



FAIR WORK  
AUSTRALIA

25 October 2011

Mr Phil Hughes  
Secretary, Queensland Communications Divisional Branch  
CEPU  
PO Box 3203  
SOUTH BRISBANE QLD 4101



Dear Mr Hughes

**Re: Lodgement of Financial Statements and Accounts – CEPU, Queensland  
Communications Divisional Branch – for year ending 31 March 2011 (FR2011/2523)**

Thank you for lodging the above financial return which was received by Fair Work Australia on 10 October 2011.

The documents have been filed.

Yours sincerely,

Stephen Kellett  
Statutory Services Branch

FR 2011/2523

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PO Box 3203, South Brisbane Q 4101

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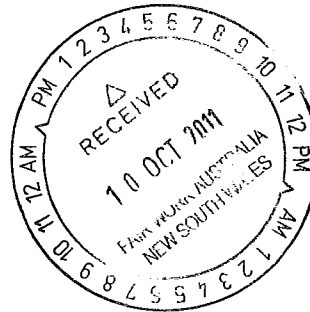
web [www.cepuconnects.org](http://www.cepuconnects.org)

communication workers union  
**CWUnion**  
Queensland

2011/10/109

5 October 2011

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



Dear Sir/Madam

**Re YEAR 2011 REPORT ON FINANCIAL STATEMENTS**

Enclosed are the audited Financial Statements for the Queensland Branch of the Communications Electrical Plumbing Union, Queensland Communications Division for the financial year ending 31<sup>st</sup> March 2011. This report was sent out to members via a mail out, email on 24<sup>th</sup> August 2011

Yours faithfully

Philip Hughes  
BRANCH SECRETARY

A Division of the CEPU



Connecting  
our community

***your voice, your union.***

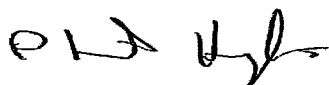
**Year 2011 REPORT ON FINANCIAL STATEMENTS & ACCOUNTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2011**

BRANCH SECRETARY'S CERTIFICATE AS REQUIRED BY  
"FAIR WORK ACT 2009"

"I Philip Hughes being the State Secretary of the Communications Electrical Plumbing Union,  
Communications Division Queensland Branch certify

- that the documents lodged herewith are copies of the full auditor's report referred to in Fair Work Act 2009; and
- that the full auditors report was provided to members on 24<sup>th</sup> August 2011 and
- that the full report was presented to a meeting of the Branch Committee of Management held on 23<sup>rd</sup> August 2011. Due to the lack of a quorum for the Annual General Meeting 22<sup>nd</sup> September 2011 the Branch Committee of Management endorsed the report ( via an Out Of Session vote conducted from 29<sup>th</sup> September through to 30<sup>th</sup> September 2011) as per the following motion:-

"That the Queensland Branch Communications Division BCOM accepts the Auditor's Report for the year ending 31<sup>st</sup> March 2011 as a true statement of the financial affairs of the Branch and in compliance with Fair Work Act 2009."



Phil Hughes  
Branch Secretary

**STEPHEN BEEBE & Co.**

C H A R T E R E D   A C C O U N T A N T

**CEPU  
COMMUNICATIONS DIVISION**

**QUEENSLAND  
COMMUNICATIONS  
DIVISION BRANCH**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2011**

**CEPU COMMUNICATIONS DIVISION**  
**QUEENSLAND COMMUNICATIONS DIVISION BRANCH**  
**OPERATING REPORT**

The Committee of Management present their operating report for the financial year ended 31 March 2011.

**Committee Members**

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

Phil Hughes ( <i>Branch Secretary – appointed 1 Nov 2010</i> )	Anthony Barber ( <i>ceased December 2010</i> )
Cameron Thiele ( <i>Branch Secretary – ceased 29 Oct 2010</i> )	Steven Douglas
Geoff Taylor ( <i>President – appointed 8 Sept 2010</i> )	Kevin Hogan
Steve Mason ( <i>President – ceased 30 June 2010</i> )	Andrea Kelk ( <i>appointed 8 February 2011</i> )
Matthew Rocks ( <i>Vice President</i> )	Jason Vardy ( <i>appointed 8 February 2011</i> )
Cameron Bird ( <i>Vice President</i> )	Brian Kershaw
Suzi Wharton	Darryl Woods
Geoff Curr	

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 \$240,991.

**Financial Affairs**

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

**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.

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH  
OPERATING REPORT**

**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:

- Telstra EBA finalised;
- Postal EBA finalised;
- Refocusing on recruiting within LPOs and Telstra phone shops;
- ACTU training finalised for one official;
- Mitigated membership losses through site visits;
- Introduction of full time North Queensland official for a short period of time; and
- Change of Branch Secretary.

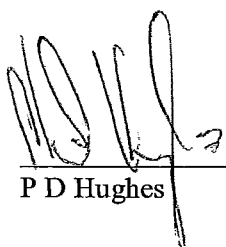
**Branch Members**

The number of members of the branch at the end of the financial year was 4,621.

**Branch Employees**

The number of employees of the Branch at the end of the financial year was 8.

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

  
\_\_\_\_\_  
P D Hughes

Dated this 23 day of August 2011.

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2011**

	Note	2011 \$	2010 \$
Revenue	2	1,727,278	1,621,558
Employee benefit expense		( 879,005)	( 759,216)
Depreciation and amortisation expense		( 90,731)	( 86,595)
Operating lease expense	3	( 46,675)	( 41,081)
Finance cost expense	3	( 11,654)	( 1,261)
Bad and doubtful debt expenses	3	( 8,140)	( 15,447)
Affiliation expenses		( 42,965)	( 48,995)
CEPU National Office expenses		( 373,316)	( 359,978)
Commission for payroll deductions		( 8,760)	( 9,928)
Motor vehicle expenses		( 35,868)	( 30,147)
Office expenses		( 152,523)	( 136,251)
Member recruitment		( 36,923)	( 74,222)
Premises expenses		( 66,885)	( 57,131)
Organising and travelling expenses		( 81,573)	( 41,933)
Telecommunications expenses		( 33,249)	( 42,308)
Other expenses from ordinary activities		( 100,002)	( 148,333)
<b>Profit/(loss) before income tax</b>		( 240,991)	( 231,268)
Income tax expense		-	-
<b>Profit/(loss) for the year</b>		<u>( 240,991)</u>	<u>( 231,268)</u>
<b>Other comprehensive income</b>			
Donations to Disaster Relief Reserve		20,000	150
Interest received on Disaster Relief Reserve		1	27
Expenditure from Disaster Relief Reserve		( 30)	( 70)
Net gain on revaluation of non-current assets		-	-
<b>Other comprehensive income for the year</b>		<u>19,971</u>	<u>107</u>
<b>Total comprehensive income for the year</b>		<u>( 221,020)</u>	<u>( 231,161)</u>
<b>Total comprehensive income attributable to members of the entity</b>		<u>( 221,020)</u>	<u>( 231,161)</u>

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2011**

	Note	2011 \$	2010 \$
<b>REVENUE</b>			
Member's contributions		1,609,347	1,485,637
Your Rights at Work levy		84,226	112,608
Interest received		16,943	22,858
Rent received		7,762	-
Sundry income		9,000	455
		<u>1,727,278</u>	<u>1,621,558</u>
<b>EXPENDITURE</b>			
ACTU Organising		-	634
Affiliation dues		42,965	48,995
Audit and Accountancy fees		20,719	18,873
Bad debts		11,233	19,265
Bank charges		22,345	20,222
Building expenses		66,885	57,131
Cleaning		8,982	9,155
Commission for payroll deductions		8,760	9,928
Computer support		6,555	6,701
Consultative meetings		818	23,450
Depreciation		90,731	86,595
Donations		2,255	1,884
Doubtful debts		( 3,093)	( 3,818)
Federal Election expenses		22,656	-
Fringe benefits tax		14,404	11,261
General expenses		63,629	65,646
Insurance		30,316	31,733
Interest		11,654	1,190
Legal and medical expenses		8,965	53,293
Loss on disposal of fixed assets		1,659	7,980
Members assistance		1,000	1,000
Member recruitment		36,923	74,222
Motor vehicle expenses		35,868	30,218
National Council Fund - Communications Electrical Plumbing Union		2,048	2,200
National Executive dues - Communications Electrical Plumbing Union		373,316	359,978
Newsletter and calendar		17,781	-
Organisation and travel		81,573	41,933
Payroll tax		40,164	34,007
Photocopier expenses		30,718	26,319
Postage		19,484	19,283
Printing and stationery		26,936	24,729
Provision for staff leave		31,141	34,655

Carried forward....

The income and expenditure statement is to be read in conjunction with the notes to the financial statements set out on pages 9 to 25.



**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2011**

	Note	2011 \$	2010 \$
EXPENDITURE (continued)			
Publications, books and awards		465	1,479
Repairs and maintenance		2,303	2,282
Salaries - officials		197,153	93,635
Salaries - employees		455,135	498,477
Salaries - casual		38,845	-
Staff training		445	3,704
State conferences		-	-
State Executive attendance fees		2,710	1,640
State Executive other expenses		155	-
Superannuation contributions		100,681	85,988
Telecommunications		33,249	42,308
Union training		6,256	3,458
Workers' compensation		1,482	1,193
		<u>1,968,269</u>	<u>1,852,826</u>
Profit/(loss) from operations		<u>( 240,991)</u>	<u>( 231,268)</u>

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2011**

	Note	2011 \$	2010 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	52,512	54,917
Trade and other receivables	7	23,420	8,732
Other current assets	8	<u>44,757</u>	<u>33,113</u>
Total Current Assets		<u>120,689</u>	<u>96,762</u>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	7	-	-
Financial assets	9	218,824	455,925
Property, plant and equipment	10	<u>3,537,732</u>	<u>3,617,062</u>
Total Non-Current Assets		<u>3,756,556</u>	<u>4,072,987</u>
<b>TOTAL ASSETS</b>		<u>3,877,245</u>	<u>4,169,749</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	137,939	141,106
Borrowings	12	34,860	46,133
Short term provisions	13	<u>98,491</u>	<u>-</u>
Total Current Liabilities		<u>271,290</u>	<u>187,239</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	12	72,768	107,629
Long term provisions	13	<u>175,854</u>	<u>296,528</u>
Total Non-Current Liabilities		<u>248,622</u>	<u>404,157</u>
<b>TOTAL LIABILITIES</b>		<u>519,912</u>	<u>591,396</u>
<b>NET ASSETS</b>		<u>3,357,333</u>	<u>3,578,353</u>
<b>EQUITY</b>			
Reserves		2,398,230	2,378,259
Retained profits		<u>959,103</u>	<u>1,200,094</u>
<b>TOTAL EQUITY</b>		<u>3,357,333</u>	<u>3,578,353</u>

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2011**

	<b>Retained Profits</b>	<b>Asset Revaluation Reserve</b>	<b>Disaster Relief Reserve</b>	<b>Total</b>
	\$	\$	\$	\$
Balance at 1 April 2009	1,431,362	2,375,604	2,548	3,809,514
Profit/(loss) attributable to members	( 231,268)	-	-	( 231,268)
Total other comprehensive income for the year	-	-	107	107
Transfers	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2010	1,200,094	2,375,604	2,655	3,578,353
	<hr/>	<hr/>	<hr/>	<hr/>
Profit/(loss) attributable to members	( 240,991)	-	-	( 240,991)
Total other comprehensive income for the year	-	-	19,971	19,971
Transfers	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2011	959,103	2,375,604	22,626	3,357,333
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**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2011**

	Note	2011 \$	2010 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members		1,699,182	1,604,220
Other receipts		17,101	455
Payments to suppliers and employees		( 1,516,208)	( 1,348,180)
Payments for National Executive dues			
- Communications Electrical Plumbing Union		( 371,518)	( 342,188)
Interest received		16,943	22,858
Interest paid		<u>( 11,654)</u>	<u>( 1,261)</u>
Net cash flows provided/(used) by operating activities	20(b)	<u>( 166,154)</u>	<u>( 64,096)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		16,364	155
Purchases of property, plant and equipment		<u>( 43,582)</u>	<u>( 263,830)</u>
Net cash flows provided/(used) by investing activities		<u>( 27,218)</u>	<u>( 263,675)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		-	159,782
Repayment of borrowings		<u>( 46,134)</u>	<u>( 21,637)</u>
Net cash flows provided/(used) by financing activities		<u>( 46,134)</u>	<u>138,145</u>
Net increase/(decrease) in cash held		( 239,506)	( 189,626)
Cash at the beginning of the financial year		<u>510,842</u>	<u>700,468</u>
Cash at the end of the financial year	20(a)	<u><u>271,336</u></u>	<u><u>510,842</u></u>

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 9 to 25.

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This financial report covers the CEPU Communications Division, Queensland Communications Division Branch as an individual entity, established and domiciled in Australia. The CEPU Communications Division, Queensland Communications Division Branch is a branch of an Industrial Union pursuant to the Fair Work (Registered Organisations) Act 2009.

**Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Fair Work (Registered Organisations) Act 2009.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**Accounting Policies**

**(a) Income Tax**

No provision for income tax has been made in the financial statements as the Branch is exempt from income tax under section 50-45 of the Income Tax Assessment Act 1997.

**(b) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated, 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.

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 statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

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

***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 from 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.

***Depreciation***

The depreciable amount of all fixed assets including buildings and capitalised lease assets, is depreciated on the straight line and diminishing value bases over the assets' useful life 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% to 25.00% diminishing value
Leased Motor Vehicles	22.50% to 25.00% 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 and losses are included in the statement of comprehensive income. 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 ownership 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  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

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

**(d) Financial Instruments**

*Initial Recognition and Measurement*

Financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Branch commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

*Classification and Subsequent Measurement*

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

*(i) Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in the profit or loss.

*(ii) 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 subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

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

*(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Branch's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

*(iv) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

*(v) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**Impairment**

At the end of each reporting date, the Branch assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities is recognised in profit or loss.



**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

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

**(e) Impairment of Assets**

At the end of each reporting period, 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 statement of comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of the asset.

Where it is not possible to estimate the recoverable amount of an asset class, 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 the end of the reporting period. 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.

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

**(g) Provisions**

Provisions are recognised when the Branch 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. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(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 using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

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

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

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

**(j) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

**(k) 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 statement of financial position are shown inclusive of GST.

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

**(l) Comparative Amounts**

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

**(m) Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Branch during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of the recognition of the liability.

**(n) Key Estimates**

*Impairment*

The Branch assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Branch that may be indicative of impairment triggers. Recoverable amounts of relevant assets are assessed using value-in-use calculations which incorporate various key assumptions.

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

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

**(o) Economic Dependency and Ongoing Operations**

At 31 March 2011, the Branch had net assets of \$3,357,333 and cash held of \$271,336, including the Disaster Relief Fund of \$22,626.

In the last two years of operations, the cash outflows have significantly exceeded the cash inflows resulting in net decreases in cash held of \$239,506 in 2011 and \$189,626 in 2010.

The continuation of such decreases in cash held in the years following 31 March 2011 will raise concerns regarding the Branch's ability to:

- continue to operate as a going concern; and
- realise its assets and discharge its liabilities in the normal course of business.

The Branch's continued operations are dependent upon:

- the ability of the Branch to generate operating cash inflows sufficient to cover its operating and capital cash outflows;
- maintaining member numbers and annual contributions; and
- reducing operating costs in line with revenue.

The Branch Committee of Management is aware of the circumstances of the Branch's operations and has been, and will continue, carefully monitoring income, expenditure and cash balances.

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

	2011 \$	2010 \$
<b>2. REVENUE</b>		
<b>Operating activities</b>		
Members' contributions	1,609,347	1,485,637
Your Rights at Work levy	84,226	112,608
Interest received	16,943	22,858
Rent received	7,762	-
Other revenue	9,000	455
	<hr/>	<hr/>
Total Revenue	<u>1,727,278</u>	<u>1,621,558</u>
<b>3. PROFIT</b>		
<b>(a) Expenses</b>		
Finance costs - external	11,654	1,261
Bad and doubtful debts - trade receivables	8,140	15,447
Rental expense on operating leases:		
- minimum lease payments on office equipment	46,675	41,081
Loss on disposal of property, plant and equipment	1,659	7,980
<b>(b) Significant Revenue and Expenses</b>		
The following significant revenue and expense items are relevant in explaining the financial performance:		
Legal fees in relation to actions for members	8,965	53,293
Member recruitment	36,923	74,222
<b>4. KEY MANAGEMENT PERSONNEL COMPENSATION</b>		
The totals of remuneration paid to key management personnel of the Branch during the year are as follows:		
Short term employee benefits	178,905	104,282
Post employment benefits	29,316	16,361
Termination benefits	71,572	-
	<hr/>	<hr/>
Total compensation	<u>279,793</u>	<u>120,643</u>
<b>5. AUDITOR'S REMUNERATION</b>		
Remuneration of the auditor of the Branch for:		
Auditing or reviewing the financial report	10,300	10,000
Other services	10,419	8,873
	<hr/>	<hr/>
	<u>20,719</u>	<u>18,873</u>

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

	2011 \$	2010 \$
<b>6. CASH AND CASH EQUIVALENTS</b>		
Petty cash	550	550
General account	29,336	51,712
Disaster relief fund	<u>22,626</u>	<u>2,655</u>
	<u>52,512</u>	<u>54,917</u>
Bank accounts earn interest at floating rates based on daily deposit rates.		
<b>7. TRADE AND OTHER RECEIVABLES</b>		
Current		
Contributions in arrears	30,030	15,978
Less: Provision for impairment of receivables	<u>( 6,771)</u>	<u>( 9,864)</u>
	23,259	6,114
Receivable - CEPU National Office	-	2,118
Receivable - CEPU Electrical Division	-	-
Other receivables	<u>161</u>	<u>500</u>
	<u>23,420</u>	<u>8,732</u>

Member contributions are generally payable by periodic payments. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual receivable is impaired. These amounts have been included in other expense items.

**Credit Risk**

The Branch has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk to the Branch is considered to relate to the class of assets described as contributions in arrears.

The following table details the Branch's trade and other receivables exposed to credit risk with aging analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Branch and the member or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining their willingness to pay and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Branch. The balance of receivables that remain within initial terms (as detailed in the table) are considered to be of high credit quality.

	Gross amount \$	Past due and impaired \$	< 30	Past due but not impaired (days overdue) 31-60	61-90	> 90	Within initial trade terms \$
<b>2010</b>							
Contributns in arrears	15,978	9,864	-	-	6,114	-	-
Other receivables	2,618	-	2,118	-	500	-	-
Total	<u>18,596</u>	<u>9,864</u>	<u>2,118</u>	<u>-</u>	<u>6,614</u>	<u>-</u>	<u>-</u>
<b>2011</b>							
Contributns in arrears	30,030	6,771	-	-	23,259	-	-
Other receivables	161	-	-	-	-	50	111
Total	<u>30,191</u>	<u>6,771</u>	<u>-</u>	<u>-</u>	<u>23,259</u>	<u>50</u>	<u>111</u>

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

	2011 \$	2010 \$
<b>8. OTHER CURRENT ASSETS</b>		
Prepayments	<u>44,757</u>	<u>33,113</u>
<b>9. OTHER FINANCIAL ASSETS</b>		
Members Equity	<u>218,824</u>	<u>455,925</u>
Investment accounts earn interest at floating rates based on daily investment deposit rates.		
<b>10. PROPERTY PLANT AND EQUIPMENT</b>		
Freehold land, at:		
- independent valuation 2009	<u>1,311,865</u>	<u>1,311,865</u>
Buildings, at:		
- independent valuation 2009	2,023,385	2,023,385
- at cost	214,446	198,464
Less: accumulated depreciation	<u>( 111,638)</u>	<u>( 52,475)</u>
	<u>2,126,193</u>	<u>2,169,374</u>
Plant and equipment, at cost	100,956	96,405
Less: accumulated depreciation	<u>( 53,027)</u>	<u>( 46,008)</u>
	<u>47,929</u>	<u>50,397</u>
Motor vehicles, at cost	132,675	166,517
Less: accumulated depreciation	<u>( 80,930)</u>	<u>( 81,091)</u>
	<u>51,745</u>	<u>85,426</u>
Leased motor vehicles, at cost	-	-
Less: accumulated depreciation	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
	<u>3,537,732</u>	<u>3,617,062</u>

The freehold land and buildings are in respect of the Branch's 44.47% interest in the building at 41 Peel Street, South Brisbane.

The Branch's land and buildings were revalued at 15 April 2009 by independent valuers. Valuations were based on an assessment of the property's market value. The revaluation surplus was credited to an asset revaluation reserve in equity.

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

**10. PROPERTY PLANT AND EQUIPMENT (continued)**

**(a) Movements in carrying amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and end of the financial year:

	<i>Freehold Land</i>	<i>Buildings</i>	<i>Plant and Equipment</i>	<i>Motor Vehicles</i>	<i>Leased Motor Vehicles</i>	<i>Total</i>
	\$	\$	\$	\$	\$	\$
<b>2010</b>						
Balance at the beginning of year	1,311,865	2,023,385	19,093	65,553	13,908	3,433,804
Additions	-	198,464	47,654	31,870	-	277,988
Disposals	-	-	( 8,135)	-	-	( 8,135)
Revaluation increment	-	-	-	-	-	-
Transfers	-	-	-	13,908	( 13,908)	-
Depreciation expense	-	( 52,475)	( 8,215)	( 25,905)	-	( 86,595)
Carrying amount at the end of the year	<u>1,311,865</u>	<u>2,169,374</u>	<u>50,397</u>	<u>85,426</u>	<u>-</u>	<u>3,617,062</u>
<b>2011</b>						
Balance at the beginning of year	1,311,865	2,169,374	50,397	85,426	-	3,617,062
Additions	-	15,982	13,441	-	-	29,423
Disposals	-	-	( 969)	( 17,053)	-	( 18,022)
Transfers	-	-	-	-	-	-
Depreciation expense	-	( 59,163)	( 14,940)	( 16,628)	-	( 90,731)
Carrying amount at the end of the year	<u>1,311,865</u>	<u>2,126,193</u>	<u>47,929</u>	<u>51,745</u>	<u>-</u>	<u>3,537,732</u>

	2011 \$	2010 \$
<b>11. TRADE AND OTHER PAYABLES</b>		
Unsecured liabilities		
Trade creditors and accruals	53,803	60,510
Contributions received in advance	8,231	9,602
Payroll liabilities	14,511	13,465
GST liabilities	4,286	4,960
Amount payable to CEPU National Office	57,108	51,144
Amount payable to CEPU Electrical Division Office	-	1,425
	<u>137,939</u>	<u>141,106</u>

Trade creditors and accruals include \$nil (2010: \$1,520) in respect of legal costs and other expenses related to litigation or other legal matters.

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

	2011 \$	2010 \$
<b>12. BORROWINGS</b>		
Current		
Members Equity Goods Mortgage, secured	34,860	46,133
Lease liability	-	-
	<u>34,860</u>	<u>46,133</u>
Non Current		
Members Equity Goods Mortgage, secured	<u>72,768</u>	<u>107,629</u>
(a) Total current and non-current secured liabilities:		
Members Equity Goods Mortgage, secured	107,628	153,762
Lease liability	-	-
	<u>107,628</u>	<u>153,762</u>
(b) The carrying amount of non-current assets pledged as security are:		
Members Equity Goods Mortgage:		
- Buildings	<u>196,574</u>	<u>196,574</u>

Lease liabilities are secured by the underlying leased asset.

**13. PROVISIONS**

***Employee Entitlements***

Opening balance at 1 April	296,528	261,873
Additional provisions raised during year	31,141	34,655
Amounts used	( 53,324)	-
Balance at 31 March	<u>274,345</u>	<u>296,528</u>

***Analysis of Total Provisions***

Current	98,491	-
Non-current	<u>175,854</u>	<u>296,528</u>
	<u>274,345</u>	<u>296,528</u>

***Employee Entitlements Liability***

Officials	157,940	161,640
Employees other than officials	<u>116,405</u>	<u>134,888</u>
	<u>274,345</u>	<u>296,528</u>

***Provision for Employee Entitlements***

A provision has been recognised for employee entitlements relating to annual, long service leave and sick leave 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  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

	2011 \$	2010 \$
<b>14. RESERVES</b>		
<b>Asset Revaluation Reserve</b>		
The Asset Revaluation Reserve records revaluations of non-current assets.		
<b>Disaster Relief Reserve</b>		
The Disaster Relief Reserve records funds set aside for disaster relief for members.		
<b>15. CAPITAL AND LEASING COMMITMENTS</b>		
<b>(a) Finance Lease Commitments</b>		
Payable:		
- not later than 12 months	-	-
- between 12 months and 5 years	-	-
- greater than 5 years	-	-
	<hr/>	<hr/>
Minimum lease payments	-	-
Less future finance charges	-	-
	<hr/>	<hr/>
Present value of minimum lease payments	<hr/>	<hr/>
<b>(b) Operating Lease Commitments</b>		
Payable:		
- not later than 12 months	51,936	47,636
- between 12 months and 5 years	78,604	118,814
- greater than 5 years	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>
	130,540	166,450
	<hr/>	<hr/>

Operating leases are in relation to office equipment. The leases are non cancellable, with fixed terms and with rental payable monthly in advance.

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

**16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

**17. EVENTS AFTER THE REPORTING PERIOD**

Subsequent to 31 March 2011, the Branch was involved in legal action in relation to an employee of the Branch. This matter was resolved on 16 August 2011 on confidential terms. The total costs incurred by the Branch in relation to this matter were \$60,592.

Subsequent to 31 March 2011, the Branch obtained legal advice in relation to former employees. At the date of this report, the legal fees incurred in relation to these matters were \$9,164. The amounts of any further costs and any financial settlements are unable to be estimated.

Subsequent to 31 March 2011, an employee was paid a termination redundancy amount of \$15,450.

**18. SEGMENT REPORTING**

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

**19. INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, as amended, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 272 of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 which read as follows:

- “(1) A member of a reporting unit, or the General Manager, 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  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

	2011 \$	2010 \$
<b>20. CASH FLOWS INFORMATION</b>		
<b>(a) Reconciliation of cash</b>		
Cash and cash equivalents	52,512	54,917
Financial Assets	<u>218,824</u>	<u>455,925</u>
	<u>271,336</u>	<u>510,842</u>
<b>(b) Reconciliation of net cash provided by operating activities to profit (loss) from ordinary activities</b>		
Profit (loss) after income tax	( 240,991)	( 231,268)
Cash flows excluded from operating surplus attributable to reserves		
Movement in disaster relief fund	19,971	107
Non-cash flows in profit (loss) from ordinary activities		
Depreciation	90,731	86,595
Doubtful debts	( 3,093)	( 3,818)
Net loss (gain) on disposal of plant and equipment	1,659	7,980
Changes in assets and liabilities during the financial year		
(Increase)/decrease in trade and other receivables	( 11,595)	7,144
(Increase)/decrease in other current assets	( 11,644)	3,317
(Decrease)/increase in trade and other payables	10,991	31,192
(Decrease)/increase in provisions	<u>( 22,183)</u>	<u>34,655</u>
Net Cash used in operating activities	<u>( 166,154)</u>	<u>( 64,096)</u>
<b>(c) Credit Standby Arrangements</b>		
The Branch has no credit stand-by or financing facilities in place.		
<b>(d) Loan Facilities</b>		
Loan Facilities	107,628	153,762
Amount used	<u>107,628</u>	<u>153,762</u>
	<u>-</u>	<u>-</u>

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

**21. FINANCIAL RISK MANAGEMENT**

The Branch's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable and loans. The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	<i>Effective Weighted Average Interest Rate %</i>	<i>Floating Interest Rate \$</i>	<i>Fixed Interest Rate Maturing 1 year or less \$</i>	<i>1 to 5 years \$</i>	<i>Non-Interest Bearing \$</i>	<i>Total \$</i>
<b>2011</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	0.5%	51,962	-	-	550	52,512
Trade and other receivables	0.0%	-	-	-	23,420	23,420
Non current financial assets	5.6%	218,824	-	-	-	218,824
<b>Total Financial Assets</b>		<b>270,786</b>	<b>-</b>	<b>-</b>	<b>23,970</b>	<b>294,756</b>
<b>Financial Liabilities</b>						
Trade and other payables	0.0%	-	-	-	137,939	137,939
Borrowings	9.1%	-	-	107,628	-	107,628
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>107,628</b>	<b>137,939</b>	<b>245,567</b>
<b>2010</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	0.5%	54,367	-	-	550	54,917
Trade and other receivables	0.0%	-	-	-	8,732	8,732
Non current financial assets	5.1%	455,925	-	-	-	455,925
<b>Total Financial Assets</b>		<b>510,292</b>	<b>-</b>	<b>-</b>	<b>9,282</b>	<b>519,574</b>
<b>Financial Liabilities</b>						
Trade and other payables	0.0%	-	-	-	141,106	141,106
Borrowings	9.1%	-	-	153,762	-	153,762
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>153,762</b>	<b>141,106</b>	<b>294,868</b>

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

**21. FINANCIAL RISK MANAGEMENT *(continued)***

**Specific Risk Management Policies**

**(a) Interest Rate Risk**

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. At 31 March 2011, all of the Branch's borrowings were at fixed interest rates.

**(b) Liquidity Risk**

Liquidity risk arises from the possibility that the Branch might encounter difficulty in settling its debts or otherwise meeting its obligations relating to financial liabilities. The Branch manages this risk through the following:

- only investing surplus cash with major financial institutions;
- maintaining a reputable credit profile;
- proactively monitoring the recovery of unpaid member contributions;
- retaining sufficient cash reserves to meet obligations.

**(c) Credit Risk**

The maximum exposure to credit risk by class of recognised financial assets at balance date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position sheet. Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 7. 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.

**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 statement of financial position and in the notes to the financial statements.

**22. BRANCH DETAILS**

The principal place of business of the Branch is:

1st Floor  
41 Peel Street  
South Brisbane Qld 4101

**CEPU COMMUNICATIONS DIVISION**  
**QUEENSLAND COMMUNICATIONS DIVISION BRANCH**  
**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 General Manager of Fair Work Australia;
- (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 2011;
- (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 report 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 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 Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009; and
  - (iv) the information sought in any request of a member of the Branch or the General Manager of Fair Work Australia duly made under section 272 of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager of Fair Work Australia; and
  - (v) there has been compliance with any order for inspection of financial records made by the Fair Work Australia under section 273 of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Signed in accordance with a resolution of the Committee of Management passed on  
2011

23 August

  
P D Hughes

Dated this 23 day of August 2011.

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

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

**Report on the Financial Report**

I have audited the accompanying financial report of the Communications Electrical Plumbing Union of Australia, Communications Division, Queensland Communications Division Branch which comprises the statement of financial position as at 31 March 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the committee of management statement.

**Committee's Responsibility for the Financial Report**

The Branch's Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibilities**

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for the audit opinion.

**Independence**

In conducting the audit, I have complied with the independence requirements of Australian professional ethical pronouncements.

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

**Auditor's Opinion**

In my opinion, the financial report presents fairly the financial position of the Communications Electrical Plumbing Union of Australia, Communications Division, Queensland Communications Division Branch as at 31 March 2011 and the results of its operations and its cash flows for the year then ended in accordance with:

- (a) applicable Australian Accounting Standards (including Australian Accounting Interpretations); and
- (b) Section 253 of the Fair Work (Registered Organisations) Act 2009.

Level 5, 131 Leichhardt Street  
Spring Hill Qld 4000.

STEPHEN BEEBE & Co.  
Chartered Accountant

Brisbane,  
*24 August* 2011

