrued interest		328,779	116,636	10,829	46,086
		<u>1,070,294</u>	<u>1,871,752</u>	<u>4,937,016</u>	<u>1,154,722</u>
Non-current					
Controlled entity receivable	19(e)	1,500,000	1,500,000	-	-
Unpaid trust distributions		503,372	503,372	503,372	503,372
		<u>2,003,372</u>	<u>2,003,372</u>	<u>503,372</u>	<u>503,372</u>
8. INVENTORIES					
Merchandise		59,372	106,848	59,372	106,848
		<u>59,372</u>	<u>106,848</u>	<u>59,372</u>	<u>106,848</u>
9. OTHER CURRENT ASSETS					
Prepayments		30,013	60,543	30,013	39,756
Other assets		166,886	-	-	-
		<u>196,899</u>	<u>60,543</u>	<u>30,013</u>	<u>39,756</u>
10. NON-CURRENT ASSETS HELD FOR SALE					
Land and Buildings		8,000,000	8,000,000	8,000,000	8,000,000
		<u>8,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>

Electrical Trades Union of Australia - Victorian Branch

Notes to the Financial Statements For the Year Ended 31 December 2013

	Consolidated		Parent	
	2013	2012	2013	2012
	\$	\$	\$	\$
11. FINANCIAL ASSETS				
Available for sale financial assets (a)	1,168,600	1,221,064	-	17,064
Other investments (b)	7	7	19	19
Held to maturity financial assets (c)	10,315,216	8,927,864	-	4,498,577
	<u>11,483,823</u>	<u>10,148,935</u>	<u>19</u>	<u>4,515,660</u>
(a) Available for sale financial assets comprise				
Listed investments				
- shares in listed entities - fair value	1,168,600	1,221,064	-	17,064
(b) Other investments comprises				
Unlisted investments				
- shares in controlled entities - cost	-	-	12	12
- shares in other related parties - cost	7	7	7	7
	<u>7</u>	<u>7</u>	<u>19</u>	<u>19</u>
(c) Held to maturity investment comprise				
Fixed interest securities	5,812,104	1,431,706	-	-
Bonds	1,003,112	997,581	-	-
Term deposits	3,500,000	-	-	-
Other financial assets	-	6,498,577	-	4,498,577
	<u>10,315,216</u>	<u>8,927,864</u>	<u>-</u>	<u>4,498,577</u>

12. CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned (%)	Percentage Owned (%)
		2013	2012
ETU - Victorian Branch Trust	Australia	100	100
ETU - (Victorian Branch) Distress, Mortality & Trading Fund	Australia	100	100
ETU (Distress, Mortality & Trading) Pty Ltd	Australia	100	100
ETU Arden Trust	Australia	100	100
ETU Swanston Trust	Australia	100	100
ETU Morwell Trust	Australia	100	100
ETU Comrades Trust	Australia	100	100
ETU (Victorian Branch) 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 Electronic Industry Training Ltd	Australia	100	100
Protect Services Pty Ltd	Australia	75	75

Electrical Trades Union of Australia - Victorian Branch

Notes to the Financial Statements For the Year Ended 31 December 2013

	Consolidated		Parent	
	2013	2012	2013	2012
	\$	\$	\$	\$
13. PROPERTY, PLANT AND EQUIPMENT				
LAND AND BUILDINGS				
Buildings				
At independent valuation	15,087,994	14,617,238	-	-
Accumulated depreciation	(267,592)	(103)	-	-
Total Buildings	<u>14,820,402</u>	<u>14,617,135</u>	<u>-</u>	<u>-</u>
TOTAL LAND AND BUILDINGS	<u>14,820,402</u>	<u>14,617,135</u>	<u>-</u>	<u>-</u>
PLANT AND EQUIPMENT				
Capital works in progress				
At Cost	-	78,000	-	78,000
Total Capital works in progress	<u>-</u>	<u>78,000</u>	<u>-</u>	<u>78,000</u>
Furnitures, fixtures and fittings				
At Cost	5,407,551	4,713,360	5,407,551	4,713,360
Accumulated depreciation	(2,444,632)	(2,103,352)	(2,444,632)	(2,103,352)
Total Furnitures, fixtures and fittings	<u>2,962,919</u>	<u>2,610,008</u>	<u>2,962,919</u>	<u>2,610,008</u>
Improvements				
At Cost	367,112	362,765	-	-
Accumulated depreciation	(24,580)	(11,422)	-	-
Total Improvements	<u>342,532</u>	<u>351,343</u>	<u>-</u>	<u>-</u>
Motor Vehicles				
At Cost	1,193,258	1,165,225	988,469	961,136
Accumulated depreciation	(323,125)	(245,152)	(263,696)	(228,617)
Total Motor Vehicles	<u>870,133</u>	<u>920,073</u>	<u>724,773</u>	<u>732,519</u>
Office equipment				
At Cost	558,925	647,734	346,514	459,889
Accumulated depreciation	(303,999)	(343,545)	(215,180)	(301,899)
Total Office equipment	<u>254,926</u>	<u>304,189</u>	<u>131,334</u>	<u>157,990</u>
Computer equipment				
At Cost	310,519	318,374	297,363	304,532
Accumulated depreciation	(251,586)	(235,302)	(244,758)	(230,337)
Total Computer equipment	<u>58,933</u>	<u>83,072</u>	<u>52,605</u>	<u>74,195</u>
Other property, plant and equipment				
At Cost	2,500	2,500	-	-
Total Other property, plant and equipment	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>-</u>
TOTAL PLANT AND EQUIPMENT	<u>4,491,943</u>	<u>4,349,185</u>	<u>3,871,631</u>	<u>3,652,712</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>19,312,345</u>	<u>18,966,320</u>	<u>3,871,631</u>	<u>3,652,712</u>

Electrical Trades Union of Australia - Victorian Branch

Notes to the Financial Statements For the Year Ended 31 December 2013

Movements in Carrying Amounts

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

Parent

	Works in Progress \$	Buildings \$	Furniture, Fixtures and Fittings \$	Motor Vehicles \$	Office Equipment \$	Computer Equipment \$	Other Plant and Equipment \$	Improvements \$	Total \$
Balance at 31 December 2013									
Balance at the beginning of year	78,000	-	2,610,008	732,519	157,990	74,195	-	-	3,652,712
Additions	-	-	694,191	411,798	35,032	34,496	-	-	1,175,517
Disposals - written down value	(78,000)	-	(3,141)	(222,790)	(27,021)	(11,922)	-	-	(342,874)
Depreciation expense	-	-	(338,138)	(196,754)	(34,667)	(44,163)	-	-	(613,723)
Balance at 31 December 2013	-	-	2,862,919	724,773	131,334	52,605	-	-	3,871,631

Balance at 31 December 2012

Balance at the beginning of year	-	8,000,000	2,883,541	673,126	217,964	111,481	-	-	11,886,112
Additions	78,000	-	64,662	549,029	2,381	33,469	-	-	727,541
Disposals - written down value	-	-	-	(274,566)	(26,025)	(1,855)	-	-	(302,446)
Reclassified to NCA held for sale	-	(8,000,000)	-	-	-	-	-	-	(8,000,000)
Depreciation expense	-	-	(338,195)	(215,070)	(36,330)	(68,900)	-	-	(658,495)
Balance at 31 December 2012	78,000	-	2,610,008	732,519	157,990	74,195	-	-	3,652,712

Consolidated

	Works in Progress \$	Buildings \$	Furniture, Fixtures and Fittings \$	Motor Vehicles \$	Office Equipment \$	Computer Equipment \$	Other Plant and Equipment \$	Improvements \$	Total \$
Balance at 31 December 2013									
Balance at the beginning of year	78,000	14,617,135	2,610,008	920,073	304,189	83,072	2,500	351,343	18,966,320
Additions	-	458,819	694,191	412,498	61,201	34,496	-	4,347	1,665,552
Disposals - written down value	(78,000)	-	(3,142)	(222,790)	(27,021)	(11,922)	-	-	(342,875)
Depreciation expense	-	(255,552)	(338,138)	(239,648)	(83,443)	(46,713)	-	(13,158)	(976,652)
Revaluation increase recognised in equity	-	-	-	-	-	-	-	-	-
Balance at 31 December 2013	-	14,820,402	2,962,919	870,133	254,926	58,933	2,500	342,532	19,312,345

Balance at 31 December 2012

Balance at the beginning of year	-	20,271,856	2,883,541	673,126	217,964	111,481	2,500	-	24,160,468
Additions	78,000	-	64,662	758,219	188,369	47,311	-	362,765	1,499,326
Disposals - written down value	-	-	-	(274,566)	(26,025)	(1,855)	-	-	(302,446)
Reclassified to NCA held for sale	-	(8,000,000)	-	-	-	-	-	-	(8,000,000)
Depreciation expense	-	(223,043)	(338,195)	(236,706)	(76,119)	(73,865)	-	(11,422)	(959,350)
Revaluation increase recognised in equity	-	2,568,322	-	-	-	-	-	-	2,568,322
Balance at 31 December 2012	78,000	14,617,135	2,610,008	920,073	304,189	83,072	2,500	351,343	18,966,320

Electrical Trades Union of Australia - Victorian Branch

Notes to the Financial Statements For the Year Ended 31 December 2013

	Consolidated		Parent	
	2013	2012	2013	2012
	\$	\$	\$	\$
14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD				
Investment in associate	225,751	225,751	225,751	225,751
	<u>225,751</u>	<u>225,751</u>	<u>225,751</u>	<u>225,751</u>
15. TRADE AND OTHER PAYABLES				
Unsecured liabilities				
Trade payables	1,376,467	624,567	1,185,772	270,588
Other payables	309,435	606,866	100,646	203,554
Accrued expenses - general	802,425	1,106,367	520,265	1,106,366
Accrued expenses - legal costs	93,644	58,358	93,644	58,358
Related party payables	169,752	45,876	6,954,627	4,638,174
Members contribution in advance	1,843,793	1,432,868	1,843,793	1,432,868
Deposit received in advance	1,000,000	1,000,000	1,000,000	1,000,000
	<u>5,595,517</u>	<u>4,874,902</u>	<u>11,698,748</u>	<u>8,709,908</u>
16.EMPLOYEE ENTITLEMENTS				
Current - employee entitlements provision	2,989,459	2,205,687	2,989,459	2,205,687
Non-Current - employee entitlements provision	11,736	43,900	11,736	43,900
	<u>3,001,195</u>	<u>2,249,587</u>	<u>3,001,195</u>	<u>2,249,587</u>
The above current and non-current employee entitlements contain the following amounts:				
<i>Office Holders</i>				
Annual Leave	97,335	194,393	97,335	194,393
Long Service Leave	127,103	165,004	127,103	165,004
Retirement Benefit	242,266	31,180	242,266	31,180
	<u>466,704</u>	<u>390,577</u>	<u>466,704</u>	<u>390,577</u>
<i>Non Office Holders</i>				
Annual Leave	903,130	988,185	903,130	988,185
Long Service Leave	745,340	823,039	745,340	823,039
Retirement Benefit	886,021	47,786	886,021	47,786
	<u>2,534,491</u>	<u>1,859,010</u>	<u>2,534,491</u>	<u>1,859,010</u>
Total employee entitlements	<u>3,001,195</u>	<u>2,249,587</u>	<u>3,001,195</u>	<u>2,249,587</u>

Electrical Trades Union of Australia - Victorian Branch

Notes to the Financial Statements For the Year Ended 31 December 2013

	Consolidated		Parent	
	2013	2012	2013	2012
	\$	\$	\$	\$
17. CASH FLOW INFORMATION				
Net surplus/(deficit) for the year	(1,580,001)	526,876	(1,566,393)	(706,869)
Cash flows excluded from profit attributable to operating activities				
- IFRS adjustments on non-current financial instruments	-	35,042	-	(9,456)
Non-cash flows in profit				
- depreciation	976,652	959,350	613,723	656,641
- net (gain)/loss on disposal of PPE	45,269	26,532	45,269	26,532
Changes in assets and liabilities, net of the effect of purchase and disposal of controlled entities:				
- (increase)/decrease in trade and other receivables	634,572	(598,945)	863,353	129,281
- (increase)/decrease in inventories	47,476	121,672	47,476	121,672
- (increase)/decrease in other assets	30,530	(132,235)	9,743	15,420
- increase/(decrease) in trade and other payables	720,615	37,040	672,387	239,171
- increase/(decrease) in provisions	751,608	404,715	751,608	404,715
Net cashflow from operating activities	<u>1,626,721</u>	<u>1,380,047</u>	<u>1,437,166</u>	<u>877,107</u>

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. For details of remuneration disclosures, refer to Note 4(d): Disclosure of remuneration of Elected Officials.

Electrical Trades Union of Australia - Victorian Branch

Notes to the Financial Statements For the Year Ended 31 December 2013

18. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT.)

(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 (Resigned 4 March 2013)
Troy Gray	Assistant State Secretary State Secretary (Commenced 5 March 2013)
Howard Worthing	Assistant State Secretary
Wesley Hayes	Assistant State Secretary
Gary Carruthers	President
Graeme Watson	Treasurer
Paul Swann	Vice President
Mark Farrell	Branch executive
Jeremy Barnard	Branch executive
Stephen O'Brien	Branch executive
Daniel Filazzola	Branch executive
Luke Peterson	Branch executive
Patrick Tutton	Branch executive
Phillip Carruthers	Chief Operating Officer

Key management personnel remuneration included within employee expenses for the year is shown below:

	2013	2012
Short-term employee benefits	487,633	661,918
Post-employee benefits	74,465	115,080
	<u>562,098</u>	<u>776,998</u>

Electrical Trades Union of Australia - Victorian Branch

Notes to the Financial Statements For the Year Ended 31 December 2013

19. RELATED PARTIES

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Identification of Related Parties Ultimate Parent Entity

The ultimate parent entity of Electrical Trades Union of Australia — Victorian Branch is the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia

(b) Related Parties

The Economic Entity's main related parties are as follows:

(i) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 18: Key Management Personnel Compensation.

(ii) Nominee related parties:

One or more nominees of the Electrical Trades Union of Australia — Victorian Branch sits on the following board:

- ElecNet (Rust) Pty Ltd, as trustee of the Electrical Industry Severance Scheme (trading as Protect)
- CoINVEST Ltd
- EPIC Industry Training Board
- Electrical Industry Foundation Trust
- The Electrical Telecommunications and Renewable Energy Contractors Inc
- Industrial Printing & Publishing Pty Ltd

(d) Other Related Parties

There have been no transactions with parties where immediate family members of key management personnel hold control or significant influence over that party.

(e) Transactions with related parties

The following transactions occurred with related parties

	2013
Loans receivable	\$
Industrial Printing & Publishing Pty Ltd	1,500,000
	Net Inflow/ (outflow)
	\$
EPIC Industry Training Board	(4,524)
Reciprocal members fee paid net of administration fee received:	
The Electrical Telecommunications and Renewable Energy Contractors Inc	224,187
Director's fees received	
Industrial Printing & Publishing Pty Ltd	12,000
CoINVEST Ltd	43,074
ElecNet (Aust) Pty Ltd	211,741

Electrical Trades Union of Australia - Victorian Branch

Notes to the Financial Statements For the Year Ended 31 December 2013

20. FINANCIAL RISK MANAGEMENT

The main risks the economic entity is exposed to through its financial instruments are credit risk, liquidity risk and interest rate risk.

The Economic Entity's financial instruments consist mainly of deposits with banks, long term and short-term investments, accounts receivable and payable, bank overdrafts.

The Economic Entity does not have any derivative instruments as at 31 December 2013.

Financial risk management policies

The committee of management has overall responsibility for the establishment of the economic entity's financial risk management framework. This includes the development of policies covering specific areas such as interest rate risk, credit risk and financial asset investments.

Credit Risk

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the consolidated statement of financial position.

The Economic Entity has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 7.

Liquidity risk

Liquidity risk arises from the possibility that the economic entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Economic Entity manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and

Typically, the economic entity ensures that it has sufficient cash on demand to meet expected operational expenses.

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Economic Entity is also exposed to earnings volatility on floating rate instruments.

The economic entity's interest rate exposure is summarised as follows:

	Weighted Average Floating Interest		Fixed Interest
	Interest Rate %	Rate	Rate
		2013	2013
		\$	\$
Financial Assets			
Short-term bank deposits	2.67%	9,196,687	-
Held-to-maturity investment	4.44%	9,312,104	1,003,112
		<u>18,508,791</u>	<u>1,003,112</u>
	Weighted Average Floating Interest		Fixed Interest
	Interest Rate %	Rate	Rate
		2012	2012
		\$	\$
Financial Assets			
Short-term bank deposits	3.28%	11,450,000	-
Held-to-maturity investment	5.47%	6,498,577	2,429,287
		<u>17,948,577</u>	<u>2,429,287</u>

Electrical Trades Union of Australia - Victorian Branch

Notes to the Financial Statements For the Year Ended 31 December 2013

21. SEGMENT REPORTING

The consolidated entity is organised into two operating segments: conducting of union activities and provision of administration services. These operating segments are based on the internal reports that are reviewed and used by the Committee in assessing performance and determining the allocation of resources. The operating segment analysis presented in these financial statements reflects operations analysis by business. It best describes the way the economic entity is managed and provides a meaningful insight into the business activities of the economic entity.

The following tables present details of revenue and operating profit by business segment as well as a reconciliation between the information disclosed for reportable segments and the aggregated information in the financial statements.

	Administration Services	Union Services	Intersegment Eliminations	Total
2013	\$	\$	\$	\$
Revenue from external customers	4,125,849	12,071,755	-	16,197,604
Intersegment revenue	-	152,236	(152,236)	-
Reportable segment profit before income tax	456,703	(3,171,102)	-	(2,714,399)
Reportable segment assets	1,437,109	53,622,664	-	55,059,773
Reportable segment liabilities	1,188,407	7,408,305	-	8,596,712
2012				
Revenue from external customers	3,977,509	12,258,231	-	16,235,740
Intersegment revenue	-	162,232	(162,232)	-
Reportable segment profit before income tax	654,508	(3,422,501)	-	(2,767,993)
Reportable segment assets	1,263,781	54,396,139	-	55,659,920
Reportable segment liabilities	792,766	6,331,723	-	7,124,489
Reconciliation of reportable segment profit or loss	2013	2012		
	\$	\$		
Total profit or loss for reportable segments	(2,714,399)	(2,767,993)		
Finance income	1,134,398	1,201,600		
Profit/(loss) before tax from continuing operations	<u>(1,580,001)</u>	<u>(1,566,393)</u>		

Electrical Trades Union of Australia - Victorian Branch

Notes to the Financial Statements For the Year Ended 31 December 2013

22. RESTATEMENT OF COMPARATIVES

(a) Sale of Property Held for Sale

In the 2012 year, the Union entered into a sale contract to sell the property it held in the parent entity books. The property's cost was \$8 million and was revalued to \$10 million in the 2011 year. The property was sold for \$10 million for a profit of \$2 million. However, the property did not settle in the 2012 year (and also did not settle in the 2013 year). In the absence of settlement of property, the ownership rights of the property does not pass from the Union to the purchaser. Consequently, the Union had incorrectly taken up a sale of the property in the 2012 year. Further, the Union had incorrectly taken up a revaluation on the property of \$2 million in the 2011 year as the revaluation was not based on an independent valuation.

The prior year error has been corrected by restating the affected balances in the Statement of Financial Position and Statement of Comprehensive Income in the year ended 31 December 2012 as follows:

- reduce revenue (and profit) by \$2,000,000
- reduce trade receivables by \$9,000,000
- increase income in advance by \$1,000,000
- increase property held for sale by \$8,000,000

(b) Controlled Entity - Protect Services Trust

Protect Services Trust (trustee: Protect Services Pty Ltd) was formed on 1 January 2012. Since formation of the Protect Services Trust, the Union had 75% ownership interest. The Union has controlled Protect Services Trust since 1 January 2012, however, the economic entity had incorrectly not consolidated Protect Services Trust in prior year financial statements.

This has been corrected by restating the Statement of Financial Position and Statement of Comprehensive Income in the year ended 31 December 2012 by consolidating the numbers of Protect Services Trust. The impact for the 2012 year was to increase net assets and profit by \$0.49 million.

(c) Controlled Entity - Electrical Electronic Industry Training (EEIT)

The Union had 100% ownership interest in EEIT. However, the economic entity had incorrectly not consolidated EEIT.

This has been corrected by restating the Statement of Financial Position and Statement of Comprehensive Income in the year ended 31 December 2012 by consolidating the numbers of Protect Services Trust. The impact for the 2012 year was to decrease net assets by \$0.061 million and increase profit by \$0.14 million.

(d) Investment in Associate

The Union has a 23.91% interest in Industrial Printing and Publishing Pty Ltd (IPP) and exerts significant influence over IPP. The investment had been incorrectly disclosed as a financial asset in the prior year when it should have been disclosed as an investment in associate which is accounted for using the equity method.

The prior year error has been corrected by restating the Statement of Financial Position as at 31 December 2012 as follows:

- reclassify the IPP investment to investment accounted for using the equity method.

23. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2013 (31 December 2012: \$nil).

Electrical Trades Union of Australia - Victorian Branch

Notes to the Financial Statements For the Year Ended 31 December 2013

24. EVENTS AFTER BALANCE DATE

The economic entity sold its 120 Cardigan Street Carlton South property on 30 January 2014. Further, on 16 June 2014, the economic entity finalised the settlement of its sale of the 139-155 Queensberry Street Carlton property.

Other than the above matters, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could 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.

25. Fair Work (Registered Organisations) Act 2009

Section 272

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 272 of Fair Work (Registered Organisations) Act 2009, which reads as follows:

Information to be provided to members or the General Manager of Fair Work Australia:

(1) A member of a reporting unit, or the General Manager of Fair Work Australia, may apply to the reporting unit for specified 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).

26. Union Details

The registered office of and principal place of business of the union is:

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

27. Reissued Financial Report

As detailed in Note 1 (r) the following disclosure items were requested by the Fair Work Commission:

- i. there was no support received from another reporting entity to enable the union to operate as a going concern;
- ii. the union did not provide any support to another reporting unit to enable that reporting unit to continue as a going concern;
- iii. there were no assets or liabilities acquired as a result of amalgamation, restructure, the granting or revocation of a certificate under S.245 or S.249 respectively;
- iv. there were no assets or liabilities acquired through any business combination;
- v. there were no compulsory levies raised from members;
- vi. grants and donations are disclosed at Note 5;
- vii. there was no other financial support received from another reporting unit;
- viii. There were no additional expenses incurred as consideration for employees making payroll deductions of membership subscriptions than were incurred in processing of the payroll.
- ix. there were no affiliation fees paid to external parties / bodies;
- x. there were no compulsory levies imposed on the reporting unit;
- xi. the employment benefits expense for separation / redundancy in respect of office-holders during the year was \$464,161. The employment benefits expense for separation / redundancy in respect of employees other than office-holders (ie staff members) during the year was \$372,021;

Electrical Trades Union of Australia - Victorian Branch

- xii. There were no fees or allowances paid to persons in respect of their attendance as representatives of the Branch at meetings;
- xiii. the expenses incurred in respect of holding meetings during the financial year were \$88,608;
- xiv. there were no receivables from another reporting unit;
- xv. there were no payables to another reporting unit;
- xvi. there were no payables to employers as consideration for making payroll deductions of membership subscriptions;
- xvii. employment benefits provisions (liabilities) for each of annual leave, long service leave, separation / redundancy and other in respect of office-holders are detailed in note 4 (a) to the financial statements;
- xviii. employment benefits provisions (liabilities) for each of annual leave, long service leave, separation / redundancy and other in respect of employees other than office-holders are detailed in note 4 (b) to the financial statements;
- xix. there were no funds or accounts (if any) operated in respect of compulsory levies or voluntary contributions;
- xx. there were no investment of monies raised by compulsory levies or voluntary contributions;
- xxi. there was no fund or account (other than general fund) required by rules of organization;
- xxii. there were no transfers to or withdrawals from any specific purpose fund, account or controlled entity; and
- xxiii. there was no reporting unit which was the source or application of a cash flow.

From: Phillip Carruthers [mailto:phillip@etu.asn.au]
Sent: Monday, 15 September 2014 3:35 PM
To: KELLETT, Stephen
Subject: RE: Financial reporting - y/e 31 Dec 2013 - amendment required

Thanks Stephen, we'll get the auditors back in ASAP. With myself and the Finance Manager being new to the union sector we moved to one of the larger corporate audit firms this year in order to ensure the highest standard of governance, but it appears they are not yet familiar with the reporting requirements.

Kind Regards,

Phillip
Phillip Carruthers
Chief Operating Officer



Head Office: Level 1, 200 Arden Street, North Melbourne VIC 3051
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From: KELLETT, Stephen
To: ["phillip@etu.asn.au"](mailto:phillip@etu.asn.au)
Subject: Financial reporting - y/e 31 Dec 2013 - amendment required
Date: Monday, 15 September 2014 1:49:00 PM
Attachments: [CEPU EVIC FR2013 495 \(1\).pdf](#)
[fr_guidelines_253_2013.pdf](#)

Dear Mr Carruthers,

Please see attached my letter addressed to the Secretary, in relation to the above. I attach a copy of the Reporting Guidelines that applied to the financial year ended 31 Dec 2013.

Yours sincerely

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6723 7237
(email) stephen.kellett@fwc.gov.au



FAIR WORK
COMMISSION

15 September 2014

Mr Troy Gray
Secretary
Victorian Branch, Electrical Division
CEPU
PO Box 432
NORTH MELBOURNE VIC 3051

Dear Mr Gray,

Re: Lodgement of Financial Report - *Fair Work (Registered Organisations) Act 2009 - Communications, Electrical, Energy, Information, Postal, Plumbing and Allied Services Union, Electrical and Energy Services Division, Victorian Branch - for year ended 31 December 2013 (FR2013/495)*

I acknowledge receipt of the financial report for the Electrical and Energy Services Division, Victorian Branch ('the reporting unit') for the year ended 31 December 2013, which was lodged with the Fair Work Commission (FWC) on 26 June 2014.

The financial report has not been filed. The financial report has been examined and following that examination a number of matters, the details of which are set out below, have been identified that you are required to address before the report will be filed.

The matters identified should be read in conjunction with the *Fair Work (Registered Organisations) Act 2009* (the RO Act), *Fair Work (Registered Organisations) Regulations 2009* (the RO Regs), Reporting Guidelines (RG) made under section 255 of the RO Act and Australian Accounting Standards. A 'Model financial statements' is also available on the FWC website to assist organisations in preparing returns.

The general purpose financial report (GPFR), the Operating report, and the Auditor's report will require amendment as follows. The amended reports will need to be re-presented to a Committee meeting, republished on the reporting unit's website (or provided by other means to the members) and re-lodged with FWC.

Activities under Reporting Guidelines not disclosed

Items 14, 16, 18, 20, 22, 24, 26 and 33 of the 2012-2013¹ Reporting Guidelines state that if any activities identified in items 10-13, 15, 17, 19, 21, 23, 25 or 27 respectively have not occurred in a reporting period, a statement to this effect must be included in the notes to the GPFR. I note that for the following items no such disclosure or statement has been made:

- 10 - financial support received from another reporting unit to enable Branch to operate as going concern
- 11 - financial support provided to another reporting unit to enable that reporting unit to operate as a going concern
- 12 - assets or liabilities acquired as a result of amalgamation, restructure, the granting or revocation of a certificate under s245 or s249 respectively
- 13 - assets or liabilities acquired through any business combination
- 15(c) - compulsory levies raised from members
- 15(d) - donations or grants

¹ These have been renumbered in the 2014 Reporting Guidelines (4th ed)

- 15(e) - any other kind of financial support received from another reporting unit
- 17(a) - expenses incurred as consideration for employers making payroll deductions of membership subscriptions
- 17(c) - affiliation fees paid to external parties/bodies
- 17(d) - compulsory levies imposed on the reporting unit
- 17(f)(iv) - employment benefits expenses for “separation/redundancy” in respect of office-holders
- 17(g)(iv) - employment benefits expenses for “separation/redundancy” in respect of ‘other employees’ (i.e. staff)
- 17(h) - fees or allowances paid to persons in respect of their attendance as representatives of the Branch at meetings
- 17(i) - expenses incurred in respect of holding meetings
- 19(a) - receivables from another reporting unit
- 19(b) - payables to another reporting unit
- 21(a) - payables to employers as consideration for making payroll deductions of membership subscriptions
- 21(c)(i)-(iv) - employment benefits provisions (liabilities) for each of annual leave, long service leave, separation/redundancy and other in respect of office-holders
- 21(d)(i)-(iv) - employment benefits provisions (liabilities) for each of annual leave, long service leave, separation/redundancy and other in respect of employees other than office-holders
- 23(a) - details of funds or accounts (if any) operated in respect of compulsory levies or voluntary contributions
- 23(b) - details in respect of investment of monies raised by compulsory levies or voluntary contributions
- 23(c) - name and balance of any fund or account (other than general fund) required by rules of organisation
- 23(d) - transfers to or withdrawals from any specific purpose fund, account or controlled entity
- 25 - name of any reporting unit which is the source or application of a cash flow.

The notes should be amended to include such statements (or nil balances) as appropriate.

Loans, Grants and Donations exceeding \$1,000

Note 5(c) discloses a nil balance for grants and a total of \$632,342 for donations exceeding \$1,000. These disclosures do not correspond with the grants and donations totals included in the Statement of Loans, Grants and Donations lodged on 26 June 2014. The grants disclosed in the statement totalled \$34,500; the donations disclosed in the statement totalled \$161,555.

Your clarification is requested. If an error has been made in the Statement of Loans, Grants and Donations, an amended statement must be lodged. If an error has been made in the financial statements, the Notes must be amended as appropriate.

For-profit or not-for profit entity

Australian Accounting Standard *AASB 1054 Australian Additional Disclosures* paragraph 8(b) requires that the entity disclose whether, for the purposes of preparing the financial statements, it is a for-profit or not-for-profit entity.

Operating report - Number of employees

Regulation 159(b) requires that where the number of employees includes both full-time and part-time employees to be measured on a full-time equivalent basis.

The Operating Report simply stated the number of employees as 66. The number of employees must be expressed as a full-time equivalent.

Operating Report - Review of results of principal activities

Subsection 254(2)(a) of the RO Act requires an Operating Report to contain a review of the principal activities of the reporting unit, the results of those activities and any significant changes in the nature of the those activities. The Operating Report provides a review of the principal activities and states that there were no significant changes in the nature of these activities, but

does not include any reference to results. The results contemplated by s254(2)(a) are not the *financial* profit or loss (as set out under the heading "Business Review") but a description of results in terms of the principal activities listed. .

The Operating report should include a statement concerning relevant results.²

Auditor's qualifications

Regulation 4 of the RO Regulations provides the definition of an approved auditor. Item 44 of the Reporting Guidelines required that in the Auditor's Statement, the auditor must declare he or she is either an approved auditor or the auditor is a member of a firm where at least one member is an approved auditor and must specify that the auditor is a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the Institute of Public Accountants, and holds a current Public Practice Certificate.

This information was not included in the Auditor's Statement.

Declaration relating to management use of the going concern basis of accounting

Item 45 of the Reporting Guidelines requires that the Auditor's Statement include a declaration, that as part of the audit of the financial statements, he or she has concluded that management's use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

This declaration was not included in the Auditor's Statement.

The Auditor's Statement for the amended GPFR will need to be amended to include both the abovementioned declarations.

Committee of Management Statement - Date of resolution

Item 42(b) of the Reporting Guidelines required that the Committee of Management Statement specify the date of passage of the resolution. The date of the resolution was omitted. The Committee of Management Statement made in respect of the amended financial statements must include this date.

This information was not provided. The Notes should be amended to include this information.

Upon completion, the amended report should be accompanied by a fresh Designated Officer's Certificate certifying the dates of presentation to the Committee and issue to members.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or by email at stephen.kellett@fwc.gov.au.

Yours sincerely



Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

² The intent of this provision is to provide a brief profile or evaluation of outcomes/achievements. The form of description/review is not prescribed. Individual results of each activity may be listed or a statement made as to whether the activities achieved the various objectives. .

From: [KELLETT, Stephen](#)
To: [KELLETT, Stephen](#)
Subject: FW: [kelllett] On CMS FR2013/495 Annual Report for ETU Vic Branch
Date: Wednesday, 30 July 2014 11:41:12 PM
Attachments: [ETU Victorian Branch 2013 Financial Statements.pdf](#)

From: Phillip Carruthers [<mailto:phillip@etu.asn.au>]
Sent: Thursday, 26 June 2014 3:45 PM
To: Orgs
Subject: [kelllett] On CMS FR2013/495 Annual Report for ETU Vic Branch

[FR2013/495](#)

Dear Sir/Madam,

Please find attached the 2013 Annual Report of the ETU Vic Branch as required by s.268 of the Fair Work (Registered Organisations) Act 2009.

Kind Regards,

Phillip

Phillip Carruthers
Chief Operating Officer



Head Office: Level 1, 200 Arden Street, North Melbourne VIC 3051

Map: <http://goo.gl/maps/jWEh>

Post: PO Box 432, North Melbourne VIC 3051

Mobile: 0412 222 241

Phone: 03 8329 0000

Fax: 03 8329 0066

<http://www.etu Vic.com.au>



ETU VICTORIA INDEPENDENT STRONG UNITED



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3 March 2014

Mr Troy Gray
Branch Secretary
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services
Union of Australia - Electrical, Energy and Services Division - Victorian Divisional Branch
Sent by email: troy@etu.asn.au

Dear Mr Gray,

**Re: Lodgement of Financial Report - [FR2013/495]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Electrical, Energy and Services Division - Victorian Divisional Branch of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia (the reporting unit) ended on 31 December 2013.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date, namely 15 July 2014 (being the expiry date of 6 months and 14 days from the end of the financial year), under s.268 of the RO Act.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Additionally, the General Manager's updated Reporting Guidelines, that apply to all financial reports prepared on or after 30 June 2013, are also available on the website as is our webinar on the financial Reporting Guidelines.

The Fair Work Commission has also developed a model set of financial statements for the 2012-2013 financial year. There is no requirement to use this model but it may be a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. All of the above information can be accessed through our website under [Compliance & litigation](#).

The financial report and any statement of loans, grants or donations made during the financial year [statement must be lodged within 90 days of end of financial year] can be emailed to orgs@fwc.gov.au. A sample statement of loans, grants or donations is available at [sample documents no.5](#)

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$51,000 for a body corporate and \$10,200 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7936 or via email at robert.pfeiffer@fwc.gov.au.

Yours sincerely,

Robert Pfeiffer
Senior Adviser
Regulatory Compliance Branch

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
<p>(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.</p> <p>(b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).</p>	/ /	As soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<p>Within a reasonable time of having received the GPFR</p> <p>(NB: Auditor's report must be dated on or after date of Committee of Management Statement</p>
<p>Provide full report free of charge to members – s265</p> <p>The full report includes:</p> <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /	<p>(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,</p> <p>or</p> <p>(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.</p>
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.