

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL, ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH • FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2004

OPERATING REPORT

The Branch Executive, being the Committee of Management for the purposes of the Workplace Relations Act 1996, presents its operating report of the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch for the financial year ended 30 June 2004.

- The principal activities of the branch are those that are usually performed by an Industrial Trade Union. There were no changes to those activities during the financial year.
- There were no significant changes to the branch's financial affairs during the year.
- All members have a right to resign in accordance with rule 32 of the branch and Section 174 of Schedule 1B of the Workplace Relations Act, 1996.
- Mr Barry Keith Mason and Mr John Ernst are directors of the Local Government Superannuation Scheme, positions they hold as members of the New South Wales Local Government, Clerical, Administrative, Energy, Airlines, & Utilities Union (United Services Union).


Mr Paul Marzato is a director of the Energy Industry Superannuation Scheme a position he holds as a member of the United Services Union.


Mr Michael Want is a director of CARE Superannuation Fund a position he holds as a member of the United Services Union.
- The branch has contracted with the United Services Union for the sale of the branch's property at 321 Pitt Street Sydney. The contract price is \$2,100,000 (inclusive of GST). The sale of the property was finalised on 27th September 2004.
- At the end of the financial year the number of registered members of the branch was 37,233.
- The branch has no employees. All work performed on behalf of the branch is undertaken by persons who are either officers or employees of the United Services Union.
- The names of each person who were members of the Branch Executive, at any time, during the financial year are as follows:-

Branch Executive members from 1 July 2003 to 30 June 2004.

Brian Harris, Steven Birney, Michael Want, Peter Anderson-Smith, Halim Assoni, Leslie Coyle, Rhonda Barton, Raymond Bourke, Phillip Bowering, Elizabeth Cumming, Christopher Osborne, Anthony Dean, Diane Fahey, Mark Gill, Christopher Gorman, Joanne Jamieson, Harry Pittman, Val Rietdyk, Maryanne Stuart, James Taylor, Marilyn Timmins, Melissa Williams, Craig Wilson, Martin Wynne, John Mackay.

Signed in accordance with a resolution of the Branch Executive.


BRIAN HARRIS
19th November 2004


STEVEN BIRNEY

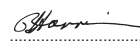
BRANCH EXECUTIVE'S STATEMENT

On the 19th of November the Branch Executive of the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch, passed the following resolution in relation to the general purpose financial report (GPFR) of the branch for the year ended 30 June 2004

The Branch Executive declares in relation to the GPFR that in its opinion:

- the financial report and notes comply with the Australian Accounting Standards;
- the financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the branch for the financial year ended 30 June 2004;
- there are reasonable grounds to believe that the branch will be able to pay its debts as and when they become due and payable; and
- during the financial year ended 30 June 2004 and since the end of the financial year:
 - meetings of the Branch Executive were held in accordance with the rules of the organisation and the rules of the branch; and
 - the financial affairs of the branch have been managed in accordance with the rules of the organisation and the rules of the branch; and
 - the financial records of the branch have been kept and maintained in accordance with Schedule 1B to the Workplace Relations Act 1996 and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003; and
 - the financial records of the branch have been kept, as far as practicable, in a consistent manner to each of the other branches and national office of the organisation; and
 - no information has been sought in any request of a member of the branch or a Registrar under section 272 of Schedule 1B to the Workplace Relations Act 1996; and
 - no order for inspection of the financial records made by the Commission under section 273 of Schedule 1B to the Workplace Relations Act 1996

For the Branch Executive;


BRIAN HARRIS
19th November 2004

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2004

Note	12 Months 2004	21 May to 30 June 2003
	\$	\$
INCOME		
Contributions	91,553	9,279
Less Service Fee USU	(91,553)	(9,279)
Interest Income	7,292	0
Investment Income Realised Gains	12,330	3,998
Investment Income Unrealised Gains	49,842	9,921
Rent Received	42,334	3,609
Workcover Grant	50,000	0
TOTAL INCOME	161,798	17,528

EXPENDITURE		
Depreciation	73,210	14,050
Other Expenses		
Accrual for Untaken Sick Leave at 20 May, 2003	0	180,739
Amenities	4,205	0
ASU National Office – Capitation Fees	8 743,921	180,181
Bank Charges	852	0
Cleaning	6,751	0
Computer Costs	8,402	0
Deficit on disposal of Assets	4,670	0
Electricity	2,477	698
Fringe Benefits	1,001	0
General	3,797	120
Insurance	4,654	3,521
Internet	3,290	0
Postage	5,412	0
Professional Services	7 8,000	6,500
Rates	115	0
Repairs & Maintenance	1,659	0
Stationary	12,057	0
Telephone	9,365	0
Transcripts and Industrial Research Publications	0	499
	820,628	372,258
TOTAL EXPENDITURE	893,838	386,308

DEFICIT FOR YEAR (732,040) (368,780)

Accumulated Funds at Beginning of Year 2,340,270 2,709,050
ACCUMULATED FUNDS AT END OF YEAR 1,608,230 2,340,270

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2004

Note	2004	2003
	\$	\$
ACCUMULATED FUNDS	1,608,230	2,340,270

Represented by Net Assets as follows:

	2004	2003
CURRENT ASSETS		
Cash Assets		
Cash in Hand	149	149
Cash at Bank	275,569	634,378
	275,718	634,527
Receivables		
Prepayments	0	9,118
Sundry Deposits	7,657	7,657
Sundry Debtors	12,150	38,474
Inventory - Theatre Tickets	105	289
	19,912	55,538
Investments		
Wholesale Funds	6 388,165	657,286
TOTAL CURRENT ASSETS	683,795	1,347,351

FIXED ASSETS		
Property, Plant and Equipment		
Property - 50% Share, Unit 6, ACTU Building, Canberra	4 202,100	207,833
Property – 321 Pitt Street, Sydney	4A 1,345,524	1,382,642
Motor Vehicles, Furniture and Plant	5 42,241	365,734
TOTAL FIXED ASSETS	1,589,865	1,956,209
TOTAL ASSETS	2,273,660	3,303,560

CURRENT LIABILITIES		
Payables		
Creditors		
100,015		
Creditor-ASU National Office	8 187,600	180,181
United Services Union	187,600	535,927
Deposit Received - 321 Pitt Street Sydney		
4A&12	210,000	0
	605,430	816,123
Provision for Recording Union History	60,000	60,000
TOTAL CURRENT LIABILITIES	665,430	876,123

NON CURRENT LIABILITIES		
Payables		
USU – Office Fitout Costs	0	87,167
TOTAL LIABILITIES	665,430	963,290
NET ASSETS	1,608,230	2,340,270

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2004

Note	12 Months 2004	21 May to 30 June 2003
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from Members	91,553	9,279
Payment of ASU National Office Capitation Fees		
Payments to Suppliers and Employees	8 (736,502)	0 (459,567)
Interest Received	7,292	(38,385)
Investments Realised Gains	12,330	3,998
Rent Received	68,658	5,000
Other Receipts	50,000	0

NET CASH USED IN OPERATING ACTIVITIES 9(b) (966,236) (19,819)

CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of Motor Vehicle, Plant and Equipment and Furniture and Fittings	288,464	0
Proceeds from Sale of Investments	318,963	446,964

NET CASH PROVIDED BY INVESTING ACTIVITIES 607,427 446,964
NET INCREASE (DECREASE) IN CASH (358,809) 427,145
CASH AT BEGINNING OF YEAR 634,527 207,382
CASH AT END OF YEAR 9(a) 275,718 634,527

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2004

1. STATEMENT OF ACCOUNTING POLICIES
The financial report has been prepared and presented in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and the Workplace Relations Act, 1996. The financial report has also been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the Branch in the preparation of the financial report.

- Depreciation of fixed assets is calculated on the straight line basis in order to write the assets off over their useful lives.
- Contributions are accounted for on a cash receipts basis.
- Investments, other than those in wholesale funds, are shown at cost. Investments in wholesale funds are shown at market value at balance date. Movements in market values are included in investment income.
- No provision for Income Tax is necessary as the Union is exempt from Income Tax under Section 50 - 15 of the Income Tax Assessment Act.

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of Sections 272 of Schedule 1B which read as follows:

- A member of a reporting unit, or a Registrar, 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.
- 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.
- A Reporting unit must comply with an application made under subsection (1).

3. COMPARATIVE FIGURES

The branch commenced operations on 21 May 2003 and thus comparative figures are for the period from 21 May 2003 to 30 June 2003.

	2004	2003
	\$	\$
4. PROPERTY - UNIT 6, ACTU BUILDING, CANBERRA		
At Cost	286,665	286,665
Less Accumulated Depreciation	84,565	78,832
	202,100	207,833

4A. PROPERTY – 321 PITT STREET, SYDNEY		
At Cost	1,484,718	1,484,718
Less Accumulated Depreciation	139,194	102,076
	1,345,524	1,382,642

A deposit of \$210,000, inclusive of GST, for the sale of the property has been received from the United Services Union

5. MOTOR VEHICLES, FURNITURE AND PLANT

Motor Vehicles		
At Cost	79,114	234,180
Less Accumulated Depreciation	36,873	95,163
	42,241	139,017

Office Furniture and Fittings		
At Cost	0	295,205
Less Accumulated Depreciation	0	79,523
	0	215,682

Office Plant and Machinery		
At Cost	0	75,224
Less Accumulated Depreciation	0	64,189
	0	11,035

TOTAL WRITTEN DOWN VALUE OF MOTOR VEHICLES, FURNITURE AND PLANT **42,241** **365,734**

6. INVESTMENTS - GENERAL FUND

Investments are recorded at market value as below:

Wholesale Funds at call		
UBS Balanced Investment Fund	0	318,964
Challenger Aust Share Fund	202,285	170,276
Kaplin Master Trust Equity Fund	185,880	168,046
	388,165	657,286

7. PROFESSIONAL SERVICES

Remuneration of Auditors for:		
Audit of the Financial Report	8,000	6,500

8. RELATED PARTY TRANSACTIONS

Transactions with related parties are on normal terms and conditions no more favorable than those available to other parties, unless otherwise stated.

The ultimate controlling entity of the Branch is the Australian Municipal, Administrative, Clerical and Services Union - National Office. (ASU National Office)

Transactions with Ultimate Controlling Entity

- ASU National Office Capitation Fees are disclosed as an expense in the Statement of Financial Performance and as a payment in the Statement of Cash Flows.
- ASU National Office Capitation Fees payable are disclosed in the Statement of Financial Position.

9. CASH FLOW INFORMATION

a) RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, cash at the end of the year is reconciled to the following items in the statement of financial position:

Cash on Hand	149	149
Cash at Bank	275,569	634,378
	275,718	634,527

b) RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH DEFICIT FOR YEAR

	12 Months 2004	21 May to 30 June 2003
Deficit for year	(732,040)	(368,780)
Non-cash flows in deficit		
Depreciation	73,210	14,050
Changes in market value of investments	(49,842)	(9,921)
Deficit on disposal of motor vehicles, plant and equipment and furniture and fittings	4,670	
Changes in Assets and Liabilities 2003 (net of the effect of Assets and Liabilities transferred to the Branch on its establishment)		
Increase (Decrease) in Sundry Creditors	(297,860)	337,609
Decrease in Prepayments	9,118	4,209
Decrease in Sundry Debtors	26,324	2,725
Decrease in Inventory - Theatre Tickets	184	289

NET CASH USED IN OPERATING ACTIVITIES **(966,236)** **(19,819)**

10. FINANCIAL INSTRUMENTS

Interest Rate Risk

The Branch's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below:

	Floating interest rate	Variable interest rate	Non- interest bearing	Total
	\$	\$	\$	\$
Financial Assets				
Cash Assets	275,569		149	275,718
Receivables			19,807	19,807
Investments (less than 1 year)	388,165			388,165
	275,569	388,165	19,956	683,690
Weighted average Interest rate	1.3%	9.6%		

Financial Liabilities

Payables			605,430	605,430
Net financial assets/(liabilities)	275,569	388,165 (585,474)		78,260

30 June 2003

Financial Assets				
Cash Assets	634,378		149	634,527
Receivables			55,249	55,249
Investments (less than 1 year)	657,286			657,286
	634,378	657,286	55,398	1,347,062
Weighted average Interest rate	1.3%	4.6%		

Financial Liabilities

Payables			816,123	816,123
Net financial assets/(liabilities)	634,378	657,286 (760,725)		530,939

Credit Risk Exposure

Credit risk is the risk that counter parties to a financial asset will fail to discharge their obligations, causing the Branch to incur a financial loss.

The credit risk exposure of the Branch to financial assets which have been recognised in the Statement of Financial Position is generally the carrying amounts, net of any provisions for doubtful debts.

The carrying amounts of cash and non-interest bearing monetary financial assets and liabilities (eg receivables and payables) approximate net fair values.

11. AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

For the year ending 30 June 2006, all general purpose financial reports will be required to comply with Australian equivalents to International Financial Reporting Standards (IFRSs) instead of Australian Accounting Standards presently on issue. Comparative financial statements must also be presented in accordance with Australian equivalents to IFRSs for the year ending 30 June 2005.

The Committee of Management considers that no key accounting policy changes will arise out of this transition to IFRSs.

A more detailed review will be conducted during the year ending 30 June 2005.

12. POST BALANCE DATE EVENT

On 27 September 2004 the balance of the purchase price for the property at Level 8, 321 Pitt Street, Sydney, amounting to \$1,718,182, exclusive of GST, was paid by the United Services Union to the branch.

13. REGISTERED OFFICE

The registered office and principal place of business of the Branch is;

Level 8
321 Pitt Street
Sydney NSW 2000



INDEPENDENT AUDIT REPORT

To the members of the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical Administrative, Energy, Airlines & Utilities Branch

SCOPE

The Financial Report and Responsibility of the Branch Executive and Branch Secretary

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the branch executive's statement for the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical Administrative, Energy, Airlines & Utilities Branch, for the year ended 30 June 2004.

The branch executive and branch secretary are responsible for the preparation and true and fair presentation of the financial report in accordance with the Workplace Relations Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Branch. Our audit has been conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal controls, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Workplace Relations Act 1996, including compliance with Accounting Standards and other mandatory professional reporting requirements in Australia a view which is consistent with our understanding of the Branch's financial position and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the branch executive and branch secretary.

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

INDEPENDENCE

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

AUDIT OPINION

In our opinion the financial report of Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical Administrative, Energy, Airlines & Utilities Branch is in accordance with:

- the Workplace Relations Act 1996, including:
 - giving a true and fair view of the branch's financial position as at 30 June 2004 and its performance for the year ended on that date; and
 - complying with Australian Accounting Standards; and
 - complying with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Act; and
- other mandatory professional reporting requirements in Australia.

A.J. WILLIAMS & CO.
Chartered Accountants

D. S. MCLEAN
Registered Company Auditor.
SYDNEY NSW 2000
19th November 2004