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 2005

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:

- (a) the Workplace Relations Act 1996, including:
 - (i) giving a true and fair view of the branch's financial position as at 30 June 2005 and its performance for the year ended on that date: and
 - (ii) complying with Australian Accounting Standards; and
 - (iii) complying with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Act; and
- (b) other mandatory professional reporting requirements in Australia.

A.J. WILLIAMS & CO.
Chartered Accountants.

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D. S. McLEAN
Registered Company Auditor.
SYDNEY NSW 2000

4 November 2005



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 2005

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 2005.

- Review of principal activities during the year: the principal operating activities of the Branch continued to be those of industrial activities that are normally carried out by the Trade Union, there are no significant changes in the principal operating activities.
- 2. Financial affairs: during the year there were no other significant changes to the financial affairs of the Union.
- 3. Members' rights to resign: members are free to resign from the Branch by written resignation, the resignation takes affect upon receipt or as specified by resigning member in resignation. Resigning members are liable for the payment of all subscriptions, fines and levies owing to the Union at the date of leaving; any subscription paid by a resigning member in respect of a period beyond the end of the guarter in which members resigns shall be refunded to members upon request; resigning members who pay annual subscriptions by instalment shall not be liable to pay any instalment for a period after the end of the quarter in which the members resign.
- 4. Members holding positions on Superannuation Boards:
 - Members Mr Barry Keith Mason and John Ernst hold the positions as directors on the Board of Local Government Superannuation Scheme; member Paul Marzato holds the position as director on the Board of Energy Industry Superannuation Scheme; member Michael Want holds the position as director on the Board of CARE Superannuation Fund.

- Member Michael Want is a trustee/ director of CARE Superannuation Fund
- 5. At the end of the financial year the total registered members were 37,888.
- The Branch does not employ any staff members.
- 7. The names of the Executive Governing body members are: Brian Harris, Steven Birney, Michael Want, Peter Anderson-Smith, Halim Assoni, Rhonda Barton, Ray Bourke, Phil Bowering, Les Coyle, Libby Cumming, Tony Dean, Diane Fahey, Mark Gill, Chris Gorman, Joanne Jamieson, Chris Osborne, Harry Pittman, Val Rietdyk, Maryanne Stuart, Jim Taylor, Marilyn Timmins, Melissa Williams, Craig Wilson, Martin Wynne.

Signed in accordance with a resolution of the Branch Executive.

BRIAN HARRIS

Colout

MICHAEL WANT 4 November 2005

BRANCH EXECUTIVE'S STATEMENT

On the 4th of November 2005 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 2005.

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

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the Industrial Registrar;

- (c) 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 2005;
- (d) 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
- (e) during the financial year ended 30 June 2005 and since the end of the financial year:
 - (i) meetings of the Branch Executive were held in accordance with the rules of the organisation and the rules of the branch; and
 - (ii) the financial affairs of the branch have been managed in accordance with the rules of the organisation and the rules of the branch; and
 - (iii) 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
 - (iv) 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
 - (v) 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
- (vi) no order for inspection of the financial records have been made by the Commission under section 273 of Schedule 1B to the Workplace Relations Act 1996

For the Branch Executive;

BRIAN HARRIS 4 November 2005

STATEMENT (CIAL	Receivables		
PERFORMANCE		Sundry Deposits	7,500	7,657	
FOR THE YEAR EN	IDED 30 JU	JNE 2005	Sundry Debtors	125,612	12,150
Note	2005	2004	Inventory - Theatre Tid	ckets 0 133,112	105 19,912
Note	\$	\$		133,112	19,912
INCOME	Ψ	Ψ	Investments		
Contributions	86,559	91,553	Cash at Call Account	42,260	0
Less Service Fee United	d Services	Union	Wholesale Funds 5	1,241,132	388,165
	(86,559)	(91,553)		1,283,392	388,165
Contributions prior years		0	TOTAL CURRENT		
Interest Income	7,799	7,292	ASSETS	1,427,205	683,795
Investment Income	0	10 220	EIVED ACCETS		
Realised Gains Investment Income	0	12,330	FIXED ASSETS Property, Plant and Ed	quinment	
Unrealised Gains	147,214	49,842	Property - 50% Share		J
Rent Received	24,904	42,334	Building, Canberra 3		202,100
Shipping Mortality Fee -		,	Property – 321 Pitt	,	,
Past Services	7,500	0	Street, Sydney 3A	0	1,345,524
Workcover Grant	0	50,000			
0	191,960	161,798	Motor Vehicles 4	10,350	42,241
Significant item - Surplu on Disposal of Property		0	TOTAL FIXED ASSET	TS 206 717	1,589,865
on Disposal of Property	377,010	U	TOTAL FIXED ASSET	13 200,717	1,303,003
TOTAL INCOME	769,778	161,798	TOTAL ASSETS	1,633,922	2,273,660
EXPENDITURE				2005	2004
Depreciation	25,359	73,210		\$	\$
			CURRENT LIABILITI	ES	
Other Expenses		4.005	5 44		
Amenities ASU National Office –	0	4,205	Payables Creditors	12,000	20,230
Capitation Fees	749,405	743,921	Creditor- ASU Nationa	,	187,600
Bank Charges	1,271	852	United Services Union		187,600
Cleaning	0	6,751	Deposit Received - 32		,
Computer Costs	0	8,402	Street Sydney	0	210,000
Deficit on Disposal of				12,000	605,430
Motor Vehicles	5,471	4,670			
Electricity	0	2,477	Provision for Recordin	•	
Fringe Benefits	0	1,001	Union History	60,000	60,000
General Insurance	1,658 0	3,797 4,654	TOTAL CURRENT		
Internet	0	3,290	LIABILITIES	72,000	665,430
Postage	0	5,412	20.00.211.120	,000	000, 100
Professional Services 6	11,000	8,000	NET ASSETS	1,561,922	1,608,230
Rates	0	115			
Repairs & Maintenance		1,659	(The attached Notes for	orm part of th	e financial
Stationary	0	12,057	report)		
Telephone	0	9,365			
	790,727	820,628	STATEMENT OF CAS	SH ELOWS E	OR THE
TOTAL EXPENDITURE	816.086	893,838	YEAR ENDED 30 JUI		OK THE
	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, , , , , , , , , , , , , , , , , , , ,			
DEFICIT FOR YEAR	(46,308)	(732,040)	Note \$	2005 \$	2004
Accumulated Funds at			CASH FLOW FROM		ACTIVITIES
	1,608,230	2,340,270			
ACCUMULATED FUND	S		Receipts from Membe	rs 86,559	91,553
AT END OF YEAR	1,561,922	1,608,230	Payment of ASU Natio	onal Office Ca	
				(937,005)	(736,502)
(The attached Notes for	m part of th	ne financial	Payments to Suppliers		
report)			Interest Bassined	(633,811)	(459,567)
STATEMENT OF FINA	אורואו פר	SV NOITIS	Interest Received Investments Realised	7,799 Gains 0	7,292 12,330
	INE 2005	JOITION AS	Rent Received	29,318	68,658
7.1. 00 00			Other Receipts	0	50,000
Note	2005	2004			,
\$	\$		NET CASH USED IN	OPERATING	ACTIVITIES
ACCUMULATED FUNDS 1	1,561,922	1,608,230	8(b)	(1,447,140)	(966,236)
Represented by Net Assets as follows:		CASH FLOW FROM INVESTING ACTIVITIES			
CURRENT ASSETS			Payments for Purchas		
Cash Assets	1/10	140	Proceeds from	(748,013)	0

149

275.569

275,718

10,552

10,701

Proceeds from

Sale of Investments

Cash in Hand

Cash at Bank

Proceeds from Sale of Motor Vehicles, Plant & Equipment,			
Furniture & Fittings Proceeds from Sale	16,073	288,464	
of Property	1,914,063	0	

NET CASH PROVIDED BY INVESTING ACTIVITIES 607.427 1,182,123

NET DECREASE	
IN CASH	(265,017)

CASH AT BEGINNING		
OF YEAR	275,718	634,527

(358,809)

CASH AT END

318,963

0

8(a) 275.718 OF YEAR 10,701 (The attached Notes form part of the financial

NOTES TO AND FORMING PART OF THE **ACCOUNTS** FOR THE YEAR ENDED 30 JUNE 2005

1. STATEMENT OF ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared 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.

- (a) 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. Otherwise the concept of accruals accounting has been adopted in the preparation of the accounts.
- Investments, other than those in (c) 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 d) 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.
- 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).

3. PROPERTY - UNIT 6, ACTU BUILDING, CANBERRA

At Cost Less Accumulated	286,665	286,66	
Depreciation	90,298	84,56	
	196,367	202,10	

3A. PROPERTY - 321 PITT STREET. SYDNEY

At Cost	0	1,484,718
Less Accumulated Depreciation	0	139,194
	0	1,345,524

4. MOTOR VEHICLES

At Cost Less Accumulated	28,513	79,114
Depreciation	18,163	36,873
	10,350	42,241

5. INVESTMENTS

Investments are recorded at market value as below:

Wholesale Funds at ca Challenger Australian	all	
Share Fund	258,883	202,285
Chifley Investment Fund	764,960	0
Kaplin Master Trust Equities Fund	217,289	185,880
	1.241.132	388.165

6. PROFESSIONAL SERVICES

Remuneration of Auditors for:

Audit of the Financial Report 11,000 8,000

7. 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

(a) 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.

(b) ASU National Office Capitation Fees payable are disclosed in the Statement of Financial Position.

8. CASH FLOW INFORMATION

al 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	10,552	275,569
	10,701	275,718

b] RECONCILIATION OF CASH FLOW FROM **OPERATIONS WITH DEFICIT FOR YEAR**

Deficit for year	(46,308)	(732,040)
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Non-cash flows in d	leficit	
Depreciation	25,359	73,210
Changes in market		
value of investments	(147,214)	(49,842)
Deficit on disposal of		
motor vehicles	5,471	4,670
Surplus on disposal of		_
property	(577,818)	Ü

Changes in Assets and Liabilities

Decrease in Sundry			
Creditors	(593	,430)	(297,860)
Decrease in Prepayme	ents	0	9,118
Decrease in Sundry Dep	osits	157	0
(Increase)/Decrease in	Sun	dry Deb	otors
	(113	,462)	26,324
Decrease in Inventory	_		
Theatre Tickets		105	184

NET CASH USED IN OPERATING ACTIVITIES (1,447,140) (966,236)

9. 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

Variable

Non-

Total

149 275,718

12.150

0 12,150

30 June 2005 Floating

Financial Assets

Receivables

Cash Assets 275,569

rate	rate	bearing	
Financial Assets \$ Cash Assets 10,552 Receivables 0 Investments	\$ 0 0	\$ 149 125,612	,
(less than 1 year) 0 10,552	1,283,392 1,283,392		1,283,392 1,419,705
Weighted average Interest rate 1.75%	6.28%		
Financial Liabilities Payables 0	0	12,000	12,000
Net financial assets/ (liabilities) 10,552	1,283,392	113,761	1,407,705
30 June 2004			

(less than 1 year) 0 388,165 0 388 165

275 569 388 165 12 299 676 033

Weighted average Interest rate1.3% 9.6%

Financial Liabilities Pavables 0 605,430 605,430 Net financial assets/ (liabilities) 275.569 388.165 (593.131) 70.603

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.

10. AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRS)

The Branch Executive is preparing and managing transition to Australian equivalents to International Financial Reporting Standards (AIFRSs) effective for financial reporting periods commencing from 1 January 2005. The adoption of AIFRSs will be reflected in the Branch's financial statements for the year ending 30 June 2006. On first time adoption of AIFRSs, comparatives for the financial year ended 30 June 2005 are required to be restated. The majority of the AIFRSs transitional adjustments will be made retrospective against retained earnings at 1 July 2004.

The Branch Executive is of the opinion that there are no material differences in the Branch's accounting policies on conversion to AIRFSs. Under Australian equivalents to IFRSs. AASB 116 Impairment of Assets, the Branch will be required to determine the recoverable amount as the higher of fair value less costs to sell and value in use (which is depreciated replacement cost). The Branch has considered all assets for impairment and no assets were found to be impaired therefore there is no impact on financial statements for year ended 30 June 2005. Users of the financial statements should. however, note that the amounts disclosed could change if there are any amendments to current AIFRSs by standard-setters, or interpretation of the AIFRSs requirements changes due to the continuing transition work of the Branch Executive.

11.REGISTERED OFFICE

The registered office and principal place of business of the Branch is; Level 8, 321 Pitt Street Sydney NSW 2000