

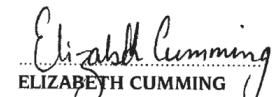
**NEW SOUTH WALES LOCAL GOVERNMENT,
CLERICAL, ADMINISTRATIVE, ENERGY,
AIRLINES & UTILITIES UNION
FINANCIAL REPORT OR THE YEAR ENDED
31 DECEMBER 2004 STATE EXECUTIVE'S
CERTIFICATE**

We, STEPHEN BIRNEY and ELIZABETH CUMMING, being two members of the State Executive of the New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union, do state on behalf of the State Executive, and in accordance with a resolution passed by the State Executive that:

- [i] In the opinion of the State Executive, the attached accounts show a true and fair view of the financial affairs of the Union as at 31 December 2004.
- [ii] In the opinion of the State Executive, meetings of the Executive were held during the year ended 31 December 2004, in accordance with the rules of the Union.
- [iii] To the knowledge of any member of the State Executive, there have been no instances where records of the Union or other documents [not being documents containing information made available to a member of the Union under Sub-Section 512 [2] of the Industrial Relations Act, 1991 as applied by Sub-Section 282(3) of the Industrial Relations Act, 1996], or copies of those records or documents, or copies of the rules of the Union, have not been furnished, or made available to members in accordance with the requirements of the Industrial Relations Act, 1991, the Regulations thereto, or the rules of the Union.

- [iv] The Union has complied with Sub-Sections 517(1) and (5) of the Industrial Relations Act, 1991, in relation to the financial accounts in respect of the year ended 31 December 2003 and the Auditors' Report, thereon.


STEPHEN BIRNEY


ELIZABETH CUMMING

20 June 2005

ACCOUNTING OFFICER'S CERTIFICATE

I, BRIAN HARRIS, being the Officer responsible for keeping the accounting records of the New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union, certify that as at 31 December 2004, the number of members of the Union was 37,842.

In my opinion:

- [i] The attached accounts show a true and fair view of the financial affairs of the Union as at 31 December 2004.
- [ii] A record has been kept of all moneys paid by or collected from members, by duly authorised representatives of the Union and

all moneys so paid or collected have been credited to the bank account to which those moneys are to be credited, in accordance with the rules of the Union.

- [iii] Approval for expenditure incurred by the Union, was obtained in accordance with the rules of the Union.
- [iv] With regard to funds of the Union raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated.
- [v] No loans or other financial benefits, other than remuneration in respect of their full time employment with the Union, were made to persons holding office in the Union.
- [vi] The register of members of the Union was maintained in accordance with the Industrial



BRIAN HARRIS

20 June 2005

**STATEMENT OF FINANCIAL
PERFORMANCE FOR THE YEAR ENDED 31
DECEMBER 2004**

	NOTE	2004 \$	2003 \$
INCOME			
Contributions		9,599,226	8,288,279
Mortality Levy		0	255,017
Interest		305,623	248,659
Changes in Market Value of Investments (Unrealised Gain)		262,331	155,231
Government Grants		150,462	137,222
Rent		10,000	5,036
Superannuation			
Directors' Fees		205,319	138,487
Sundry Income		3,726	11,294
TOTAL INCOME		10,536,687	9,239,225
LESS EXPENDITURE			
Depreciation		521,321	410,775
<i>Employee Benefits Expense</i>			
Accrued Annual Leave		41,878	85,934
Accrued Sick Leave		0	21,270
Fringe Benefits Tax		84,908	52,251
Long Service Leave		132,794	267,403
Payroll Tax		257,566	179,414
Redundancies		0	93,769
Salaries - Officers & Staff		133,907,213	3,266,084
Superannuation		222,509	153,928
		4,646,868	4,120,053
<i>Other expenses</i>			
Advertising Expense		26,845	3,381
Affiliation Fees		201,830	185,617
Annual Conference Expenses		66,162	171,478
Attendance Allowance - Other Organisations		4,956	4,917
Auditors Remuneration		45,000	42,250
Campaigns		66,185	26,082

Computer Expenses	120,684	112,247
Delegates, Executive and Organising Expenses	533,645	455,395
Donations	51,891	41,286
Employee Assistance Expenses	3,998	1,856
General Administration Expenses	219,310	194,006
Honoraria	77,768	47,206
Insurance	185,191	53,414
Lease of Office Equipment and Property	250,864	186,902
Legal and Professional Expenses	164,303	208,210
Marketing and Promotion	29,443	50,052
Mortality Benefits	64,200	49,535
Motor Vehicle Expenses	243,339	288,613
OH & S Costs	17,843	18,648
Postage	110,343	65,118
Printing and Stationery	117,018	213,415
Property Expenses	228,847	258,459
Superannuation		
Directors' Expenses	16,894	14,048
Telephones (including Mobiles)	277,985	238,994
Training Expenses	233,601	172,671
Transfer for Payment of National AMACSU	0	140,816
Union Magazines	144,749	86,411
Women's Committee & Conference	11,668	37,196
	3,580,445	3,302,340

TOTAL EXPENDITURE 8,748,634 7,833,168

OPERATING SURPLUS FOR THE YEAR 1,788,053 1,406,057

Surplus on Disposal of Assets 447 56,029

NET SURPLUS FOR THE YEAR

- GENERAL FUND 1,788,500 1,462,086

Less: Operating Deficit - Aquatic Resort 4 (144,584) (19,685)

Add: Gain on Forfeit of Land Option - Aquatic Resort 50,363 0

Add: Surplus on Disposal of Assets - Aquatic Resort 13,687 48,182

NET SURPLUS FOR THE YEAR 1,707,966 1,490,583

Accumulated Funds at Beginning of Year 14,377,608 12,887,025

ACCUMULATED FUNDS AT END OF YEAR 16,085,574 14,377,608

[The attached Notes 1 to 17 form part of these Accounts]

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2004

	NOTE	2004 \$	2003 \$
ACCUMULATED FUNDS AND RESERVES			
Accumulated Funds		16,085,574	14,377,608

Represented by:

CURRENT ASSETS

Cash on Hand	2,100	1,600
Cash at Bank	176,947	550,827
Cash held by Branches	70,934	135,941
Interest Accrued	3,191	32,455
Loans	9,091	0
Sundry Debtors and Prepayments	111,700	149,985
	373,963	870,808

NON-CURRENT ASSETS

Loans	41,560	56,791
Aquatic Resort [Net Assets]	4 2,497,864	2,428,963
Property	5 5,323,733	3,487,910
Office Furniture & Equipment	6 939,242	883,578
Motor Vehicles	7 1,039,245	1,094,573
	9,841,644	7,951,815

INVESTMENTS -

GENERAL FUND	8 5,736,847	5,927,552
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INVESTMENTS -

BUILDING FUND	9 1,147,848	1,046,306
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LONG SERVICE LEAVE FUND

Cash at Bank	0	283
Investments	10 1,165,824	967,878
	1,165,824	968,161

MORTALITY FUND	11 499,368	246,463
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TOTAL ASSETS 18,765,494 17,011,105

LESS CURRENT LIABILITIES AND PROVISIONS

Provision for Sick Leave	482,830	554,149
Provision for Accrued Annual Leave	542,767	516,362
Provision for Long Service Leave	1,257,211	1,190,609
GST Payable	171,938	134,087
Sundry Creditors	225,174	238,290
TOTAL LIABILITIES	2,679,920	2,633,497

NET ASSETS 16,085,574 14,377,608

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2004

	NOTE	2004	2003
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Contributions and Levies from Members	9,599,226	8,543,296	
Payments to Suppliers and Employees	(8,142,495)	(6,572,168)	
Interest Receive	d 334,887	224,088	
Rent Received	10,000	5,036	
Other Receipts	359,397	299,020	
CASH FLOW FROM OPERATIONS	16 2,161,015	2,499,272	
CASH FLOW FROM INVESTING ACTIVITIES			
Repayment of Loan	6,140	97,424	
Net Payment for Aquatic Resort (Net Assets)	(149,435)	(165,318)	
Net Payment for Property, Plant and Equipment	(2,357,033)	(1,041,558)	

Net Proceeds from Investments - General Fund	153,548	(941,355)
Payment for Investments - Mortality Fund	(252,905)	(246,463)
NET CASH USED IN INVESTING ACTIVITIES	(2,599,685)	(2,297,270)

NET (DECREASE) INCREASE IN CASH (438,670) 202,002

Cash at 1 January 2004 688,651 486,649

CASH AT 31 DECEMBER 2004 15 249,981 688,651

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004**1. STATEMENT OF ACCOUNTING POLICIES**

The financial report has been prepared in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and the New South Wales Industrial 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 economic entity in the preparation of the accounts.

a] Depreciation of fixed assets is calculated on the straight line basis in order to write the assets off over their useful lives to the union.

b] Provision for employee benefits in the form of Long Service Leave, Accrued Annual Leave and Sick Leave has been made for the estimated accrued entitlements of all employees on the basis of their terms of employment.

The provisions have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. In the case of Long Service Leave this results in an amount not materially different to that achieved by discounting future cash flows.

Contributions are made by the Union to employee superannuation funds and are charged as expenses when incurred.

c] Contributions are accounted for on a cash receipts basis. Otherwise, the concept of accruals accounting has been adopted in the preparation of the financial statements.

d] 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 1997.

2. COMPARATIVES

The New South Wales Industrial Registrar certified that on 21 May 2003 the Federated Municipal and Shire Council Employees' Union of Australia, New South Wales Division amalgamated with the Federated Clerks' Union of Australia, New South Wales Branch and henceforth the New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union is duly registered as a State Industrial Organisation of Employees under the provisions of the Industrial Relations Act 1996.

The 2003 year comparative Statement of Financial Performance includes only income and expenditure items of the Federated Municipal and Shire Council Employees' Union of Australia, New South Wales Division for the period 1 January 2003 to 20 May 2003 and the income and expenditure items of the amalgamated union for the period 21 May 2003 to 31 December 2003.

3. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Industrial Relations Act, 1991, [NSW] the attention of members is drawn to the provisions of sub-sections [1] and [2] of section 512 which read as follows:

[1] A member of an organisation, or the Industrial Registrar, may apply to the organisation for specified information prescribed by the regulations in relation to the organisation.

[2] An organisation must, on the making of such an application, make the specified information available to the member or the Industrial Registrar in the manner, and within such time, prescribed by the regulations.

2004	2003
\$	\$

4. AQUATIC RESORT**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2004****INCOME**

Accommodation and Rent	654,997	576,750
Interest	2,136	1,009
Catering (Motel)	26,708	20,640
Telephone (Motel)	1,485	3,165
Laundry Commission and Linen	679	420
TOTAL INCOME	686,005	601,984

LESS EXPENDITURE

Depreciation	74,056	61,574
Employee Benefits Expense		
Accrued Annual Leave	(4,711)	761
Fringe Benefits Tax	10,578	11,000
Long Service Leave	1,955	7,454
Payroll Tax	13,898	13,046
Salaries - Staff	184,551	169,964
Superannuation	17,665	10,879
	223,936	213,104

Other Expenses

Austar	4,121	4,627
Audit and Accountancy Fees	10,750	8,250

Bank Charges	5,982	5,848
Catering (Motel)	15,348	13,260
Domestic Supplies	19,204	19,962
Discount - Members	55,899	49,721
- Non Members	12,983	7,362
Electricity and Gas	24,030	28,358
Flag Inn Payments (Motel)	27,742	22,676
Insurance	19,106	16,027
Land Tax	58,276	35,979
Printing, Stationery and Advertising	18,458	6,747
Rates and Taxes (Council and Water)	40,604	43,421
Repairs, Replacements and Maintenance	202,729	67,923
Sundries and Other Expenditure	7,324	6,012
Telephone (Other)	4,085	3,517
Telephone (Motel)	5,956	7,301
532,597	346,991	
TOTAL EXPENDITURE	830,589	621,669

OPERATING DEFICIT FOR THE YEAR (144,584) (19,685)

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2004

CURRENT ASSETS

Cash Floats	900	900
Cash at Bank	200,370	149,314
Interest	0	180
Sundry Debtors	17,053	31,345
218,323	181,739	

NON CURRENT ASSETS

Land and Buildings [At Cost]	3,199,490	3,199,490
Less Accumulated Depreciation on Buildings	1,011,468	957,382
Equipment [At Cost]	367,652	309,952
Less Accumulated Depreciation	186,419	166,449
2,369,255	2,385,611	

TOTAL ASSETS 2,587,578 2,567,350

LESS CURRENT LIABILITIES

Provision for Accrued Annual Leave	14,986	39,021
Provision for Long Service Leave	10,207	36,664
GST Payable	9,232	11,959
Sundry Creditors	55,289	50,743
89,714	138,387	

NET ASSETS 2,497,864 2,428,963

5. PROPERTY

Level 7 321 Pitt St. Sydney [At Cost]	2,438,147	2,438,147
86 Lawson Street Newcastle [At Cost]	590,995	588,865
2 & 3/100 Market St. Wollongong [At Cost]	359,524	340,378
1/157 Gordon Street Port Macquarie [At Cost]	94,697	94,697
Shop 3, 4-12 Queen Elizabeth Drive Armidale [At Cost]	71,476	71,476
Shops 11 & 12 142 William St Bathurst [At Cost]	95,934	95,934
Unit 2 54-56 Fitzmaurice Street Wagga Wagga [At Cost]	53,091	53,091
55-61 Prince Street Grafton [At Cost]	61,804	61,804

L8, 321 Pitt Street St Sydney [At Cost]	1,916,120	0
5,681,788	3,744,392	

Less: Accumulated Depreciation 358,055 256,482

TOTAL PROPERTY 5,323,733 3,487,910

6. OFFICE FURNITURE AND EQUIPMENT

At Cost	1,305,258	1,140,387
Less: Accumulated Depreciation	366,016	256,809
939,242	883,578	

7. MOTOR VEHICLES

At Cost	1,395,597	1,271,961
Less: Accumulated Depreciation	356,352	177,388
1,039,245	1,094,573	

8. INVESTMENTS - GENERAL FUND

Non Public (at cost)	4,589,014	4,881,233
Non Public (at market value)	1,147,833	1,046,319
5,736,847	5,927,552	

9. INVESTMENTS - BUILDING FUND

Non Public (at market value)	1,147,848	1,046,306
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10. INVESTMENTS - LONG SERVICE LEAVE FUND

Non Public (at cost)	1,165,824	967,878
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11. MORTALITY FUND

Non Public (at cost)	499,368	246,463
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12. AUDITORS' REMUNERATION

Auditing the Accounts	37,500	36,000
Other Services	7,500	6,250
45,000	42,250	

13. SALARIES - OFFICERS AND STAFF

Officials	3,056,407	2,573,373
Administration Staff	850,806	692,711
3,907,213	3,266,084	

14. OPERATING LEASE COMMITMENTS

In respect of office equipment, payable:
- not later than 1 year 108,606
- later than 1 year but not later than 5 years 228,855

The Union has not previously disclosed operating lease commitments.

15. RECONCILIATION OF CASH

For the purposes of this statement of cash flows, cash includes:

Cash on hand and in at call deposits with banks and financial institutions.

Cash is shown in the statement of financial performance as:

Cash on Hand	2,100	1,600
Cash at Bank	176,947	550,827
Cash Held by Branches	70,934	135,941
Cash at Bank - Long Service Leave Fund	0	283
249,981	688,651	

16. RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH OPERATING RESULT

Net Surplus - General Fund	1,788,500	1,462,086
Cash Flows in Operating Activities but not In Operating Result		
Receipt of Employee Entitlements	0	431,138
Payment of Employee Entitlements	(152,984)	0

Non-Cash Flows in Operating Result

Changes in Market Value of Investments (Unrealised Gain)	(262,331)	(155,231)
Depreciation	521,321	410,775
Transfers to Provisions (Surplus) Deficit on Sale of Assets	174,672	374,607
	(447)	(56,029)

Changes in Assets and Liabilities

Decrease (Increase) in Sundry Debtors and Prepayments	38,285	(46,228)
Decrease (Increase) in Accrued Interest	29,264	(24,571)
Increase in GST Payable	37,851	37,464
(Decrease) Increase in Sundry Creditors	(13,116)	65,261

CASH FLOW FROM OPERATIONS 2,161,015 2,499,272

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

For the year ending 31 December 2005, 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 31 December 2004.

The State Executive 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 31 December 2005.



INDEPENDENT AUDIT REPORT

To the members of the New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

SCOPE

The Financial Report and the Responsibility of the State Executive and General Secretary of the Union

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 State Executive's Certificate and Accounting Officer's Certificate for the New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union, for the year ended 31 December 2004.

The State Executive and the General Secretary of the Union are responsible for the preparation and true and fair presentation of the financial report in accordance with the Industrial 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 Union. 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 Industrial 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 Union'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 State Executive and the General Secretary of the Union.

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 Industrial Relations Act 1996.

AUDIT OPINION

We have received all the information and explanations required for the purposes of our audit.

In our opinion:

[i] There were kept by the Union in respect of the year under review, satisfactory records detailing the sources and nature of income of the Union [including income from members] and the nature and purposes of expenditure, and

[ii] The attached financial report including the Certificates of the State Executive and the Accounting Officer is prepared in accordance with Section 510 of the Industrial Relations Act, 1991 [NSW], as applied by Section 282 (3) of the Industrial Relations Act, 1996. The report has been prepared from the accounting records of the Union and is properly drawn up so as to give a true and fair view of:

[a] the financial position of the Union as at 31 December 2004; and

[b] the financial performance of the Union for the year ended on that date;

and is in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia.



A.J. WILLIAMS & CO.

Chartered Accountants.



D. S. McLEAN

Registered Company Auditor.

SYDNEY NSW 2000

20 June 2005