



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Ref: FR2006/208 [128V-CPTQ]

Mr Cameron Thiele
Branch Secretary
CEPU Communications Division
Queensland Postal and Telecommunications Branch
PO Box 3203
SOUTH BRISBANE QLD 4101

Dear Mr Thiele

Financial Return - year ending 31 March 2006

Our records show your organisation's financial year ended recently. This letter outlines some of the things you must do to meet your financial reporting obligations and when you have to do them. For simplicity, we will call the documents you have to lodge with us your *financial return*.

New legislation

This letter is intended as guide to the law applicable on the date of this letter and should not be used as a substitute for legal or accounting advice. We only summarise some of the reporting requirements in this letter. More detailed information is at the end of this letter.

The legislation has changed since your last return. In May 2003 the Industrial Registrar wrote to all organisations forwarding a number of facts sheets outlining the major changes made by Schedule 1B of the Workplace Relations Act 1996 ('RAO'¹). While the immediate changes affected the rules and elections in organisations, the changes affecting financial returns involve a longer lead time.

The key differences under the new legislation affecting financial returns are:

- a reduced financial reporting cycle (now maximum periods of 5 or 6 months depending on internal arrangements of organisation)
- a greater emphasis given to Australian Accounting Standards
- the introduction of a new report, known as an Operating Report (broadly similar in concept to a Director's Report under the corporations legislation)
- extensions of time are limited to one month
- restructured penalty provisions involving more extensive use of Civil Penalties
- the introduction of the Industrial Registrar's Reporting Guidelines
- organisations and their branches to report according to their financial structures, known as 'reporting units'.

We recommend you discuss the new requirements with your accountant or auditor.

¹ Registration and Accountability of Organisations Schedule (RAO) (Schedule 1B to the *Workplace Relations Act 1996*)

Reporting Unit

One of the new concepts of the RAO legislation is that reporting entities are known as "*reporting units*". Where an organisation is **not** divided into branches the reporting unit is the whole of the organisation. Where an organisation is divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will refer to your organisation as a reporting unit in this letter.

Industrial Registrar's Guidelines

The Industrial Registrar's reporting guidelines set out certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the Workplace Relations Act.

The disclosure requirements prescribed by the reporting guidelines are directed towards providing members of the reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the financial report about the reporting unit's economic support of, or economic dependency on, other reporting units of the organisation.

Timeline Planner and Checklist

We have attached a Timeline/Planner (*Attachment A*) to help you **plan** your financial return and carry out all the necessary steps. We have also attached a Document Checklist (*Attachment B*) to **check** your documents before lodging them in the Registry. Both documents are abbreviated summaries of the relevant provisions of the RAO Schedule, RAO Regulations and the Industrial Registrar's Reporting Guidelines.

In the following section we describe some of the documents your reporting unit must prepare and the sequence of their preparation and completion.

Three Reports

Your reporting unit must prepare **two reports** as soon as practicable after its financial year, which, together with the Auditor's Report, comprise the reporting unit's financial return.

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar's Reporting Guidelines. The GPFR consists of:

Financial Statements containing:

- a profit and loss statement, or other operating statement; and
- a balance sheet; and
- a statement of cash flows; and
- any other statements required by the Australian Accounting Standards; and

Notes to the Financial Statements containing:

- notes required by the Australian Accounting Standards; and
- information required by the Industrial Registrar's *Reporting Guidelines* under section 255); and

Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C)

2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

Your reporting unit must appoint an auditor to audit the GPFR and to provide:

3. an **Auditor's Report**.

First Meeting (Committee of Management)

For simplicity, we will call the meeting at which the committee of management first considers the GPFR the first meeting. At the first meeting your committee, if satisfied that all is in order, will resolve to express its opinion on the GPFR and complete a Committee of Management Statement.

The Auditor

After the first meeting, the auditor takes the GPFR and the Committee of Management Statement and prepares a report on the GPFR. In practice, your auditor may have already completed most of his or her examination of your accounts. The auditor may only be waiting on the Committee to pass the required resolution and make the Statement before signing the report the same day.

Informing Your Members

Your reporting unit must provide free of charge to the general membership, copies of the GPFR, the Operating Report and the Auditor's Report. RAO calls these the "full report". Under certain circumstances, your reporting unit can provide a more limited *concise report*.

The reporting unit can meet its obligation to provide copies of the full or concise report to members by publishing the report in a journal that is available to the members free of charge.

A reporting unit may meet this obligation in whole or in part by publication of the report in a journal published on a web site on the Internet dependent on:

- a. the extent of the accessibility of the members of the reporting unit to the Internet; and
- b. that the members are notified by the reporting unit in the usual manner in which it communicates with its members that the report has been so published at a specified Internet address.

The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the organisation for the presentation of its financial reports.

The Second Meeting - if it is a General Meeting of Members

After providing the full report to members it must be presented to a general meeting of members. For simplicity this is referred to as the *second meeting*.

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval and the second meeting is to enable the members to have time to consider the report and, if they wish, to attend the second meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

The Second Meeting - if it is a Committee of Management Meeting

If the rules of your organisation contain a provision that allows up to 5% of members to demand a general meeting to be held consider the report (see s266(3)), it is permissible to present the report directly to a Committee of Management meeting.

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at www.airc.gov.au).

The Secretary (or another officer appropriately authorised under the rules of the organisation) must *certify* that the full report is a copy of the one provided to members and presented to the second meeting and provide the date of the meeting (a sample certification for illustrative purposes is at *Attachment D*).

When we receive your return we will check that it includes the information you must provide your members and that you have provided it to them correctly.

Complying with time limits

This letter has outlined some of the steps in preparing and lodging your return. Many of the steps must be completed within fixed time limits.

Failure to complete them in time could make your reporting unit or its officers liable to financial or "civil penalties".

Extensions of Time

We appreciate that sometimes circumstances beyond your reporting unit's control may delay completion of a financial return. If you believe your reporting unit is going to be unable to meet a time limit tell us as soon as you know. We can advise you if the step is one for which you may apply under RAO to the Industrial Registrar for extra time to complete. The maximum extra time allowed can be no more than one month.

Reduced Reporting Requirements

If your reporting unit meets certain conditions, some of these reporting requirements can be reduced. Such conditions might be where the annual income of the reporting unit (where the reporting unit is the whole of the organisation) is less than \$100,000, or where the reporting unit has no financial affairs in the financial year, or where the financial affairs of the reporting unit are encompassed by the financial affairs of its counterpart State industrial association.

Contact the Registry

We encourage you to contact the Registry on (02) 8374 6666 as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedure but we cannot give you legal or accounting advice.

Information on AIRC Website

We recommend you and your accountant/auditor refer to the following documents on the Commission's website at www.airc.gov.au:

- [RAO Schedule and RAO Regulations](#)
- [Registrar's Reporting Guidelines](#) - All GPFR's must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- [RAO Fact Sheets](#) - These Fact Sheets explain the new requirements of the RAO Schedule - many of them deal with financial reporting matters.

Yours sincerely



For Deputy Industrial Registrar
4 April 2006

Documents Checklist

You can use this checklist as soon as possible after the financial year ends to ensure you have all the necessary documents prepared and that those documents contain all information required by RAO.

You can also use this checklist to ensure all documents in your financial return are complete before lodging them in the Registry.

| No | Document | ✓ |
|----------|---|---|
| 1 | General Purpose Financial Report | |
| | Does the report contain a Profit and Loss Statement? | |
| | Does the report contain a Balance Sheet? | |
| | Does the report contain a Statement of Cash Flows? | |
| | Does the report contain notes to the financial statements as required by AAS and the reporting guidelines? | |
| | Does the report contain all other information required by the reporting guidelines? | |
| | | |
| 2 | Committee of Management Statement | |
| | Is the statement signed by the officer responsible for undertaking functions necessary to enable the reporting unit to comply with RAO? | |
| | Is the statement dated? | |
| | Is the statement in accordance with a resolution of the committee? | |
| | Does the statement specify the date of the resolution? | |
| | Does the statement contain declarations required by the reporting guidelines? | |
| | | |
| 3 | Auditor's Report | |
| | Is the Report dated and signed by the auditor? | |
| | Is the name of the auditor clear? | |
| | Are the qualifications of the auditor on the report? | |
| | Has the auditor expressed an opinion on all matters required? | |
| | | |
| 4 | Operating Report | |
| | Is the report signed and dated? | |
| | Does the report provide the number of members? | |
| | Does the report provide the number of employees? | |
| | Does the report contain a review of principal activities? | |
| | Does the report give details of significant changes? | |
| | Does the report give details of right of members to resign? | |
| | Does the report give details of superannuation trustees? | |
| | Does the report give details of membership of the committee of management? | |
| | | |
| 5 | Concise report* | |
| | | |
| 6 | Certificate of Secretary or other Authorised Officer | |
| | Is the certificate signed and dated? | |
| | Is the signatory the secretary or another officer authorised to sign the certificate? | |
| | Is the date that the report was provided to members stated? | |
| | Is the date of the Second Meeting at which the report was presented stated? | |
| | Does the certificate state that the documents are copies of those provided to members? | |
| | Does the certificate state that the documents are copies of those presented to the Second Meeting? | |

* This is an optional way of providing documents to members (see RAO s265(3) and RAO Reg. 161).

Committee Of Management Statement

On *[date of meeting]* the Committee of Management of *[name of reporting unit]* passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended *[date]*:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply* with the Australian Accounting Standards;
- (b) the financial statements and notes comply* with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view* of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds* to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held* in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been* managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been* kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - #(iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been* kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - #(v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been* furnished to the member or Registrar; and
 - #(vi) there has been* compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: *[name of designated officer per section 243 of the RAO Schedule]*

Title of Office held:

Signature:

Date:

* Where compliance or full compliance has not been attained - set out details of non compliance instead.

Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by the Commission under section 273 of the RAO Schedule during the period."

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]²*, referred to in s268 of the RAO Schedule; and
- that the *[full report OR concise report]³*, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members OR the last of a series of general meetings of members OR a meeting of the committee of management]³* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

¹*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

²*Only applicable where a concise report is provided to members*

³*Insert whichever is applicable*



Communications Division
Postal Telecommunications Branch

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South Brisbane QLD 4101
1st Floor, 41 Peel Street
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comms@cepuqld.asn.au

2006/09/164

A Division of  CEPU

11 September 2006

Australian Industrial Registry
Level 8
Terrace Towers
80 William Street
EAST SYDNEY NSW 2011

Dear Sir/Madam

Re YEAR 2006 REPORT ON FINANCIAL STATEMENTS

Enclosed are the audited Financial Statements for the Queensland Branch of the Communications Electrical Plumbing Union, Postal & Telecommunications Branch Qld for the financial year ending 31st March 2006. This report was sent out to members via a mail out on the 21st July 2006.

Yours faithfully



Cameron Thiele
BRANCH SECRETARY



Year 2006 REPORT ON FINANCIAL STATEMENTS & ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2006

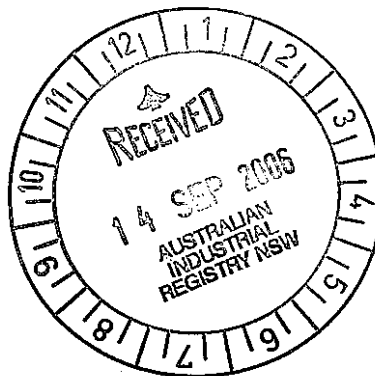
BRANCH SECRETARY'S CERTIFICATE AS REQUIRED BY
S268 OF SCHEDULE 1B WORKPLACE RELATIONS ACT 1996

" I Cameron Thiele being the State Secretary of the Communications Electrical Plumbing Union, Postal and Telecommunications Branch Queensland certify

- that the documents lodged herewith are copies of the full auditor's report referred to in s268 of the RAO Schedule; and
- that the full auditors report was provided to members on 21st July 2006 and
- that the full report was presented to a meeting of the Branch Committee of Management held on 19th July 2006 and was to be presented to an Annual General Meeting of members on 17th August 2006. As there was not a quorum for this meeting the Auditors Report was declared passed by the Branch Committee of Management.


Cameron Thiele
Branch Secretary

23rd August 2005



LEVEL 5, 131 LEICHHARDT STREET
SPRING HILL Q 4000
PRINCIPAL: STEPHEN BEEBE FCA

TELEPHONE: (07) 3832 7277
FACSIMILE: (07) 3832 7393
EMAIL: sbeebe@powerup.com.au

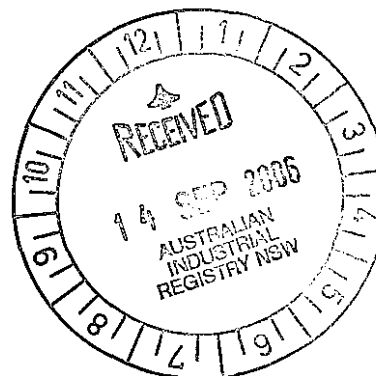
STEPHEN BEEBE & Co.

CHARTERED ACCOUNTANT

CEPU COMMUNICATIONS DIVISION

POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2006**



**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

OPERATING REPORT

The Committee of Management present their operating report for the financial year ended 31 March 2006.

Committee Members

The names of members of the Committee of Management at any time during the financial year are:

| | |
|---|---|
| Cameron Thiele (Branch Secretary) | Richard Wright |
| Dave Callaghan (President) | Steve Douglas (<i>appointed 1 August 2005</i>) |
| Keith Mellis (Assistant Secretary) | Jean Rance (<i>appointed 1 August 2005</i>) |
| Phil Hughes (Organiser) | Russell Daveson |
| Debbie Harris (Organiser) | Kevin Hogan (<i>appointed 1 August 2005</i>) |
| Rod Steer (Vice President) | Patricia Kirton (<i>appointed 1 August 2005</i>) |
| Trevor Eller (Vice President) | Dan Gallagher (<i>ceased 31 July 2005</i>) |
| Phil Gibbons (<i>ceased 31 July 2005</i>) | Russel Knudsen |
| Paul Hernes | John Plettell (<i>ceased 31 July 2005</i>) |
| Peter McDermott | Michael Cosgrove (<i>appointed 1 August 2005</i>) |
| Roy Nilsen | |
| Kevin Nugent | |

Members served on the Committee from the start of the financial year to the end of the financial year unless otherwise stated.

Principal Activities

The principal activity of the Branch during the course of the financial year was the advancement and protection of the interests of members.

There were no significant changes in the nature of the principal activities of the Branch during the financial year.

Results Of Those Activities

The operating result of the Branch for the financial year was a loss of \$103 293.

Financial Affairs

There were no significant changes to the financial affairs of the Branch during the financial year.

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

OPERATING REPORT

Resignation From Membership

A member of the Branch may resign from membership by written notice addressed and delivered to the Branch Secretary. The notice of resignation can be given electronically.

A notice of resignation from membership takes effect:

- (a) where the member ceases to be eligible to become a member of the Branch:
- (i) on the day on which the notice is received by the organisation; or
 - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;
- whichever is later;
- (b) in any other case:
- (i) at the end of two weeks, or such shorter period as is specified in the rules of the organisation, after the notice is received by the organisation; or
 - (ii) on the day specified in the notice;
- whichever is later.

Superannuation Fund Trustees

No official or member of the Branch is:

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and

where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of the Branch.

Other Information

The activities of the Branch during the financial year produced many positive outcomes for members, including the following highlights:

- Your Rights at Work Campaign started with a successful community campaign in Rockhampton;
- Positive working relationship and setup towards amalgamation of P & T and T & S Branches;
- Industry Councils set up for Postal and Telstra Groups to direct the Union from the membership;
- Campaign started in support of Postal EBA7;
- Continuing to build on Union Training; and
- Several successful work centre visits throughout Queensland country and metropolitan areas.

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND
OPERATING REPORT**

Branch Members

The number of members of the branch at the end of the financial year was 4 304.

Branch Employees

The number of employees of the Branch at the end of the financial year was 9.

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


C G Thiele

Dated this *nineteenth* day of *July* 2006.

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

| | Note | 2006 \$ | 2005 \$ |
|---|------|------------------|------------------|
| Revenue | 2 | 1 328 318 | 1 326 855 |
| Employee benefits expense | | (699 066) | (680 381) |
| Depreciation and amortisation expenses | | (55 355) | (58 614) |
| Operating lease expense | 3 | (5 726) | (8 316) |
| Finance costs expense | 3 | (7 940) | (14 555) |
| Bad and doubtful debt expenses | 3 | (18 654) | (22 856) |
| ACTU organising | | (55 655) | (41 971) |
| Affiliation expenses | | (38 647) | (41 412) |
| CEPU National Office dues | | (272 719) | (277 163) |
| Commission for payroll deductions | | (14 845) | (17 104) |
| Motor vehicle expenses | | (21 995) | (28 516) |
| Office expenses | | (76 493) | (96 824) |
| Organisation and travelling expenses | | (38 764) | (45 967) |
| Telecommunications expenses | | (37 339) | (38 551) |
| Other expenses from ordinary activities | | <u>(88 413)</u> | <u>(71 687)</u> |
| Profit/(loss) from operations | | <u>(103 293)</u> | <u>(117 062)</u> |

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

| | 2006 | 2005 |
|---|------------------|------------------|
| | \$ | \$ |
| REVENUE | | |
| Members' contributions | 1 237 682 | 1 270 362 |
| Interest | 38 357 | 37 685 |
| Sundry income | <u>52 279</u> | <u>18 808</u> |
| | <u>1 328 318</u> | <u>1 326 855</u> |
| EXPENDITURE | | |
| ACTU Organising | 55 655 | 41 971 |
| Affiliation dues | 38 647 | 41 412 |
| Audit and accountancy fees | 13 164 | 11 595 |
| Bad debts | 19 536 | 25 546 |
| Bank charges | 8 576 | 9 693 |
| Building expenses | 19 369 | 18 929 |
| Cleaning | 7 949 | 4 720 |
| Commission for payroll deductions | 14 845 | 17 104 |
| Computer support | 2 818 | 8 424 |
| Consultative meetings | (517) | 4 505 |
| Debt collection fees | - | 36 |
| Depreciation | 55 355 | 58 614 |
| Donations | 2 595 | 1 531 |
| Doubtful debts | (882) | (2 690) |
| Federal Election expenses | - | 7 149 |
| Fringe benefits tax | 12 015 | 13 076 |
| General expenses | 20 040 | 24 503 |
| Insurance | 861 | 1 218 |
| Legal and medical expenses | 7 377 | 8 198 |
| Loss on disposal of fixed assets | 7 877 | 8 |
| Motor vehicle expenses | 29 935 | 43 907 |
| National Council Fund – Communication Electrical Plumbing Union | 2 130 | 1 879 |
| National Executive dues – Communication Electrical Plumbing Union | 272 719 | 277 163 |
| Organisation and travel | 38 764 | 45 967 |
| Payroll tax | 29 986 | 26 499 |
| Photocopier expenses | 12 944 | 9 647 |
| Postage | 17 181 | 23 159 |
| Printing and stationery | 10 859 | 23 734 |
| Provision for staff leave | 11 744 | 84 189 |
| Publications, books and awards | 1 296 | 424 |
| Repairs and maintenance | 156 | 233 |

Carried forward.....

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

| | 2006 | 2005 |
|-----------------------------------|-----------------------|-----------------------|
| | \$ | \$ |
| EXPENDITURE (continued) | | |
| Salaries - officials | 426 488 | 377 502 |
| Salaries - employees | 121 538 | 107 314 |
| Staff training | - | 3 059 |
| State conferences | 150 | 15 |
| State Executive attendance fees | 1 810 | 1 380 |
| State Executive other expenses | 5 597 | 5 562 |
| Superannuation contributions | 95 204 | 70 351 |
| Telecommunications | 37 339 | 38 551 |
| Union training | 10 181 | 6 390 |
| Workers' compensation | 2 091 | 1 450 |
| Your Rights at Work campaign | <u>18 219</u> | <u>-</u> |
| | <u>1 431 611</u> | <u>1 443 917</u> |
| Profit/(loss) from operations | <u>(103 293)</u> | <u>(117 062)</u> |

The income and expenditure statement is to be read in conjunction with the notes to the financial statements set out on pages 10 to 26.

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

**BALANCE SHEET
AS AT 31 MARCH 2006**

| | Note | 2006 \$ | 2005 \$ |
|--------------------------------------|------|------------------|------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 13 438 | 40 943 |
| Trade and other receivables | 5 | 7 752 | 13 133 |
| Other current assets | 6 | <u>26 486</u> | <u>26 467</u> |
| Total Current Assets | | <u>47 676</u> | <u>80 543</u> |
| NON CURRENT ASSETS | | | |
| Trade and other receivables | 5 | 1 259 | 2 186 |
| Financial assets | 7 | 684 412 | 741 587 |
| Property, plant and equipment | 8 | <u>1 288 330</u> | <u>1 357 858</u> |
| Total Non Current Assets | | <u>1 974 001</u> | <u>2 101 631</u> |
| TOTAL ASSETS | | <u>2 021 677</u> | <u>2 182 174</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 65 819 | 100 743 |
| Short term borrowings | 10 | <u>23 266</u> | <u>49 870</u> |
| Total Current Liabilities | | <u>89 085</u> | <u>150 613</u> |
| NON CURRENT LIABILITIES | | | |
| Long term borrowings | 10 | 13 834 | 22 229 |
| Long term provisions | 11 | <u>555 809</u> | <u>544 065</u> |
| Total Non Current Liabilities | | <u>569 643</u> | <u>566 294</u> |
| Total Liabilities | | <u>658 728</u> | <u>716 907</u> |
| NET ASSETS | | <u>1 362 949</u> | <u>1 465 267</u> |
| EQUITY | | | |
| Reserves | 12 | 582 393 | 638 091 |
| Retained profits | | <u>780 556</u> | <u>827 176</u> |
| TOTAL EQUITY | | <u>1 362 949</u> | <u>1 465 267</u> |

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 10 to 26.

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2006**

| | Note | 2006 \$ | 2005 \$ |
|--|------|----------------|----------------|
| Retained Earnings | | | |
| Balance at 1 April 2005 | | 827 176 | 946 663 |
| Profit attributable to the Branch | | (103 293) | (117 062) |
| Transfers from / (to) Members Assistance | | 56 673 | (2 425) |
| | | <hr/> | <hr/> |
| Balance at 31 March 2006 | | <u>780 556</u> | <u>827 176</u> |

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 10 to 26.

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2006**

| | Note | 2006 \$ | 2005 \$ |
|--|-------|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from members | | 1 248 348 | 1 294 524 |
| Other receipts | | 52 279 | 18 808 |
| Payments to suppliers and employees | | (1 103 287) | (1 045 476) |
| Payments for National Executives dues | | | |
| - Communication Electrical Plumbing Union | | (274 904) | (279 563) |
| Interest received | | 38 670 | 38 185 |
| Interest paid | | <u>(7 940)</u> | <u>(14 555)</u> |
| Net cash flows by operating activities | 17(b) | <u>(46 834)</u> | <u>11 923</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Proceeds from sale of property, plant and equipment | | 16 589 | - |
| Purchases of property, plant and equipment | | (10 293) | (46 139) |
| Payments received from CEPU Plumbers Division | | <u>191</u> | <u>3 222</u> |
| Net cash flows provided/(used) by investing activities | | <u>6 487</u> | <u>(42 917)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from borrowings | | - | 9 334 |
| Repayment of borrowings | | <u>(44 333)</u> | <u>(16 939)</u> |
| Net cash flows from financing activities | | <u>(44 333)</u> | <u>(7 605)</u> |
| Net increase (decrease) in cash held | | (84 680) | (38 599) |
| Cash at the beginning of the financial year | | <u>782 530</u> | <u>821 129</u> |
| Cash at the end of the financial year | 17(a) | <u><u>697 850</u></u> | <u><u>782 530</u></u> |

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 10 to 26.

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations Act 1996.

The financial report covers the CEPU Communications Division, Postal & Telecommunications Branch Queensland as an individual entity. The CEPU Communications Division, Postal & Telecommunications Branch Queensland is a branch of an Industrial Union pursuant to the Workplace Relations Act 1996.

The financial report of CEPU Communications Division, Postal & Telecommunications Branch Queensland as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Branch in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

First-time Adoption of Australian Equivalents to International Financial Reporting Standards

The CEPU Communications Division, Postal & Telecommunications Branch Queensland as an individual entity has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (IFRS) from 1 April 2005.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the accounts resulting from the introduction of AIFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These accounts are the first financial statements of the CEPU Communications Division, Postal & Telecommunications Branch Queensland to be prepared in accordance with Australian equivalents to AIFRS.

The accounting policies set out below have been consistently applied to all years presented.

There were no material differences between the 2005 financial report prepared under previous Australian GAAP and AIFRS, hence no restatement of balances has taken place and equity has not changed.

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Basis of Preparation *(continued)*

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Income Tax

No provision for income tax is made in the financial statements as the Branch is exempt from income tax.

(b) 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 impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Committee of Management to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land, are depreciated on the straight line and diminishing value bases over the useful lives of the assets to the Branch commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable asset are:

| <i>Class of Fixed Asset</i> | <i>Depreciation Rate and Basis</i> |
|-----------------------------|------------------------------------|
| Buildings | 2.50% straight line |
| Motor Vehicles | 22.50% diminishing value |
| Leased Motor Vehicles | 22.50% diminishing value |
| Plant and equipment | 11.25% to 40.00% diminishing value |

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Branch, are classified as finance leases. Finance leases are capitalised recording an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a diminishing value basis over their estimated useful lives where it is likely that the Branch will obtain ownership of the asset or over the term of the lease.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the Branch's intention to hold these investments to maturity. Any held-to-maturity investments held by the Branch are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each operating date, the Branch assesses whether there is objective evidence that a financial instrument is impaired.

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) Impairment of Assets

At each reporting date, the Committee of Management reviews the carrying values of the tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Branch estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Employee Benefits

Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are 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. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(g) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

(i) Revenue

Revenue from member contributions is recognised upon the member contributions becoming payable.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(j) Goods and Services Tax (GST)

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

Cashflows are presented in the Cash Flows Statement on a gross basis, except for the GST component of investing and financial activities, which are disclosed as operating cash flows.

(k) Comparative Amounts

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

| | 2006 | 2005 |
|---|------------------|------------------|
| | \$ | \$ |
| 2. REVENUE | | |
| Operating activities | | |
| - members' contributions | 1 237 682 | 1 270 362 |
| - interest received | 38 357 | 37 685 |
| - other revenue | 43 911 | 18 808 |
| | <u>1 319 950</u> | <u>1 326 855</u> |
| Non operating activities | | |
| - transfer from Telecommunications Officers Association | <u>8 368</u> | <u>-</u> |
| | <u>8 368</u> | <u>-</u> |
| Total Revenue | <u>1 328 318</u> | <u>1 326 855</u> |
| 3. PROFIT | | |
| (a) Expenses: | | |
| Finance costs - external | 7 940 | 14 555 |
| Bad and doubtful debts | | |
| - trade receivables | <u>18 654</u> | <u>22 856</u> |
| Rental expense on operating leases | | |
| - Minimum lease payments on office equipment | 5 726 | 8 316 |
| Net loss on disposal of property, plant and equipment | 7 877 | 8 |

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

| | 2006 | 2005 |
|--|-----------------|-----------------|
| | \$ | \$ |
| 4. AUDITOR'S REMUNERATION | | |
| Remuneration of the Auditor of the Branch for: | | |
| - auditing or reviewing the financial report | 8 150 | 7 220 |
| - other services | <u>5 014</u> | <u>4 375</u> |
| | <u>13 164</u> | <u>11 595</u> |
| | | |
| 5. TRADE AND OTHER RECEIVABLES | | |
| Current | | |
| Contributions in arrears | 10 982 | 15 127 |
| Provision for doubtful debts | <u>(6 485)</u> | <u>(7 367)</u> |
| | 4 497 | 7 760 |
| Loan - CEPU Plumbing Division | - | 191 |
| Receivable - CEPU Electrical Division | 926 | 83 |
| Receivable - CEPU Telecommunications and Services Branch | - | - |
| Other receivables | <u>2 329</u> | <u>5 099</u> |
| | <u>7 752</u> | <u>13 133</u> |
| Non Current | | |
| Other receivables | <u>1 259</u> | <u>2186</u> |
| | | |
| 6. OTHER CURRENT ASSETS | | |
| Prepayments | <u>26 486</u> | <u>26 467</u> |
| | | |
| 7. FINANCIAL ASSETS | | |
| Credit Union Australia Limited | - | 56 360 |
| Members Equity | <u>684 412</u> | <u>685 227</u> |
| | <u>684 412</u> | <u>741 587</u> |

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

| | 2006 \$ | 2005 \$ |
|---|------------------|------------------|
| 8. PROPERTY, PLANT AND EQUIPMENT | | |
| Freehold land, at: | | |
| - independent valuation 2005 | <u>462 175</u> | <u>462 175</u> |
| | <u>462 175</u> | <u>462 175</u> |
| Buildings, at: | | |
| - independent valuation 2005 | 726 275 | 726 275 |
| Less: accumulated depreciation | <u>18 157</u> | <u>-</u> |
| | <u>708 118</u> | <u>726 275</u> |
| Plant and equipment, at cost | 99 621 | 111 448 |
| Less: accumulated depreciation | <u>74 703</u> | <u>74 328</u> |
| | <u>24 918</u> | <u>37 120</u> |
| Motor vehicles, at cost | 113 582 | 118 154 |
| Less: accumulated depreciation | <u>50 637</u> | <u>41 474</u> |
| | <u>62 945</u> | <u>76 680</u> |
| Leased motor vehicles, at cost | 56 994 | 86 121 |
| Less: accumulated amortisation | <u>26 820</u> | <u>30 513</u> |
| | <u>30 174</u> | <u>55 608</u> |
| | <u>1 288 330</u> | <u>1 357 858</u> |

The freehold land and buildings are in respect of the Branch's 26.41% interest in the building at 41 Peel Street, South Brisbane.

The Branch's land and buildings were revalued at 31 March 2005 by independent valuers. Valuations were based on an assessment of the properties' market value. The revaluation surplus was credited to an asset revaluation reserve in equity.

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

8. PROPERTY, PLANT AND EQUIPMENT *(continued)*

(a) Movement in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

| | Freehold Land \$ | Buildings \$ | Plant and Equipment \$ | Motor Vehicles \$ | Leased Motor Vehicles \$ | Total \$ |
|--|------------------------|-----------------|------------------------------|-------------------------|-----------------------------------|-------------|
| Balance at the beginning of the year | 462 175 | 726 275 | 37 120 | 76 680 | 55 608 | 1 357 858 |
| Additions | - | - | 4 401 | 10 134 | - | 14 535 |
| Disposals | - | - | (6 439) | (22 269) | - | (28 708) |
| Transfers | - | - | - | 16 674 | (16 674) | - |
| Depreciation expense | - | (18 157) | (10 164) | (18 274) | (8 760) | (55 355) |
| Carrying amount at the end of the year | 462 175 | 708 118 | 24 918 | 62 945 | 30 174 | 1 288 330 |

9. TRADE AND OTHER PAYABLES

Unsecured liabilities

| | 2006 \$ | 2005 \$ |
|--|---------------|----------------|
| Trade creditors and accruals | 19 964 | 33 054 |
| Contributions received in advance | 7 722 | 10 264 |
| Payroll liabilities | 12 669 | 16 025 |
| GST liabilities | 2 015 | 8 562 |
| Amount payable to CEPU Telecommunications and Service Branch | - | - |
| Amount payable to CEPU National Office | <u>23 449</u> | <u>32 838</u> |
| | <u>65 819</u> | <u>100 743</u> |

Trade creditors and accruals include \$1 540 (2005: \$940) in respect of legal costs and other expenses related to litigation or other legal matters.

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

| | 2006 \$ | 2005 \$ |
|-----------------------|---------------|---------------|
| 10. BORROWINGS | | |
| Current | | |
| Lease liability | <u>23 266</u> | <u>49 870</u> |
| Non Current | | |
| Lease liability | <u>13 834</u> | <u>22 229</u> |

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

11. PROVISIONS

Employee Entitlements

| | | |
|--|----------------|----------------|
| Opening balance at 1 April 2005 | 544 065 | 459 876 |
| Additional provisions raised during year | 11 744 | 84 189 |
| Amounts used | <u>-</u> | <u>-</u> |
| Balance at 31 March 2006 | <u>555 809</u> | <u>544 065</u> |

Analysis of Provisions

| | | |
|-------------|----------------|----------------|
| Current | - | - |
| Non-current | <u>555 809</u> | <u>544 065</u> |
| | <u>555 809</u> | <u>554 065</u> |

Employee Entitlements Liability

| | | |
|--|---------------|---------------|
| - officials | 511 986 | 493 297 |
| - employee benefits other than officials | <u>42 823</u> | <u>50 768</u> |

| | | |
|---------------------------------------|----------------|----------------|
| Aggregate employee benefits liability | <u>554 809</u> | <u>544 065</u> |
|---------------------------------------|----------------|----------------|

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual, long service leave and redundancies for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1.

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

| | 2006 | 2005 |
|---|-----------------|-----------------|
| | \$ | \$ |
| 12. RESERVES | | |
| (a) Members Assistance Fund | | |
| <p>The Members Assistance Fund reserve records funds set aside for death benefits for dependents of deceased members and loans for members in extreme financial difficulties.</p> | | |
| <p>Movement in Members' Assistance Fund during the year:</p> | | |
| Opening balance | 56 360 | 55 967 |
| Transfers from / (to) general fund | (56 673) | 2 425 |
| Interest received | 313 | 368 |
| Payments to members | <u>-</u> | <u>(2 400)</u> |
| Closing balance | <u>-</u> | <u>56 360</u> |
| (b) Asset Revaluation Reserve | | |
| <p>The Asset Revaluation Reserve records revaluations of non-current assets.</p> | | |
| <p>Movement in Asset Revaluation during the year:</p> | | |
| Opening balance | 581 731 | - |
| Revaluation increment arising on revaluing freehold land and buildings to fair value | <u>-</u> | <u>581 731</u> |
| Closing balance | <u>581 731</u> | <u>581 731</u> |
| (c) Disaster Relief Reserve | | |
| <p>The Disaster Relief Reserve records funds set aside for disaster relief for members.</p> | | |
| <p>Movement in Disaster Relief Reserve during the year:</p> | | |
| Opening balance | - | - |
| Donations | 3 667 | - |
| Expenditure | <u>(3 005)</u> | <u>-</u> |
| Closing balance | <u>662</u> | <u>-</u> |
| Total Reserves | <u>582 393</u> | <u>638 091</u> |

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

| | 2006 | 2005 |
|--|----------------------|----------------------|
| | \$ | \$ |
| 13. CAPITAL AND LEASING COMMITMENTS | | |
| (a) Finance Lease Commitments | | |
| Payable: | | |
| ▶ not later than twelve months | 25 624 | 56 434 |
| ▶ between twelve months and five years | 13 854 | 24 056 |
| ▶ greater than five years | <u>-</u> | <u>-</u> |
| Minimum lease payments | 39 478 | 80 490 |
| Less future finance charges | <u>2 378</u> | <u>8 392</u> |
| Present value of minimum lease payments | <u><u>37 100</u></u> | <u><u>72 098</u></u> |
| (b) Operating lease commitments | | |
| Payable: | | |
| ▶ not later than twelve months | 17 178 | 7 480 |
| ▶ between twelve months and five years | 62 986 | 18 700 |
| ▶ greater than five years | <u>-</u> | <u>-</u> |
| | <u><u>80 164</u></u> | <u><u>26 180</u></u> |

The office equipment leases are non cancellable leases with five year terms, with rental payable monthly in advance.

14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Committee of Management is not aware of any contingent liabilities or contingent assets.

15. SEGMENT REPORTING

The Branch operates as a Industrial Union providing services to members within Queensland.

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

16. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996, as amended, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 272 of Schedule 1B which read as follows:

- “(1) 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).”

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

| | 2006 \$ | 2005 \$ |
|--|-------------------------|-----------------------|
| 17. CASH FLOWS INFORMATION | | |
| (a) Reconciliation of cash | | |
| Cash and cash equivalents | 13 438 | 40 943 |
| Financial Assets | <u>684 412</u> | <u>741 587</u> |
| | <u><u>697 850</u></u> | <u><u>782 530</u></u> |
| (b) Reconciliation of net cash provided by operating activities to profit (loss) from ordinary activities | | |
| Profit (loss) from ordinary activities | (103 293) | (117 062) |
| Cash flows excluded from operating surplus attributable to member assistance | | |
| Net receipts for member assistance fund | 313 | (2 032) |
| Net receipts for disaster relief fund | 662 | - |
| Non-cash flows in profit (loss) from ordinary activities | | |
| Depreciation | 55 355 | 58 614 |
| Doubtful debts | (882) | (2 690) |
| Net loss (gain) on disposal of plant and equipment | 7 877 | 8 |
| Changes in assets and liabilities during the financial year: | | |
| (Increase)/decrease in receivables | 2 854 | 23 152 |
| (Increase)/decrease in contribution received in arrears | 4 145 | 1 142 |
| (Increase)/decrease in prepaid affiliation dues and expenses | (19) | 2 851 |
| (Decrease)/increase in payables | (25 590) | (36 249) |
| (Decrease)/increase in provisions | <u>11 744</u> | <u>84 189</u> |
| Net Cash used in operating activities | <u><u>(46 834)</u></u> | <u><u>11 923</u></u> |

(c) Credit Standby Arrangements

The Branch has no credit stand-by or financing facilities in place.

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

18. FINANCIAL INSTRUMENTS

(a) Financial Risk Management

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

The Branch does not have any derivative instruments at 31 March 2006.

Financial Risks

The main risks the Branch is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest Rate Risk

The Branch does not have any borrowings which might give rise to an interest rate risk.

Foreign Currency Risk

The Branch is not exposed to fluctuations in foreign currencies.

Liquidity Risk

The association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash reserves are maintained.

Credit Risk

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

The Branch does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Branch.

Price Risk

The Branch is not exposed to any material commodity price risk.

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

18. FINANCIAL INSTRUMENTS

(b) Interest Rate Risk

The Branch's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below.

| | Effective Weighted Average Interest Rate % | Fixed Interest Rate | | | Non-Interest Bearing \$ | Total \$ |
|------------------------------------|---|---------------------------------|-------------------------------------|-----------------------|-------------------------------|----------------|
| | | Floating Interest Rate \$ | Maturing 1 year or less \$ | 1 to 5 years \$ | | |
| 2006 | | | | | | |
| Financial Assets | | | | | | |
| Cash and Cash equivalents | 0.5 | 13 038 | - | - | 400 | 13 438 |
| Non current financial assets | 5.4 | 684 412 | - | - | - | 684 412 |
| Total Financial Assets | | 697 450 | - | - | 400 | 697 850 |
| Financial Liabilities | | | | | | |
| Lease liabilities | 7.4 | - | 14 871 | 22 229 | - | 37 100 |
| Total Financial Liabilities | | - | 14 871 | 22 229 | - | 37 100 |
| 2005 | | | | | | |
| Financial Assets | | | | | | |
| Cash and cash equivalent | 0.5 | 40 543 | - | - | 400 | 40 943 |
| Non current financial assets | 5.2 | 741 587 | - | - | - | 741 587 |
| Loan - CEPU Plumbing Division | 1.9 | - | 191 | - | - | 191 |
| Total Financial Assets | | 782 130 | 191 | - | 400 | 782 721 |
| Financial Liabilities | | | | | | |
| Lease liabilities | 6.8 | - | - | 72 099 | - | 72 099 |
| Total Financial Liabilities | | - | - | 72 099 | - | 72 099 |

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

18. FINANCIAL INSTRUMENTS *(continued)*

(c) Net Fair Values

The net fair values of financial assets and financial liabilities approximate their carrying values. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the Branch intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Balance Sheet and in the notes to the financial statements.

19. BRANCH DETAILS

The principal place of business of the Branch is:

1st Floor
41 Peel Street
South Brisbane Qld 4101

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND
COMMITTEE OF MANAGEMENT STATEMENT**

The members of the Committee of Management declare that in their opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements 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 on 31 March 2006;
- (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 to which the financial statements relate and since the end of that year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of the Branch; and
 - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation including 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 information sought in any request of a member of the Branch or a Registrar duly made under section 272 of Schedule 1B to the Workplace Relations Act 1996 has been furnished to the member or Registrar; and
 - (v) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of Schedule 1B to the Workplace Relations Act 1996.

Signed in accordance with a resolution of the Committee of Management passed on

19th July, 2006.


C G Thiele

Dated this *nineteenth* day of *July*, 2006.

**CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CEPU COMMUNICATIONS DIVISION
POSTAL & TELECOMMUNICATIONS BRANCH QUEENSLAND**

Scope

I have audited the financial report of the Communications, Electrical, Electronic, Energy Information, Postal, Plumbing and Allied Services Union of Australia Communications Division Postal & Telecommunications Branch Queensland for the year ended 31 March 2006, as set out on pages 4 to 26. The Branch's Committee of Management is responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Branch.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. The procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with my understanding of the Branch's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report presents fairly the financial position of the CEPU Communications Division Postal & Telecommunications Branch Queensland as at 31 March 2006 and the results of its operations and its cash flows for the year then ended in accordance with:

- (a) applicable Accounting Standards and other mandatory professional reporting requirements in Australia; and
- (b) Section 253 of the Workplace Relations Act 1996 Schedule 1B as amended.

Level 5, 131 Leichhardt Street
Spring Hill Qld 4000.

STEPHEN BEEBE & Co.
Chartered Accountant

Brisbane,

21 July

2006.

Stephen Beebe & Co.



Australian Government
Australian Industrial Registry

Level 6, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

Mr Cameron Thiele
Secretary, Queensland Postal Telecommunications Branch
CEPU
PO Box 3203
SOUTH BRISBANE QLD 4101

Dear Mr Thiele

Re: Lodgement of Financial Statements and Accounts – Queensland Postal & Telecommunications Branch, CEPU – for year ending 31 March 2006 (FR2006/208)

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 14 September 2006.

The legislative requirements appear to have been met. I take this opportunity however to mention the following items.

Donations over \$1,000

The amount for Donations in the Income and Expenditure Statement shows as \$2,595. If this total amount included any single donation exceeding \$1,000, a separate statement providing relevant particulars is required to be lodged under s237 of the RAO Schedule. If this is the case and you have not already done so, this should be lodged as soon as possible.

Recovery of Wages Activity Report

I note the financial report did not contain any Recovery of Wages Activity report. Paragraph 16 of the Industrial Registrar's Guidelines (applying to financial years commencing after 11 November 2004) states:

Where the reporting unit has undertaken recovery of wages activity (and has derived revenues for the financial year in respect of such activity) the reporting unit must cause to be prepared for purposes of paragraph 253(2)(c) of the RAO Schedule a financial report in which is disclosed financial information associated with such activity.

Paragraphs 17-23 describe what such a report must contain, and paragraph 25(f) requires that the Committee of Management Statement contain various declarations in relation to such recovery wages activity.

My purpose in drawing the above provisions to attention is so that if such activity occurs in future years, the Branch is made aware that it should be reported in accordance with these Guidelines.

The documents have been filed.

Yours sincerely,

Stephen Kellett
Statutory Services Branch

4 October 2006