

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005**

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

STATE EXECUTIVE'S CERTIFICATE

We, **STEPHEN BIRNEY** and **JOHN MACKAY**, 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 financial report shows a true and fair view of the financial affairs of the Union as at 31 December 2005.
- [ii] In the opinion of the State Executive, meetings of the Executive were held during the year ended 31 December 2005, 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 report in respect of the year ended 31 December 2004 and the Auditors' Report, thereon.

.....
STEPHEN BIRNEY

.....
JOHN MACKAY

20 March 2006

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

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 2005, the number of members of the Union was 38,855.

In my opinion:

- (i) The attached financial report shows a true and fair view of the financial affairs of the Union as at 31 December 2005.
- (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 Relations Act, 1996.

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BRIAN HARRIS

20 March 2006

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**INCOME STATEMENT FOR THE
YEAR ENDED 31 DECEMBER 2005**

	<u>NOTE</u>	<u>2005</u> \$	<u>2004</u> \$
INCOME			
Contributions		10,112,802	9,599,226
Interest		365,915	305,623
Distributions from Available-for-Sale Financial Assets		230,091	262,331
Government Grants		55,806	150,462
Rent		21,036	10,000
Superannuation Directors' Fees		231,662	205,319
Sundry Income		<u>13,192</u>	<u>3,726</u>
TOTAL INCOME		<u>11,030,504</u>	<u>10,536,687</u>
LESS EXPENDITURE			
Depreciation			
		<u>585,937</u>	<u>521,321</u>
Employee Benefits Expense			
Accrued Annual Leave		26,609	41,878
Sick Leave		(49,296)	0
Fringe Benefits Tax		117,359	84,908
Long Service Leave		165,167	132,794
Salaries - Officers and Staff	15	4,115,470	3,907,213
Superannuation		<u>237,337</u>	<u>222,509</u>
		<u>4,612,646</u>	<u>4,389,302</u>
Other expenses			
Advertising Expense		19,826	26,845
Affiliation Fees		221,227	201,830
Annual Conference Expenses		176,041	66,162
Attendance Allowance – Other Organisations		4,958	4,956
Auditors Remuneration	14	89,150	45,000
Computer Expenses		57,099	120,684
Delegates, Executive and Organising Expenses		455,376	533,645
Donations		15,465	51,891
Employee Assistance Expenses		9,891	3,998
General Administration Expenses		241,914	219,310
Honoraria		80,979	77,768
Insurance		<u>100,425</u>	<u>185,191</u>
Carried Forward		<u>1,472,351</u>	<u>1,537,280</u>

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**INCOME STATEMENT FOR THE
YEAR ENDED 31 DECEMBER 2005 [Cont'd.]**

	<u>NOTE</u>	<u>2005</u>	<u>2004</u>
		\$	\$
Brought Forward		1,472,351	1,537,280
Lease of Office Equipment and Property		223,786	250,864
Legal and Professional Expenses		275,913	164,303
Marketing and Promotions		308,115	116,237
Mortality Benefits		86,215	64,200
Motor Vehicle Expenses		284,285	288,613
OH & S Costs		3,244	17,843
Payroll Tax		254,189	257,566
Postage		123,737	110,343
Printing and Stationery		129,265	117,018
Property Expenses		228,243	228,847
Superannuation Directors' Expenses		20,010	16,894
Telephones (including Mobiles)		250,712	277,985
Training Expenses		149,902	233,601
Union Magazines		119,681	144,749
Women's Committee and Conference		46,534	11,668
		<u>3,976,182</u>	<u>3,838,011</u>
TOTAL EXPENDITURE		<u>9,174,765</u>	<u>8,748,634</u>
OPERATING SURPLUS FOR THE YEAR		1,855,73	1,788,053
		<u>9</u>	<u>1,788,053</u>
Surplus on Disposal of Assets		<u>11,275</u>	<u>447</u>
NET SURPLUS FOR THE YEAR - GENERAL FUND		1,867,014	1,788,500
Operating Deficit - Aquatic Complex	5	(243,871)	(144,584)
Gain on Forfeit of Land Option - Aquatic Complex		-	50,363
Surplus on Disposal of Assets - Aquatic Complex		9,091	13,687
NET SURPLUS FOR THE YEAR		<u>1,632,234</u>	<u>1,707,966</u>
Accumulated Funds at Beginning of Year		16,085,574	14,377,608
Adjustment on adoption of AASB 132 and AASB 139 at 1 January 2005		(117,582)	-
ACCUMULATED FUNDS AT END OF YEAR		<u>17,600,226</u>	<u>16,085,574</u>

[The attached notes form part of these financial statements]

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

BALANCE SHEET AS AT 31 DECEMBER 2005

	<u>NOTE</u>	<u>2005</u> \$	<u>2004</u> \$
ACCUMULATED FUNDS AND RESERVES			
Accumulated Funds		17,600,226	16,085,574
Available-for-Sale Investment Reserve	17	<u>106,045</u>	<u>-</u>
Accumulated Funds and Reserves		<u>17,706,27</u> 1	<u>16,085,57</u> 4
Represented by:			
ASSETS			
Current Assets			
Cash and cash equivalents	7	307,169	249,981
Receivables	8	94,311	123,982
Investments - General Fund	10	5,970,784	4,188,187
Investments – Long Service Leave Fund	12	1,225,732	1,165,824
Investments - Mortality Fund	13	<u>374,614</u>	<u>499,368</u>
Total Current Assets		<u>7,972,610</u>	<u>6,227,342</u>
Non-Current Assets			
Receivables	8	26,272	41,560
Aquatic Complex [Net Assets]	5	2,398,623	2,497,864
Investments - General Fund	10	1,690,808	1,548,660
Investments - Building Fund	11	1,232,121	1,147,848
Property, Plant and Equipment	6	<u>7,038,728</u>	<u>7,302,220</u>
Total Non-Current Assets		<u>12,386,552</u>	<u>12,538,152</u>
TOTAL ASSETS		<u>20,359,16</u> 2	<u>18,765,49</u> 4
LIABILITIES			
Current Liabilities			
Provision for Accrued Annual Leave		527,912	542,767
Payables	9	<u>424,177</u>	<u>397,112</u>
Total Current Liabilities		<u>952,089</u>	<u>939,879</u>
Non-Current Liabilities			
Provision for Long Service Leave		1,305,068	1,257,211
Provision for Sick Leave		<u>395,734</u>	<u>482,830</u>
TOTAL NON-CURRENT LIABILITIES		<u>1,700,802</u>	<u>1,740,041</u>
TOTAL LIABILITIES		<u>2,652,891</u>	<u>2,679,920</u>
NET ASSETS		<u>17,706,271</u>	<u>16,085,574</u>

[The attached notes form part of these financial statements]

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Accumulated Funds	Available- for-Sale Investment Reserve	Total
	\$	\$	\$
Balance at 1 January 2004	14,377,608	-	14,377,608
Net Surplus for the Year	<u>1,707,966</u>	<u>-</u>	<u>1,707,966</u>
Balance at 31 December 2004	16,085,574	-	16,085,574
Adjustment on adoption of AASB 132 and AASB 139	(117,582)	109,715	(7,867)
Net reduction in value of Available-for sale financial assets	-	(3,670)	(3,670)
Net Surplus for the Year	<u>1,632,234</u>	<u>-</u>	<u>1,632,234</u>
Balance at 31 December 2005	<u>17,600,226</u>	<u>106,045</u>	<u>17,706,271</u>

[The attached notes form part of these financial statements]

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**CASH FLOW STATEMENT FOR THE
YEAR ENDED 31 DECEMBER 2005**

	<u>NOTE</u>	<u>2005</u> \$	<u>2004</u> \$
CASH FLOW FROM OPERATING ACTIVITIES			
Contributions and Levies from Members		10,112,802	9,599,226
Payments to Suppliers and Employees		(8,563,267)	(8,142,495)
Interest Received		341,325	334,887
Rent Received		21,036	10,000
Other Receipts		<u>300,660</u>	<u>359,397</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	20(b)	<u>2,212,556</u>	<u>2,161,015</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net Repayment of Loan		9,091	6,140
Net Payment for Aquatic Complex (Net Assets)		(135,539)	(149,435)
Net Payment for Property, Plant and Equipment		(311,170)	(2,357,033)
Net Payment for Investments		<u>(1,717,750)</u>	<u>(99,357)</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(2,155,368)</u>	<u>(2,599,685)</u>
NET INCREASE (DECREASE) IN CASH		57,188	(438,670)
NET INCREASE (DECREASE) IN CASH – AQUATIC COMPLEX	5	(59,189)	51,056
Cash at 1 January 2005		<u>451,251</u>	<u>838,865</u>
CASH AT 31 DECEMBER 2005	20(a)	<u>449,250</u>	<u>451,251</u>

[The attached notes form part of these financial statements]

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

1. SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the New South Wales Industrial Relations Act, 1996.

Compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS) except for:

- ∞ The prescribed format of the income statement and balance sheet contained in AASB 101 "Presentation of Financial Statement" has not been adopted.
- ∞ The prescribed format of the cash flow statement contained in AASB 107 "Cash Flow Statements" has not been adopted.
- ∞ The accounting for revenues from grants and other non-reciprocal contributions under AASB 1004 "Contributions" does not apply to not-for-profit organisations.
- ∞ Segment reporting because AASB 114 "Segment Reporting" does not apply to not-for-profit organisations.
- ∞ Impairment of assets under AASB 136 "Impairment of assets"

Basis of Preparation

The financial report is for the entity New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union, as an individual entity. The New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union is an organisation registered under the New South Wales Industrial Relations Act, 1996. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union is not subject to the Corporations Act 2001.

The financial report has been prepared on the basis of historical costs modified by the revaluation of selected financial assets and liabilities for which the fair value basis of accounting has been applied. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

This is the first financial report prepared under AIFRS and AASB 1 First-Time Adoption of Australian Equivalents to International Financial Reporting Standards has been applied in preparing these statements. Comparatives for the year ended 31 December 2004, with the exception of financial instruments and the fair value of interest free loans, have been restated accordingly. The Union has taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 from 1 January 2005.

Reconciliations of the impact of the adoption of AIFRS on the Union's Accumulated Funds and Reserves and Net Surplus are detailed in Note 4.

The following is a summary of the significant accounting policies adopted by the economic entity in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

(a) Revenue

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

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005 [Cont'd]**

(a) Revenue (cont'd)

Distributions from managed funds are recognised as income when declared and are then reinvested.

Interest is accounted for on an accrual basis.

(b) Income Tax

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.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any impairment in value.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the union commencing from the time the asset is ready for use.

The depreciation rates used for each class of asset are:

Buildings	2.5%
Office Furniture and Equipment	5% - 20%
Motor Vehicles	22.5%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the income statement in the year that the item is derecognised.

(d) Impairment

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. For the purpose of assessing value in use of assets not held primarily to generate cash, this represents depreciated current replacement cost, as the Union is a not-for profit organisation.

(e) Goods and Services Tax

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
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Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables on the balance sheet are shown inclusive of GST.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005 [Cont'd]**

(f) 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.

Other employee benefits payable later than one year 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 and Sick 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.

(g) Investments

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date, which is the date on which the entity commits to purchase, or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

Available-for-sale financial assets

Investments, which are classified as available for sale, are measured at fair value. Unrealised gains or losses on these investments are recognised directly to equity in the Available-for-Sale Investment Reserve until the investment is sold or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported for that asset is included in the income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with a fixed or determinable payment that are not quoted on an active market. They are recognised at amortised cost.

(h) Accounting Standards Issued But Not Yet Effective

There have been no accounting standards issued which will impact the financial report in future periods and which are not yet effective.

2. 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:

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
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- [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 the time, prescribed by the regulations.

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005 [Cont'd]**

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Union makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of asset and liabilities.

(b) Critical judgments in applying the Union's accounting principles

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities.

4. IMPACT OF ADOPTION OF AIFRS

The impact of adopting AIFRS on the accumulated funds and surplus reported under previous Australian Generally Accepted Accounting Principles ("AGAAP") is set out below.

	\$
(a) Total Accumulated Funds under previous AGAAP at 1 January 2005	16,085,574
Reduction in value on fair valuing of interest free loans	(7,867)
Transfer to Available-for-Sale Investment Reserve	<u>(109,715)</u>
Total Accumulated Funds under AIFRS at 1 January 2005	<u>15,967,992</u>
(b) Available-for-Sale Investment Reserve under previous AGAAP at 1 January 2005	-
Change in value of financial assets	<u>109,715</u>
Available-for-Sale Investment Reserve under AIFRS at 1 January 2005	<u>109,715</u>
(c) The Union has elected to take the exemption available under AASB 1 to apply AASB 132 and AASB 139 from 1 January 2005. There are no other adjustments required to assets, liabilities or accumulated funds and reserves as a result of the introduction of AIFRS.	
(d) There are no material differences between the Cash Flow Statement presented under AIFRS and the Cash Flow Statement presented under AGAAP.	
(e) There was no impact on the previously reported 2004 surplus.	

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005 [Cont'd]**

	<u>2005</u>	<u>2004</u>
	\$	\$
5. AQUATIC COMPLEX		
(a) INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005		
INCOME		
Accommodation and Rent	678,925	654,997
Interest	3,661	2,136
Catering (Motel)	20,261	26,708
Telephone (Motel)	1,341	1,485
Laundry Commission and Linen	1,072	679
	<hr/>	<hr/>
TOTAL INCOME	705,260	686,005
	<hr/>	<hr/>
LESS EXPENDITURE		
Depreciation	77,287	74,056
	<hr/>	<hr/>
Employee Benefits Expense		
Accrued Annual Leave	(5,740)	(4,711)
Fringe Benefits Tax	10,688	10,578
Long Service Leave	7,044	1,955
Salaries – Staff	226,697	184,551
Superannuation	17,901	17,665
	<hr/>	<hr/>
	256,590	210,038
	<hr/>	<hr/>
Other Expenses		
Austar	5,398	4,121
Auditors Remuneration	11,500	10,750
Bank Charges	5,396	5,982
Catering (Motel)	13,120	15,348
Domestic Supplies	18,867	19,204
Discount - Members	75,082	55,899
- Non Members	16,428	12,983
Electricity and Gas	32,553	24,030
Flag Inn Payments (Motel)	11,841	27,742
Insurance	19,009	19,106
Land Tax	79,590	58,276
Land Tax (prior year adjustment)	26,717	-
Payroll Tax	13,501	13,898
Printing, Stationery and Advertising	18,360	18,458
Rates and Taxes (Council and Water)	49,491	40,604
Repairs, Replacements and Maintenance	197,765	202,729
Sundries and Other Expenditure	11,417	7,324
Telephone (Other)	4,259	4,085
Telephone (Motel)	4,960	5,956
	<hr/>	<hr/>
	615,254	546,495
	<hr/>	<hr/>
TOTAL EXPENDITURE	949,131	830,589
	<hr/>	<hr/>
OPERATING DEFICIT FOR THE YEAR	(243,871)	(144,584)
	<hr/>	<hr/>

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005 [Cont'd]**

	<u>NOTES</u>	<u>2005</u> \$	<u>2004</u> \$
5. AQUATIC COMPLEX (Cont'd)			
(b) BALANCE SHEET AS AT 31 DECEMBER 2005			
ASSETS			
Current Assets			
Cash and cash equivalents	(e)	142,081	201,270
Receivables	(f)	<u>15,696</u>	<u>17,053</u>
Total Current Assets		<u>157,777</u>	<u>218,323</u>
NON-CURRENT ASSETS			
Land and Buildings [At Cost]		3,217,004	3,199,490
Less Accumulated Depreciation on Buildings		1,065,554	1,011,468
Equipment [At Cost]		410,605	367,652
Less Accumulated Depreciation		<u>209,620</u>	<u>186,419</u>
Total Non-Current Assets		<u>2,352,435</u>	<u>2,369,255</u>
TOTAL ASSETS		<u>2,510,212</u>	<u>2,587,578</u>
LIABILITIES			
Current Liabilities			
Provision for Accrued Annual Leave Payables	(g)	9,246	14,986
		<u>85,092</u>	<u>64,521</u>
Total Current Liabilities		<u>94,338</u>	<u>79,507</u>
Non-Current Liabilities			
Provision for Long Service Leave		<u>17,251</u>	<u>10,207</u>
TOTAL LIABILITIES		<u>111,589</u>	<u>89,714</u>
NET ASSETS		<u>2,398,623</u>	<u>2,497,864</u>

(c) MOVEMENTS IN CARRYING AMOUNTS - NON CURRENT ASSETS

	Land and Buildings \$	Equipment \$	Total \$
Balance at 1 January 2005	2,188,022	181,233	2,369,255
Additions	17,514	42,953	60,467
Disposals	-	-	-
Depreciation	<u>(54,086)</u>	<u>(23,201)</u>	<u>(77,287)</u>
Balance at 31 December 2005	<u>2,151,450</u>	<u>200,985</u>	<u>2,352,435</u>

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005 [Cont'd]**

5. AQUATIC COMPLEX (Cont'd)	<u>NOTES</u>	<u>2005</u> \$	<u>2004</u> \$
(d) CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005			
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Customers		669,575	668,277
Payments to Suppliers and Employees		(845,465)	(802,213)
Interest Received		3,661	2,316
Rent Received		<u>28,877</u>	<u>26,891</u>
NET CASH USED IN OPERATING ACTIVITIES	(d)(ii)	<u>(143,352)</u>	<u>(104,729)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds of Forfeit on option on Land		0	50,363
Sale of Property, Plant and Equipment		9,091	13,687
Payment for Property, Plant and Equipment		<u>(60,467)</u>	<u>(57,700)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		<u>(51,376)</u>	<u>6,350</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Payments to General Fund		(77,000)	0
Receipts from General Fund		<u>212,539</u>	<u>149,435</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES		<u>135,539</u>	<u>149,435</u>
NET INCREASE (DECREASE) IN CASH		(59,189)	51,056
Cash at 1 January 2005		<u>201,270</u>	<u>150,214</u>
CASH AT 31 DECEMBER 2005	(d)(i)	<u>142,081</u>	<u>201,270</u>

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005 [Cont'd]**

	<u>2005</u> \$	<u>2004</u> \$
5. AQUATIC COMPLEX (Cont'd)		
(d) NOTES TO THE CASH FLOW STATEMENT		
(i) For the purposes of the cash flow statement, cash includes cash on hand and at call deposits with banks or financial institutions.		
Cash on Hand	900	900
Cash at Bank	<u>141,181</u>	<u>200,370</u>
	<u>142,081</u>	<u>201,270</u>
(ii) RECONCILIATION OF CASH FLOW FROM OPERATING ACTIVITIES WITH OPERATING DEFICIT		
Operating Deficit	(234,780)	(80,534)
Non-Cash Flows in Operating Deficit		
Depreciation	77,287	74,056
Surplus on Sale of Assets	(9,091)	(13,687)
Gain on Forfeit of Option on Land	0	(50,363)
Changes in Assets and Liabilities		
Decrease in Debtors	1,357	14,292
Decrease in Interest Accrued	0	180
Increase (Decrease) in Employee Entitlements Provision	1,304	(50,492)
Increase in Creditors & Accruals	20,319	4,546
Increase in GST Payable (Decrease 2004)	<u>252</u>	<u>(2,727)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(143,352)</u>	<u>(104,729)</u>
(e) CASH AND CASH EQUIVALENTS		
Cash on Hand	900	900
Cash at Bank	<u>141,181</u>	<u>200,370</u>
	<u>1</u>	<u>0</u>
	<u>142,081</u>	<u>201,270</u>
	<u>1</u>	<u>0</u>
(f) RECEIVABLES		
Trade Debtors	12,969	17,053
Prepayments	<u>2,726</u>	<u>-</u>
	<u>15,696</u>	<u>17,053</u>

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005 [Cont'd]**

5. AQUATIC COMPLEX (Cont'd)

	<u>2005</u>	<u>2004</u>
	\$	\$
(g) PAYABLES		
Trade Creditors and Accruals	75,608	55,289
GST Payable	9,484	9,232
	<u>85,092</u>	<u>64,521</u>

6. PROPERTY, PLANT AND EQUIPMENT

Land and Buildings		
At cost		
Level 7 321 Pitt St. Sydney	2,438,147	2,438,147
86 Lawson Street Newcastle	590,995	590,995
2 & 3/100 Market St. Wollongong	359,524	359,524
1/157 Gordon Street Port Macquarie	94,697	94,697
Shop 3, 4-12 Queen Elizabeth Drive		
Armidale	71,476	71,476
Shops 11 & 12 142 William St Bathurst	95,934	95,934
Unit 2 54-56 Fitzmaurice Street Wagga		
Wagga	53,091	53,091
55-61 Prince Street Grafton	61,804	61,804
Level 8, 321 Pitt Street St Sydney	1,916,120	1,916,120
2,46 Church St Dubbo	180,558	-
	<u>5,862,346</u>	<u>5,681,788</u>
Less: Accumulated Depreciation	495,904	358,055
Total Land and Buildings	<u>5,366,442</u>	<u>5,323,733</u>
Office Furniture and Equipment		
At Cost	1,341,165	1,305,258
Less: Accumulated Depreciation	500,161	366,016
Total Office Furniture and Equipment	<u>841,004</u>	<u>939,242</u>
Motor Vehicles		
At Cost	1,365,579	1,395,597
Less: Accumulated Depreciation	534,297	356,352
Total Motor Vehicles	<u>831,282</u>	<u>1,039,245</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>7,038,728</u>	<u>7,302,220</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005 [Cont'd]**

6. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

MOVEMENTS IN CARRYING AMOUNTS

	Land and Buildings	Office Furniture and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Balance at 1 January 2005	5,323,733	939,242	1,039,245	7,302,22
Additions	180,558	37,791	252,466	470,815
Disposals	-	(441)	(147,929)	(148,370)
Depreciation	(137,849)	(135,588	(312,500)	(585,937)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2005	5,366,442	841,004	831,282	7,038,72 8

	2005	2004
	\$	\$

7. CASH AND CASH EQUIVALENTS

Cash on Hand	2,100	2,100
Cash at Bank	165,766	176,947
Cash Held by Branches	139,303	70,934
	<hr/>	<hr/>
	307,169	249,981

8. RECEIVABLES

Current

Interest Accrued	26,110	3,191
Loans to other employee organisations	9,091	9,091
Sundry Debtors and Prepayments	59,110	111,700
	<hr/>	<hr/>
	94,311	123,982

Non Current

Loans to other employee organisations		
At cost	-	41,560
At fair value	26,272	-
	<hr/>	<hr/>
	26,272	41,560

9. PAYABLES

Sundry creditors and Accruals	268,597	225,174
GST Payable	155,580	171,938
	<hr/>	<hr/>
	424,177	397,112

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005 [Cont'd]**

	<u>2005</u> \$	<u>2004</u> \$
10. INVESTMENTS - GENERAL FUND (Non Public Investments)		
Cash and cash equivalents		
Term Deposits	<u>5,970,784</u>	<u>4,188,187</u>
Available-For-Sale Financial Assets		
Shares listed company	3,440	3,440
Managed Funds (at market value)	<u>1,687,368</u>	<u>1,545,220</u>
	<u>1,690,808</u>	<u>1,548,660</u>
	<u>7,661,592</u>	<u>5,736,847</u>
11. INVESTMENTS - BUILDING FUND (Non Public Investments)		
Available-For-Sale Financial Assets		
Managed Funds (at market value)	<u>1,232,121</u>	<u>1,147,848</u>
12. INVESTMENTS – LONG SERVICE LEAVE FUND (Non Public Investments)		
Cash and cash equivalents		
Term Deposits	<u>1,225,732</u>	<u>1,165,824</u>
13. INVESTMENTS - MORTALITY FUND (Non Public Investments)		
Cash and cash equivalents		
Term Deposits	<u>374,614</u>	<u>499,368</u>
14. AUDITORS' REMUNERATION		
Auditing the financial statements	45,000	22,500
Auditing the financial statements – prior year	19,500	0
Other Services	<u>24,650</u>	<u>22,500</u>
	<u>89,150</u>	<u>45,000</u>
15. SALARIES - OFFICERS AND STAFF		
Elected Officers	204,284	197,582
Officials	2,904,716	2,787,293
Administration Staff	<u>1,006,456</u>	<u>922,338</u>
	<u>4,115,470</u>	<u>3,907,213</u>
16. OPERATING LEASE COMMITMENTS		
In respect of office equipment, payable:		
- not later than 1 year	170,721	108,606
- later than 1 year but not later than 5 years	130,469	228,855

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005 [Cont'd]**

	<u>2005</u> \$	<u>2004</u> \$
17. RESERVES		
Available-for-Sale Investment Reserve		
Balance at 1 January 2005	109,715	-
Change in fair value during the year	<u>(3,670)</u>	<u>-</u>
Balance at 31 December 2005	<u>106,045</u>	<u>-</u>

This reserve records unrealised gains and losses on Available-for-Sale investments which are measured at fair value.

18. SUPERANNUATION

All employees of the Union are entitled to benefits from superannuation plans on retirement, disability or death. The Union participated in four employer sponsored superannuation plans. One of which, the Local Government Superannuation Scheme is a defined benefit plan. The Scheme has advised that the assets and liabilities of the Union's employees are pooled with those of other employers. The Scheme further advised that it is impractical to separate employers without additional cost to the employer. As a consequence the Union has elected to take the exemption allowed under AASB 119 and treat the Scheme for financial reporting purposes as a defined contribution scheme.

The other superannuation plans are defined contribution plans. The benefits provided under these plans are based on accumulated contributions and earnings for each employee. The Union' liability is limited to paying the contributions to the plans.

19. 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.

- (a) The aggregate amount of remuneration paid to officers during the financial year is disclosed in the Financial Report
- (b) The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officers is \$7,366 (2004 \$7,045).
- (c) There have been no other transactions between the officers and the Union other than those relating to their membership of the Union and the reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005 [Cont'd]**

	<u>2005</u>	<u>2004</u>
	\$	\$
20. CASH FLOW INFORMATION		
(a) For the purposes of this statement of cash flow, 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	2,100
Cash at Bank	165,766	176,947
Cash Held by Branches	139,303	70,934
Cash on Hand – Aquatic Complex	900	900
Cash at Bank – Aquatic Complex	<u>141,181</u>	<u>200,370</u>
	<u>449,250</u>	<u>451,251</u>
(b) Reconciliation of cash flow from operations with operating result		
Net Surplus - General Fund	1,867,014	1,788,500
Non-Cash Flows in Operating Result		
Unwinding of discount on interest free loan	(1,671)	-
Reinvestment of income from managed funds	(230,091)	(262,331)
Depreciation	585,937	521,321
(Surplus) on Sale of Assets	(11,275)	(447)
Changes in Assets and Liabilities		
Decrease in Sundry Debtors and Prepayments	52,590	38,285
(Increase) Decrease in Accrued Interest	(22,919)	29,264
(Decrease) Increase in Employee Entitlement Provisions	(54,094)	21,688
(Decrease) Increase in GST Payable	(16,358)	37,851
Increase (Decrease) in Sundry Creditors	<u>43,423</u>	<u>(13,116)</u>
CASH FLOW FROM OPERATIONS	<u>2,212,556</u>	<u>2,161,015</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005 [Cont'd]**

21. FINANCIAL INSTRUMENTS

Interest Rate Risk

The union'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:

31 December 2005	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	446,250	7,571,130	3,000	8,020,380
Receivables			110,007	110,007
Managed Funds			2,919,489	2,919,489
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial assets	<u>446,250</u>	<u>7,571,130</u>	<u>3,032,496</u>	<u>11,049,876</u>
Weighted average Interest rate	1.17%	5.42%		
Financial Liabilities				
Payables			509,269	509,269
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial liabilities			<u>509,269</u>	<u>509,269</u>
Net financial assets	<u>446,250</u>	<u>7,571,130</u>	<u>2,523,227</u>	<u>10,540,607</u>
31 December 2004				
Financial Assets				
Cash and cash equivalents	448,251	5,853,379	3,000	6,304,630
Receivables			141,035	141,035
Managed Funds			2,693,068	2,693,068
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial assets	<u>448,251</u>	<u>5,853,379</u>	<u>2,837,103</u>	<u>9,138,733</u>
Weighted average Interest rate	1.48%	5.21%		
Financial Liabilities				
Payables			461,633	461,633
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial liabilities			<u>461,633</u>	<u>461,633</u>
Net financial assets	<u>448,251</u>	<u>5,853,379</u>	<u>2,375,470</u>	<u>8,677,100</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005 [Cont'd]**

21. FINANCIAL INSTRUMENTS (Cont'd)

Credit Risk Exposure

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

The credit risk exposure of the Union to financial assets which have been recognised in the Balance Sheet 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.

22. UNION DETAILS

The Registered Office of the Union is:

Level 7
321 Pitt Street
SYDNEY NSW 2000

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
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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 income statement, balance sheet, cashflow statement, 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 2005.

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

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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 to the extent detailed in note 1 to the financial statements 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.

INDEPENDENT AUDIT REPORT [Cont'd]

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 2005; and

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

and is in accordance with applicable Accounting Standards to the extent detailed in note 1 to the financial statements and other mandatory professional reporting requirements in Australia.

A J WILLIAMS & CO
Chartered Accountants

D S McLEAN
Registered Company Auditor
SYDNEY NSW 2000

20 March 2006