

**COMMUNICATIONS, ELECTRICAL,  
ELECTRONIC, INFORMATION, POSTAL,  
PLUMBING, AND ALLIED SERVICES UNION OF  
AUSTRALIA - ELECTRICAL, ENERGY AND  
SERVICES DIVISION - NSW DIVISIONAL  
BRANCH - "C.E.P.U. ELECTRICAL DIVISION  
(NSW BRANCH)"**

ABN 46 878 660 276

**Financial Statements**

For the Year Ended 31 December 2012

**C.E.P.U. Electrical Division (NSW Branch)**

ABN 46 878 660 276

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**31 December 2012**

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## C.E.P.U. Electrical Division (NSW Branch)

ABN 46 878 660 276

### Organisation Statements

#### Operating Report

The committee of management in accordance with section 254 of the *Fair Work (Registered Organisations) Act 2009* and Regulation 159 *Fair Work (Registered Organisations) Regulations 2009* presents its report for the period ended 31st December 2012.

#### Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The principal activity of the NSW Branch of the CEPU Electrical Division was that of a registered Trade Union. There has been no significant changes to the way the Union has carried out these activities during the last financial year.

The operating surplus for CEPU Electrical Division NSW Branch the year ended 31st December 2012 was \$139,443.

There have been no significant changes to the operating costs of the Branch in the last financial year.

#### Right of members

Members have the right to resign their membership of the union by giving written notice of resignation to the Branch Secretary. The written notification is accepted subject to the rules of the branch and in accordance with section 174 of the *Fair Work (Registered Organisations) Act 2009*.

#### Number of members

As at 31 December 2012 the organisation had 21,978 members. The number of financial members of the Union as at 31 December 2012 was 13,569.

#### Service Agreement

During the year the C.E.P.U. Electrical Division (NSW Branch) entered into a service agreement with the Electrical Trades Union of Australia (NSW Branch) under which the C.E.P.U. Electrical Division (NSW Branch) receives administrative support services and facilities from the Electrical Trades Union of Australia (NSW Branch).

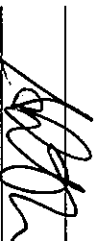
#### Names of all Committee of Management members who held office during the year and the period which each such person held office during the year

<u>Name</u>	<u>Period of service</u>
James MacFadyen	1 Jan 2012 to 31 Dec 2012
Bernard Riordan	1 Jan 2012 to 25 Mar 2012
Steve Butler	26 Mar 2012 to 31 Dec 2012
William Maxwell	1 Jan 2012 to 31 Dec 2012
Mary Syllil	1 Jan 2012 to 31 Dec 2012
Philip Oswald	1 Jan 2012 to 31 Dec 2012
Glen Potter	1 Jan 2012 to 31 Dec 2012
Peter Henne	1 Jan 2012 to 31 Dec 2012
Mark Buttigieg	1 Jan 2012 to 31 Dec 2012
Colin Harris	1 Jan 2012 to 31 Dec 2012
Neville Betts	1 Jan 2012 to 31 Dec 2012

Date

17 JUNE 2013

Signature of designated officer



Name of designated officer

STEVE BUTLER

Office held

SECRETARY

The accompanying notes form part of these financial statements.

## Organisation Statements

### Committee of Management Statement

On the 17<sup>th</sup> day of JUNE in the year 2013 the committee of management of the CEPU Electrical Division NSW Branch (the reporting unit) passed the following resolution in relation to the general purpose financial report (GPFR) for the period ended 31 December 2012.

The committee of management declares that in its opinion:

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

Name of designated officer

Mr. MacFarlan

Signature of designated officer

Phillip Edward Oswald

Name of designated officer

[Signature]

Signature of designated officer

**C.E.P.U. Electrical Division (NSW Branch)**  
ABN 46 678 660 276

**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of C.E.P.U. Electrical Division (NSW Branch)**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2012, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Pinker Arnold & McLaughlin Chartered Accountants



Richard Pinker

Date: 17 June 2013

Hurstville NSW

**C.E.P.U. Electrical Division (NSW Branch)**

ABN 46 878 660 276

**Statement of Comprehensive Income**  
**For the Year Ended 31 December 2012**

	2012	2011
	\$	\$
Revenue	4,428,383	1,800,705
Other income	22,319	34,464
Affiliation fees	7	7
Depreciation and amortisation expense	(1,338,072)	(819,860)
ETU admin & mgt fees	(48,181)	(48,148)
Finance costs	(2,374,879)	-
Grants & donations	(180,904)	(180,895)
Legal fees	(87,491)	(25,000)
Meeting & conference fees	5,115	(237,764)
Other expenses	(35,298)	(52,530)
	(251,549)	(223,609)
<b>Profit before income tax</b>	<b>139,443</b>	<b>247,363</b>
Income tax expense	-	-
<b>Profit from continuing operations</b>	<b>139,443</b>	<b>247,363</b>
<b>Profit for the year</b>	<b>139,443</b>	<b>247,363</b>
<b>Other comprehensive income:</b>		
<b>Total comprehensive income for the year</b>	<b>139,443</b>	<b>247,363</b>

The accompanying notes form part of these financial statements.

**Statement of Financial Position**  
**As At 31 December 2012**

	2012	2011	
Note	\$	\$	
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	4,250,499	1,406,665
Trade and other receivables	3	634,778	2,456,138
<b>TOTAL CURRENT ASSETS</b>		<b>4,885,277</b>	<b>3,862,803</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables		1,300,000	1,300,000
Property, plant and equipment	4	6,748,481	6,796,297
<b>TOTAL NON-CURRENT ASSETS</b>		<b>8,048,481</b>	<b>8,096,297</b>
<b>TOTAL ASSETS</b>		<b>12,933,758</b>	<b>11,959,100</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	5	856,178	362,399
Current tax liabilities		82,126	587
Short-term provisions		-	200,000
<b>TOTAL CURRENT LIABILITIES</b>		<b>938,304</b>	<b>562,986</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	5	1,573,000	1,573,000
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,573,000</b>	<b>1,573,000</b>
<b>TOTAL LIABILITIES</b>		<b>2,511,304</b>	<b>2,135,986</b>
<b>NET ASSETS</b>		<b>10,422,454</b>	<b>9,823,114</b>
<b>EQUITY</b>			
Reserves		3,574,308	3,574,308
Accumulated surplus at the end of the financial year		6,848,146	6,248,806
<b>TOTAL EQUITY</b>		<b>10,422,454</b>	<b>9,823,114</b>

The accompanying notes form part of these financial statements.

**C.E.P.U. Electrical Division (NSW Branch)**

ABN 46 878 660 276

**Statement of Changes in Equity****For the Year Ended 31 December 2012**

2012

	Accumulated Surplus	Asset Revaluation Reserve	Total
Note	\$	\$	\$
<b>Balance at 1 January 2012</b>	6,248,806	3,574,308	9,823,114
Surplus attributable to members	139,443	-	139,443
Retrospective adjustment upon change in accounting policy	459,897	-	459,897
<b>Sub-total</b>	<u>599,340</u>	<u>-</u>	<u>599,340</u>
<b>Balance at 31 December 2012</b>	<u>6,848,146</u>	<u>3,574,308</u>	<u>10,422,454</u>

2011

	Accumulated Surplus	Asset Revaluation Reserve	Total
Note	\$	\$	\$
<b>Balance at 1 January 2011</b>	6,001,443	3,574,308	9,575,751
Surplus attributable to members	247,363	-	247,363
<b>Sub-total</b>	<u>247,363</u>	<u>-</u>	<u>247,363</u>
<b>Balance at 31 December 2011</b>	<u>6,248,806</u>	<u>3,574,308</u>	<u>9,823,114</u>

The accompanying notes form part of these financial statements.



**Statement of Cash Flows**  
**For the Year Ended 31 December 2012**

	2012	2011
Note	\$	\$
<b>CASH FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	5,874,733	1,664,855
Payments to suppliers and employees	<b>(3,560,234)</b>	<b>(1,598,555)</b>
Interest received	315,382	170,313
Interest paid	<b>(180,904)</b>	-
Net cash provided by (used in) operating activities	<u>2,448,977</u>	<u>236,613</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Gains from sale of investments	22,319	-
Net cash used by investing activities	<u>22,319</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from repaid loans	372,538	-
Repayment of borrowings	-	<b>(180,895)</b>
Net cash used by financing activities	<u>372,538</u>	<u>(180,895)</u>
Net increase (decrease) in cash and cash equivalents held	2,843,834	55,718
Cash and cash equivalents at beginning of year	1,406,665	1,350,947
Cash and cash equivalents at end of financial year	<u>2</u> <u>4,250,499</u>	<u>1,406,665</u>

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

### For the Year Ended 31 December 2012

The financial statements cover C.E.P.U. Electrical Division (NSW Branch) as an individual entity. C.E.P.U. Electrical Division (NSW Branch) is registered trade union domiciled in Australia.

#### 1 Summary of Significant Accounting Policies

##### (a) Basis of preparation

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

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.

##### (b) Comparative figures

Comparatives are consistent with prior years, unless otherwise stated.

##### (c) 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.

##### 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.

##### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated on a reducing balance basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

##### (d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

## Notes to the Financial Statements

### For the Year Ended 31 December 2012

#### 1 Summary of Significant Accounting Policies continued

(e) Provisions

Provisions are recognised when the Union 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(f) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Union during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(g) Income tax

The Union is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(h) Revenue and other income

The Union recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of C.E.P.U. Electrical Division (NSW Branch)'s activities as discussed below.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

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

(i) Goods and services tax (GST)

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

Cash flows are presented in the 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.

#### 2 Cash and Cash Equivalents

	2012	2011
Note	\$	\$
Bank balances	834,161	37,074
Investments	1,445,767	1,369,591
Investments - D&M fund	396,878	-
Investments - Sus Asst fund	1,467,922	-
Investments - D&M supp fund	105,771	-
	<u>105,771</u>	<u>-</u>

**Notes to the Financial Statements**  
 For the Year Ended 31 December 2012

2	Cash and Cash Equivalents continued	2012	2011
		\$	\$
	Note	4,250,499	1,406,665
		<u>4,250,499</u>	<u>1,406,665</u>

**Reconciliation of cash**

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	2012	2011
	\$	\$
Note	4,250,499	1,406,665

3	Trade and Other Receivables	2012	2011
		\$	\$
	Note	602,439	2,382,929
		32,339	73,209
		<u>634,778</u>	<u>2,456,138</u>

4	Property, Plant and Equipment	2012	2011
		\$	\$
		6,940,741	6,940,741
	Building	(192,593)	(144,444)
	At independent valuation	6,748,148	6,796,297
	Accumulated depreciation	6,748,148	6,796,297
	Total buildings	6,748,148	6,796,297
	Total land and buildings	6,748,148	6,796,297
	<b>PLANT AND EQUIPMENT</b>		
	Office equipment	366	-
	At cost	(33)	-
	Accumulated depreciation	333	-
	Total office equipment	333	-
	Total plant and equipment	333	-
	<b>Total property, plant and equipment</b>	<u>6,748,481</u>	<u>6,796,297</u>

## Notes to the Financial Statements

### For the Year Ended 31 December 2012

#### 5 Trade and Other Payables

	2012	2011
	\$	\$
<b>CURRENT</b>		
Secured Liabilities		18,427
Creditors & accruals	-	343,972
Other payables	856,178	362,399
	<u>856,178</u>	<u>362,399</u>
	2012	2011
	\$	\$
<b>NON-CURRENT</b>		
ETU of Aust NSW	1,573,000	1,573,000

#### 6 Financial Risk Management

The Union's financial instruments consist mainly of deposits with banks, local term deposits, accounts receivable & payable.

This note discloses the Union's objectives, policies and processes for managing and measuring these risks.

The Union's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Union does not speculate in financial assets.

The most significant financial risks to which the Union is exposed to are described below:

- Market risk - currency risk, cash flow interest rate risk and price risk
- Credit risk
- Liquidity risk

The Union's committee is responsible for, among other things, monitoring and managing financial risk exposure. The secretary monitors the Union's transactions and authorises any changes in financial risk management.

The principal categories of financial instrument used by the Union are:

- Trade receivables
- Cash at bank
- Trade and other payables

**Net fair values**

## Notes to the Financial Statements

### For the Year Ended 31 December 2012

#### 6 Financial Risk Management continued

##### Fair value estimation

The fair value of financial assets and financial liabilities approximate their carrying value, because of their short term to maturity. No financial assets or financial liabilities are actively traded on organised markets.

#### 7 Revenue and Other Income

	2012	2011
	\$	\$
Revenue		
- Member subscriptions	3,760,201	-
- Rental revenue	352,800	352,800
- Interest received	315,382	170,313
- Service charges	-	1,277,592
	<u>4,428,383</u>	<u>1,800,705</u>
Other income		
- Gain (loss) on Investments	22,319	31,329
- Other income	-	3,135
	<u>22,319</u>	<u>34,464</u>
<b>Total Revenue</b>	<b><u>4,450,702</u></b>	<b><u>1,835,169</u></b>

#### 8 Events after the end of the Reporting Period

The financial statements were authorised for issue on 6 June 2013.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations or the state of affairs of the Union in future financial years.

#### 9 Union Details

##### Registered office and principal place of business:

C.E.P.U. Electrical Division (NSW Branch)  
 Level 5, 370 Pitt St  
 Sydney NSW 2000

## C.E.P.U. Electrical Division (NSW Branch)

ABN 46 878 660 276

### Notes to the Financial Statements For the Year Ended 31 December 2012

#### 10 Related Party Transactions

##### Executive committee members

Executive committee members for the income year ended 31 Dec 2012 were:

Jim MacFadyen (President); Steve Butler (Secretary); William Maxwell (Vice President); Neville Betts (Assistant Secretary); Allan Reid (Treasurer); Trevor Russell; Myr Styllis; Colin Harris; Mike Brien; Mark Buttigieg

#### 11 Notice to Members

Notice to Members under section 272 of the Fair Work (Registered Organisations) Act 2009:

- (1) A member of a reporting unit, or the General Manager, 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).

#### 12 Contributions collected by the ETU (NSW)

All money collected by the Electrical Trades Union of Australia (NSW Branch) for members' contributions, subscriptions, fines, levies, fees or dues owing are also held to be contributions, subscriptions, fines, levies, fees or dues collected on behalf of the CEPU Electrical Division NSW Branch).

**C.E.P.U. Electrical Division (NSW Branch)**

ABN 46 878 660 276

## **Independent Audit Report to the members of C.E.P.U. Electrical Division (NSW Branch)**

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

We have audited the accompanying financial report of C.E.P.U. Electrical Division (NSW Branch), which comprises the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and management's assertion statement.

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

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as management determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

#### *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. Those 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 management, 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.



**C.E.P.U. Electrical Division (NSW Branch)**  
ABN 44 678 669 276

## **Independent Audit Report to the members of C.E.P.U. Electrical Division (NSW Branch)**

### *Opinion*

In our opinion the financial report of C.E.P.U. Electrical Division (NSW Branch) is in accordance with the *Fair Work (Registered Organisations) Act 2009*, including :

- (a) presenting fairly, in all material respects, the financial position of C.E.P.U. Electrical Division (NSW Branch) as at 31 December 2012, and its financial performance and its cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards and any other requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

Pinker Arnold & McLoughlin Chartered Accountants



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Richard Pinker  
Chartered Accountant & Registered Company Auditor  
Hurstville NSW

Date: 17 June 2013