

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA PLUMBING
DIVISION- NEW SOUTH WALES BRANCH**

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**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA PLUMBING
DIVISION- NEW SOUTH WALES BRANCH**

OPERATING REPORT

Principal Activities

The principal activities of the CEPU New South Wales Branch during the financial year were to provide representation and support to our members. There were no significant changes to the principal activities during the year.

Review of Results

The net result of operations for the year was a loss of \$23,549 (2008 – loss of \$217,122).

Significant Changes in the State of Affairs

In the opinion of the Members of the Committee of Management, there were no significant changes in the organisation's state of affairs during the financial year.

Resignation of Members

As per Section 174 of the Workplace Relations Act 1996, a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

Number of Members

As at 31 March 2009, the number of financial members of the organisation was 1,554.

Number of Full Time Employees

As at the 31 March 2009, the number of full time equivalent employees was 5.

Committee of Management

The Committee of Management current members are as follows:

| | |
|-------------------------------------|----------------------------------|
| David Broadley | John Trebble |
| Scott Davey (resigned 24/09/08) | Theo Smartzopoulos |
| Alan Duff (resigned 22/04/2009) | Mark Stevens (resigned 17/09/08) |
| Gavin Follers (resigned 17/09/08) | Ian Wright |
| Steve McCarney | William Patterson |
| James Harris (appointed 24/09/2009) | Con Siakos (appointed 24/09/08) |
| Ted Mulbrey | |

Future Developments

In the opinion of the Committee of Management, there is not likely to be any future development that will materially affect the Union's operations in subsequent years.

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

.....
Steve McCarney

.....
John Trebble

Dated this day of 2009

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA PLUMBING
DIVISION- NEW SOUTH WALES BRANCH**

COMMITTEE OF MANAGEMENT STATEMENT

The Committee of Management of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing & Allied Services Union of Australia, Plumbing Division – New South Wales Branch passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial year ended 31 March 2009:

The Committee of Management declares in relation to the general purpose financial report that in its opinion:

- (a) the financial statements and notes comply with the Reporting Guidelines of the Industrial Registrar;
- (b) 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;
- (c) 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;
- (d) during the financial year to which the general purpose financial report 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;
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of the branch concerned;
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations;
 - (iv) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (v) there have been no orders for inspection of financial records made by the Commission under section 273 of the RAO Schedule during the period.
- (e) in relation to recovery of wages activity:
 - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
 - (ii) the committee of management caused the auditor to include in the scope of the audit required under section 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
 - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursed of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
 - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

For the Committee of Management

.....
Steve McCarney

.....
John Trebble

Dated this day of ,2009

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA PLUMBING DIVISION-
NEW SOUTH WALES BRANCH**

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2009**

| | Note | <u>2009</u> \$ | <u>2008</u> \$ |
|--|------|-------------------|-------------------|
| Revenue | | | |
| Contributions | | 704,777 | 650,147 |
| Interest | | 11,343 | 13,085 |
| Sundry Income | | <u>102,047</u> | <u>91,438</u> |
| Total Revenue | | <u>818,167</u> | <u>754,670</u> |
| Expenses | | | |
| Affiliations | | 13,807 | 23,034 |
| Administrative Services | | | |
| Advertising | | - | 1,442 |
| Audit Fees | | 16,350 | 22,000 |
| Accounting Fee | | 7,500 | 4,750 |
| Bank Charges | | 5,973 | 4,611 |
| Cleaning & Security Services | | 7,148 | 13,941 |
| Compilation Fees | | | - |
| Computer Programming Expenses | | 9,286 | 13,981 |
| Depreciation | | 32,390 | 30,016 |
| Donations | | 2,782 | - |
| Electricity | | 2,669 | 2,413 |
| Fines and Penalties | | 1,205 | - |
| Fringe Benefits Tax | | 3,042 | 4,312 |
| Federal Levies | | 6,061 | 7,294 |
| Sundries | | 24,346 | 18,222 |
| Merchandising Expenses | | 29,069 | 30,244 |
| Provision for Annual Leave | | 10,738 | (27,997) |
| Provision for Long Service Leave | | (64,552) | 32,174 |
| Provision for Retiring Allowance | | (48,282) | 48,324 |
| Annual Leave, Long Service Leave & Retiring Allowance Paid | 13 | 38,742 | 81,878 |
| Redundancy Payment | | - | 16,890 |
| Insurance | | 14,747 | 18,615 |
| Legal and Professional Fees | | 76,401 | 5,040 |
| Loss on Disposal of Fixed Assets | | 11,468 | - |
| Staff Amenities & Miscellaneous Expenses | | 4,889 | 4,735 |
| Motor Vehicle Expenses | | 44,317 | 40,832 |
| Postage | | 4,172 | 2,093 |
| Printing & Stationery | | 15,364 | 22,742 |
| Rent | | 45,874 | 35,260 |
| Salaries & Wages | 13 | 363,810 | 346,408 |
| Subscriptions | | 1,070 | 1,427 |
| Superannuation | 13 | 50,432 | 43,963 |
| Telephone | | 25,154 | 25,053 |
| Travel & Other Allowances | | 13,284 | 31,119 |
| Freight & Transport | | 1,982 | 2,051 |
| Campaigns Expenses | | - | <u>1,927</u> |
| | | <u>771,238</u> | <u>908,794</u> |
| Per Capita Payment to Head Office | | <u>70,478</u> | <u>62,998</u> |
| Total Expenses | | <u>841,716</u> | <u>971,792</u> |
| Net Loss for Year | | <u>(23,549)</u> | <u>(217,122)</u> |

The accompanying notes form part of these financial statements

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA PLUMBING DIVISION- NEW
SOUTH WALES BRANCH**

**BALANCE SHEET
AS AT 31 MARCH 2009**

| | Note | <u>2009</u> | <u>2008</u> |
|----------------------------------|------|------------------|------------------|
| | | \$ | \$ |
| CURRENT ASSETS | | | |
| Cash and Cash Equivalents | 5 | 384,597 | 542,055 |
| Receivables | 6 | - | 10,693 |
| Inventories | 7 | 5,930 | - |
| TOTAL CURRENT ASSETS | | <u>390,527</u> | <u>552,748</u> |
| NON-CURRENT ASSETS | | | |
| Plant and Equipment | 8 | <u>101,662</u> | <u>113,449</u> |
| TOTAL NON-CURRENT ASSETS | | <u>101,662</u> | <u>113,449</u> |
| TOTAL ASSETS | | <u>492,189</u> | <u>666,197</u> |
| CURRENT LIABILITIES | | | |
| Payables | 9 | 44,993 | 68,615 |
| Non Interest-bearing liabilities | 10 | 349,363 | 374,103 |
| Provisions | 11 | <u>31,130</u> | <u>169,903</u> |
| TOTAL CURRENT LIABILITIES | | <u>425,486</u> | <u>612,621</u> |
| NON - CURRENT LIABILITIES | | | |
| Provisions | 11 | <u>44,117</u> | <u>7,441</u> |
| TOTAL NON – CURRENT LIABILITIES | | <u>44,117</u> | <u>7,441</u> |
| TOTAL LIABILITIES | | <u>505,335</u> | <u>620,062</u> |
| NET ASSETS | | <u>22,586</u> | <u>46,135</u> |
| EQUITY | | | |
| Reserves | 12 | 371,363 | 371,363 |
| Accumulated losses | | <u>(348,777)</u> | <u>(325,228)</u> |
| TOTAL EQUITY | | <u>22,586</u> | <u>46,135</u> |

The accompanying notes form part of these financial statements

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2009**

| | Note | <u>2009</u> | <u>2008</u> |
|---|------|------------------|------------------|
| | | \$ | \$ |
| Balance as at 1 April | | (325,228) | (108,106) |
| Retrospective adjustment upon change in accounting policy | | - | - |
| Loss for the Year | | <u>(23,549)</u> | <u>(217,122)</u> |
| Balance as at 31 March | | <u>(348,777)</u> | <u>(325,228)</u> |

The accompanying notes form part of these financial statements

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**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2009**

| | Note | <u>2009</u> | <u>2008</u> |
|---|--------|-----------------------|-----------------------|
| | | \$ | \$ |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | | 704,777 | 723,269 |
| Sundry income | | 61,830 | 88,353 |
| Payments to suppliers and employees | | (881,883) | (949,597) |
| Interest received | | <u>14,630</u> | <u>9,798</u> |
| Net cash (used in)/provided by operating activities | 19 (b) | <u>(100,646)</u> | <u>(128,177)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Payment for plant and equipment | | <u>(32,072)</u> | <u>(40,772)</u> |
| Net cash (used in)/provided by investing activities | | <u>(32,072)</u> | <u>(40,772)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Amount payable – Federal Office | | <u>(24,740)</u> | <u>70,292</u> |
| Net cash provided by financing activities | | <u>(24,740)</u> | <u>70,292</u> |
| Net (decrease)/increase in cash and cash equivalents | | (157,458) | (98,657) |
| Cash and Cash Equivalents at beginning of financial year | | <u>542,055</u> | <u>640,712</u> |
| Cash and Cash Equivalents at end of financial year | 19 (a) | <u><u>384,597</u></u> | <u><u>542,055</u></u> |

The accompanying notes form part of these financial statements

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**STATEMENT OF RECEIPTS AND PAYMENTS
FOR RECOVERY OF WAGES ACTIVITY - CASH BASIS
FOR THE YEAR ENDED 31 MARCH 2009**

| | <u>2009</u> | <u>2008</u> |
|---|-------------|--------------------|
| | \$ | \$ |
| Cash Assets in Respect of Recovered Money at Beginning of Year | _____ - | _____ - |
| Receipts | | |
| Amounts recovered from employers in respect of wages | - | 5,000 |
| Interest received on recovered money | _____ - | _____ - |
| Total Receipts | _____ - | _____ <u>5,000</u> |
| Payments | | |
| Deductions of amounts due in respect of membership | - | 418 |
| Deductions of donations or other contributions to accounts or funds | - | - |
| Deductions of fees or reimbursements of expenses | - | - |
| Payments to workers in respect of recovered money | _____ - | _____ <u>4,582</u> |
| Total Payments | _____ - | _____ <u>5,000</u> |
| Cash Assets in Respect of Recovered Money at End of Year | ===== - | ===== - |

The accompanying notes form part of these financial statements

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

1. Statement of Significant Accounting Policies

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003 of the Workplace Relations Act 1996.

In accordance with generally accepted accounting principles for these types of organisations, membership contributions are accounted for on a cash basis. Otherwise the financial report has been prepared on an accrual basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on fair values of consideration given in exchange for assets.

The accounts are prepared on the basis that the Branch will continue as a going concern notwithstanding the negative working capital. The ability to continue as a going concern is dependent upon the continued support of the Federal and Victorian offices.

Basis of Preparation

The financial report complies with Australian Accounting Standards which include Australian Equivalents to International Financial Reporting Standards (AIFRS).

Standards and interpretations not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the entity for the annual reporting period ended 31 March 2009. The Committee of Management have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the entity) and interpretations.

Initial application of AASB 101 Presentation of Financial Statements effective for annual reporting periods beginning on or after 1 January 2009 will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the entity and its financial report. The initial application of AASB 123 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101 effective for annual reporting periods beginning on or after 1 January 2009 are not expected to have any material impact on the financial report of the entity.

Accounting Policies

The accounting policies set out below have been consistently applied, unless otherwise stated.

(a) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

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(b) Plant and Equipment

Plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

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

Depreciation

The depreciable amount of all fixed assets are depreciated over their estimated useful lives to the organisation commencing from the time the asset is held ready for use.

The depreciation rates used for each class of asset are:

| <i>Class of asset</i> | <i>Depreciation rate</i> |
|--------------------------------|--------------------------|
| Motor vehicles | 25% |
| Office equipment and furniture | 11% - 33% |

(c) Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts (when applicable).

(d) Inventory

Inventories of saleable merchandise are measured at the lower of cost or net realisable value.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

(e) Financial Instruments

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs. Financial instruments are classified and measured as set out below:

(i) 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 using the effective interest rate method.

(ii) 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 entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iii) Financial Liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

(iv) Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

(f) Goods and Services Tax (GST)

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

(g) Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date.

Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Long Service Leave and Retiring Allowance accrued by Union officials from 1 July 1999 is no longer the liability of the National Office. Accordingly, provision for Long Service Leave and Retiring Allowance now recorded in the books of the New South Wales Branch takes into account the liability for such employees from 1 July 1999.

Long Service Leave and Retiring Allowance have been accrued in accordance with clause 51 of the Rules of the Union.

No provision is made for sick leave as there is no liability to pay for accumulated leave and the sick leave to be taken in future reporting periods is not expected to be greater than entitlements which are expected to accrue in those periods.

Contributions are made by the Union to the employee superannuation funds and are expensed when incurred. The Union is not obliged to contribute to these funds other than to meet its liability under the superannuation guarantee system and is under no obligation to make up any shortfall in the funds' assets to meet payments due to employees.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

(h) Revenue Recognition

Contributions from members are shown net of refunds and are accounted for on an accrual basis.

Interest revenue is recognised on an accrual basis.

Revenue arising from the disposal of non-current assets is recognised when the organisation and the buyer are both committed to a contract.

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

(i) Inventory

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

(j) Comparative Figures

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

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**NOTES TO THE FINANCIAL STATEMENTS
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(k) Changes in Accounting Policies

The entity changed its accounting policy for the financial year ended 31 March 2009 relating to the measurement and recognition of inventories. Merchandise was previously expensed as purchased as the vast majority was gifted to members at nil consideration. The entity has now elected to recognise saleable merchandise as inventory.

The Committee of Management are of the opinion that the implemented change will better reflect the usage of inventory.

The aggregate effect of the change in accounting policy on the annual financial statements for the year ended 31 March 2009 is as follows:

| | <u>2009</u> | | |
|-------------------------|-------------------|------------|----------|
| | Previously Stated | Adjustment | Restated |
| | \$ | \$ | \$ |
| Income Statement | | | |
| Merchandising expenses | 34,999 | (5,930) | 29,069 |
| Net Loss for the Year | (29,479) | 5,930 | (23,549) |

Balance Sheet

| | | | |
|--|---|-------|-------|
| Inventory | - | 5,930 | 5,930 |
| Adjustment to opening accumulated losses | - | - | - |

| | <u>2008</u> | | |
|---------------------------|-------------------|------------|----------|
| | Previously Stated | Adjustment | Restated |
| | \$ | \$ | \$ |
| Income Statement | | | |
| Merchandising expenses(*) | - | - | - |
| Net Loss for the Year | - | - | - |

Balance Sheet

| | | | |
|--|---|---|---|
| Inventory(*) | - | - | - |
| Adjustment to opening accumulated losses | - | - | - |

(*): No saleable merchandise was on hand at 31 March 2008

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

2. Royal Commission Fund/Branch and Federal Levies

On 11th December 1990, a mass meeting of members of the Union approved the introduction of a levy of \$20 per year to help defray the cost of involvement with the New South Wales Government's Royal Commission into the NSW Building Industry. On 25th August 1991, a Branch meeting of members resolved to terminate the Royal Commission Levy and implement \$7.00 per annum Head Office Levy to assist Head Office financially and \$13 Branch levy to be retained by the Branch.

3. Funds

3.1 General Fund

Pursuant to the Rules of the Union, the General Fund includes all enrolment fees, contributions, levies and fines (except as specifically prescribed in the rules) and except with the previous permission of the Divisional Council or Divisional Executive shall only be used for the payment of allowances and general expenditures necessarily incurred in the working of the Branch.

3.2 Incidental Fund

Pursuant to the Rules of the Union, the balance remaining the General Fund at the close of each financial period is divided into three equal parts with one part being allocated to the Incidental Fund and two parts of the General Fund. This Fund is wholly at the disposal of the Branch for any purpose whatsoever. Due to the accumulated deficit in the General Fund, no transfer was made this year.

3.3 Defence Fund

This fund represents the accumulated levy made on members of the New South Wales Branch. Legal Fees incurred are deemed to be for the defence of the Union and are usually written off against this fund. However, this year legal fees have been written off in the General Fund.

3.4 Special Purpose Fund

This fund is for special purposes. The amount in this account has been sent to Trustee of unclaimed monies.

3.5 Royal Commission Fund

No movements occurred in the fund this year.

4. Information to Be Provided to Members or Registrar

In accordance with the requirements of the Workplace Relations Act 1996 Schedule 1 B (RAO), the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 which reads as follows:-

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner and within such time as is prescribed.
- (3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member, information received because of an application made at the request of the member.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

| | <u>2009</u> | <u>2008</u> |
|-------------------------------------|-----------------|-----------------|
| | \$ | \$ |
| 5. Cash and Cash Equivalents | | |
| Cash in Hand | 493 | 1,200 |
| Cash at Bank | <u>384,104</u> | <u>540,855</u> |
| | <u>384,597</u> | <u>542,055</u> |
| 6. Receivables | | |
| Sundry Debtors and Accrued Income | - | 6,372 |
| Other debtors | <u>-</u> | <u>4,321</u> |
| | <u>-</u> | <u>10,693</u> |
| 7 Inventory | | |
| At Cost | <u>5,930</u> | <u>-</u> |
| 8 Plant and Equipment | | |
| (a) Motor vehicles | | |
| At cost | 155,499 | 157,512 |
| Less: accumulated depreciation | <u>(73,347)</u> | <u>(68,492)</u> |
| | <u>82,152</u> | <u>89,020</u> |
| (b) Office equipment | | |
| At cost | 55,638 | 53,647 |
| Less accumulated depreciation | <u>(36,128)</u> | <u>(29,218)</u> |
| | <u>19,510</u> | <u>24,429</u> |
| Total Plant and equipment | <u>101,662</u> | <u>113,449</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

8 Plant and Equipment (Cont)

Reconciliations

Reconciliation of the carrying amounts of plant and equipment at the beginning and end of the current year.

| 2009 | Motor Vehicles | Office Equipment | Total |
|------------------------------|----------------|------------------|----------|
| | \$ | \$ | \$ |
| Carrying amount at beginning | 89,020 | 24,429 | 113,449 |
| Additions | 30,081 | 1,991 | 32,072 |
| Disposals/Adjustment | (11,469) | - | (11,469) |
| Depreciation Expense | (25,480) | (6,910) | (32,390) |
| Carrying amount at end | 82,152 | 19,510 | 101,662 |

| 2008 | Motor Vehicles | Office Equipment | Total |
|------------------------------|----------------|------------------|----------|
| | \$ | \$ | \$ |
| Carrying amount at beginning | 82,282 | 20,411 | 102,693 |
| Additions | 29,682 | 11,090 | 40,772 |
| Disposals/Adjustment | - | - | - |
| Depreciation Expense | (22,944) | (7,072) | (30,016) |
| Carrying amount at end | 89,020 | 24,429 | 113,449 |

| | <u>2009</u> | <u>2008</u> |
|--|--------------------|--------------------|
| | \$ | \$ |
| 9 Payables | | |
| Sundry creditors and accruals | 48,121 | 55,865 |
| GST Payable | <u>(3,128)</u> | <u>12,750</u> |
| | <u>44,993</u> | <u>68,615</u> |
| 10 Non Interest Bearing Liabilities | | |
| Amounts payable to Federal Office and other branches | <u>349,363</u> | <u>374,103</u> |
| 11 Provisions | | |
| Current | | |
| Annual Leave | 31,130 | 20,392 |
| Long Service Leave & Retiring Allowance | - | <u>149,511</u> |
| | <u>31,130</u> | <u>169,903</u> |
| Non Current | | |
| Long Service Leave & Retiring Allowance | <u>44,117</u> | <u>7,441</u> |

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NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

| 12 Reserve Funds | Defence | Incidental | Royal Commission | Total |
|--------------------------|----------------|-------------------|-----------------------------|----------------|
| | \$ | \$ | \$ | \$ |
| At beginning of year | 340,440 | 13,265 | 17,658 | 371,363 |
| Transfer during the year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| At end of year | <u>340,440</u> | <u>13,265</u> | <u>17,658</u> | <u>371,363</u> |

The reserve records amounts set aside in prior years to fund future requirements of the Union.

13 Employee Benefits

Employee benefits paid during the year:

| | Elected Officials | Administrative & Industrial Staff | Total |
|--|------------------------------|--|----------------|
| | \$ | \$ | \$ |
| Wages & Salaries | 256,361 | 107,449 | 363,810 |
| Annual Leave and sick leaves | 25,556 | 13,186 | 38,743 |
| Long Service Leaves & Retiring Allowance | <u>-</u> | <u>-</u> | <u>-</u> |
| | 281,917 | 120,635 | 402,552 |
| Superannuation | <u>37,892</u> | <u>12,540</u> | <u>50,432</u> |
| Total | <u>319,809</u> | <u>133,175</u> | <u>452,984</u> |

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SOUTH WALES BRANCH**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

14 RELATED PARTY TRANSACTIONS

The following were the related parties to the Union during the year

| | |
|-------------------------------------|-----------------------------------|
| David Broadley | John Trebble |
| Scott Davey (resigned 24/09/2008) | Theo Smartzopoulos |
| Alan Duff (resigned 22/04/2009) | Mark Stevens (resigned 17/09/08) |
| Gavin Follers (resigned 17/09/08) | Ian Wright |
| Steve McCarney | William Patterson |
| James Harris (appointed 24/09/2008) | Con Siakos (appointed 24/09/2008) |
| Ted Mulbrey | |

Amounts received or due and receivable (i.e. wages paid to the Secretary, Assistant Secretary and Organisers and Committee fees paid to Committee of Management were \$281,918 (2008: \$272,842).

Amounts paid on behalf of the Secretary, Assistant Secretary and Organisers to the Building Union Superannuation Scheme in respect to the retirement of Committee of Management members was \$37,892 (2008: \$31,695).

Other transactions between the Committee Members and the Union were conducted on normal commercial terms in respect of subscriptions.

Transactions between New South Wales Branch and Federal Office

(a) Per Capita Payment & Levy

During the year the New South Wales Branch of the Union was charged by the Federal Office of the Union a per capita payment calculated at 10% of Contributions in accordance with the rules.

During the year a Federal Levy of \$7 per annum per annum was charged to the branch members and is due and payable to Head office.

| | 2009 | 2008 |
|--------------------|---------------|---------------|
| | \$ | \$ |
| Per Capita Payment | <u>70,458</u> | <u>62,998</u> |
| Federal Levy | <u>6,061</u> | <u>7,294</u> |

15 Contingent Liabilities

There are no known contingent liabilities as at balance date or to the date of this report.

16 Commitment

| | | |
|--------------------------------|-------|-------|
| Capital Expenditure Commitment | ===== | ===== |
|--------------------------------|-------|-------|

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SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

17 Events Subsequent to Reporting Date

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.

18 Segment Reporting

The Union provides services to members employed in executing plumbing, gas fitting, pipe fittings and domestic engineering works in the state of New South Wales.

| | <u>2009</u> | <u>2008</u> |
|--|-------------|-------------|
| | \$ | \$ |

19 Cash Flow Information

(a) Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

| | | |
|--------------|----------------|----------------|
| Cash on hand | 493 | 1,200 |
| Cash at bank | <u>384,104</u> | <u>540,855</u> |
| | <u>384,597</u> | <u>542,055</u> |

(b) Reconciliation of cash flow from operations with loss from ordinary activities after income tax

| | | |
|---|------------------|------------------|
| Loss from ordinary activities after income tax | (104,715) | (217,122) |
| Non-cash flows in loss from ordinary activities | | |
| Depreciation | 32,390 | 30,016 |
| Loss on disposal of plant and equipment | 11,468 | - |
| Changes in assets and liabilities | | |
| Decrease/(Increase) in receivables | 10,693 | 6,378 |
| Decrease/Increase in payables | (23,622) | 6,484 |
| Decrease in provisions | <u>(26,860)</u> | <u>46,067</u> |
| Cash flows from operations | <u>(100,646)</u> | <u>(128,177)</u> |

20 Union Details

The registered office of the Union is:
Plumbers Union of New South Wales
Shop 1, 111 McEvoy Street
ALEXANDRIA NSW 2015

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

21 Financial Instruments

(a) Financial Risk Management

The entity's financial instruments consist of deposits with banks, short-term investments, accounts receivable and payable.

The entity does not have any derivative instruments at 31 March 2009.

The purpose of the financial instruments is to raise finance for the operations of the entity.

i) Treasury Risk Management

The Committee of Management meets on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

ii) Financial Risks

The main risks the entity is exposed to through its financial instruments are liquidity risk and credit risk. The entity is not exposed to interest rate risk arising from debts.

Foreign Currency

The entity is not exposed to fluctuations in foreign currency.

Liquidity Risk

The entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The entity does not have a material credit risk exposure to a single individual or group of debtors under financial instruments entered into by the entity.

(a) Interest Rate Risk

The entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

| | Weighted Average Effective Interest Rate | | Floating Interest Rate | | Non Interest Bearing | | Total | Total |
|------------------------------------|---|------|------------------------|---------|----------------------|-----------|---------|---------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Financial Assets: | % | % | \$ | \$ | \$ | \$ | \$ | \$ |
| Cash and cash equivalents | 3.5 | 6.55 | 378,928 | 533,373 | 5,669 | 8,682 | 384,597 | 542,055 |
| Receivables | - | - | - | - | - | 10,692 | - | 10,692 |
| Total Financial Assets | | | 378,928 | 533,373 | 5,669 | 19,554 | 384,597 | 552,747 |
| Financial Liabilities: | | | | | | | | |
| Payables | - | - | - | - | 44,993 | 68,615 | 44,993 | 68,615 |
| Non Interest Bearing Liabilities | - | - | - | - | 349,363 | 374,103 | 349,363 | 374,103 |
| Total Financial Liabilities | | | - | - | 394,356 | 442,718 | 394,356 | 442,718 |
| Net Financial Assets/(Liabilities) | | | 378,928 | 533,373 | (388,687) | (427,444) | (9,759) | 110,029 |

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SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

21 Financial Instruments (Cont)

(c) Net Fair Values

The net fair value of the entity's financial assets and financial liabilities are not expected to be significantly different from the class of asset and liability as disclosed above and recognised in the balance sheet as at 31 March 2009.

(d) Sensitivity Analysis

The following table discloses the impact on net operating result and equity for each category of the financial instrument held by the entity as at year end if changes in the market interest rates risk occur.

The entity is not exposed to other price risk which could impact on the net operating result and equity for each of the financial instrument held by the entity.

| 2009 | Carrying Amount \$ | Interest Rate Risk | | | |
|----------------------------------|--------------------------|--------------------|--------------|--------------|--------------|
| | | -1% | | +1% | |
| | | Profit \$ | Equity \$ | Profit \$ | Equity \$ |
| Financial Assets | | | | | |
| Cash and Cash Equivalents | 384,597 | (3,846) | (3,846) | 3,846 | 3,846 |
| Receivables | - | - | - | - | - |
| Financial Liabilities | | | | | |
| Payables | 44,993 | - | - | - | - |
| Non Interest Bearing Liabilities | 349,363 | - | - | - | - |

| 2008 | Carrying Amount \$ | Interest Rate Risk | | | |
|----------------------------------|--------------------------|--------------------|--------------|--------------|--------------|
| | | -1% | | +1% | |
| | | Profit \$ | Equity \$ | Profit \$ | Equity \$ |
| Financial Assets | | | | | |
| Cash and Cash Equivalents | 542,055 | (5,421) | (5,421) | 5,421 | 5,421 |
| Receivables | 10,692 | - | - | - | - |
| Financial Liabilities | | | | | |
| Payables | 68,615 | - | - | - | - |
| Non Interest Bearing Liabilities | 374,103 | - | - | - | - |

