



23 September 2014

Phil Hughes
Branch Secretary
Communications Workers Union, Queensland Branch
41 Peel Street
Brisbane QLD 4101

via e-mail: comms@cwuqld.asn.au

Dear Mr Hughes

**Communications Workers Union, Queensland Branch
Financial Report for the year ended 31 March 2014 - FR2014/68**

I acknowledge receipt of the financial report for the year ended 31 March 2014 for the Communications Workers Union, Queensland Branch. The amended financial report was lodged with the Fair Work Commission (FWC) on 9 September 2014.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Changes to the reporting guidelines and model financial statement

A fourth edition of the General Manager's s.253 Reporting Guidelines was gazetted on 13 June 2014. These guidelines will apply to all financial reports that end on or after 30 June 2014. A model set of financial statements for the 2013-2014 financial year is also available on the FWC website. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards.

The Reporting Guidelines and Model Financial Statements are available on the FWC website:
<https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>

If you have any queries regarding this letter, please contact me on (03) 8661 7675 or via email at ken.morgan@fwc.gov.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch



Year 2014 REPORT ON FINANCIAL STATEMENTS & ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2014

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 originally provided to members on 25th June 2014 and
- that the full report was presented to a meeting of the Branch Committee of Management held on 24th June 2014. Due to the lack of a quorum for the Annual General Meeting 22nd July 2014 the Branch Committee of Management endorsed the report (at the BCOM held on 22nd July 2014) as per the following motion:-

"That the Queensland Branch Communications Division BCOM accepts the Auditor's Report for the year ending 31st March 2014 as a true statement of the financial affairs of the Branch and in compliance with Fair Work Act 2009."

Phil Hughes
Branch Secretary
16th September 2014





2014/09/102

4 September 2014

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



Dear Sir/Madam

Re YEAR 2014 REPORT ON FINANCIAL STATEMENTS

Enclosed are the amended audited Financial Statements for the Queensland Branch of the Communications Electrical Plumbing Union, Queensland Communications Division for the financial year ending 31st March 2014. This report was originally made available to members via our website on 25th June 2014 and the amended report (as per your letter 20th August) has been made available to members via our website to 4th September 2014.

Yours faithfully

Philip Hughes
BRANCH SECRETARY



Year 2014 REPORT ON FINANCIAL STATEMENTS & ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2014

BRANCH SECRETARY'S CERTIFICATE AS REQUIRED BY
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"That the Queensland Branch Communications Division BCOM accepts the Auditor's Report for the year ending 31st March 2014 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.

CHARTERED ACCOUNTANT

**CEPU
COMMUNICATIONS DIVISION**

**QUEENSLAND
COMMUNICATIONS
DIVISION BRANCH**

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2014**

CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH

OPERATING REPORT

The Branch Committee of Management present their operating report for the financial year ended 31 March 2014.

Committee Members

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

Phil Hughes (<i>Branch Secretary</i>)	Mark Templeman (<i>appointed 25 June 2013</i>)
Geoff Taylor (<i>President</i>)	Heike Wienzek (<i>ceased 31 October 2013</i>)
Cameron Bird (<i>Vice President</i>)	Kevin Hogan
Brian Kershaw (<i>Vice President</i>)(<i>appointed 25 June 2013</i>)	Sonya Hughes (<i>appointed 11 November 2013</i>)
Catherine Deecke (<i>appointed 25 June 2013</i>)	Darryl Woods
Chris Gleeson	Fraser Dawson

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 \$625.

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

To the best of our knowledge and belief, no official or employee 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.

Directorships of Companies or Members of a Board

To the best of our knowledge and belief, no official or employee of the Branch is:

- (i) a director of a company; or
- (ii) a member of a board.

Other Information

The activities of the Branch during the financial year produced many positive outcomes. Some of the main highlights are:

- o Finalising the Australia Post EBA with fair pay rises, job security and no loss of payroll deductions;
- o Reduction – Affiliation Fees for ALP; and
- o Union Governance Training for all BCOM Members.

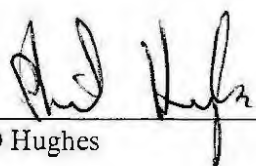
Branch Members

The number of members of the branch at the end of the financial year was 3,936.

Branch Employees

The number of employees of the Branch at the end of the financial year was 6.9.

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



P D Hughes

Dated this 24th day of June 2014.

CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 \$	2013 \$
Revenue	2	1,541,307	1,630,829
Employee benefit expense	4	(691,370)	(645,512)
Depreciation and amortisation expense		(90,331)	(92,178)
Operating lease expense	3	(29,660)	(28,013)
Finance cost expense	3	(1,466)	(5,078)
Affiliation expenses	3	(16,613)	(33,373)
Bad and doubtful debt expenses	3	(10,187)	(7,391)
Insurance		(33,820)	(39,935)
Legal expenses	3	(20,397)	(33,192)
National Council Fund - Communications Electrical Plumbing Union		(1,977)	(2,100)
Capitation fees - Communications Division - CEPU		(329,015)	(344,952)
Motor vehicle expenses		(39,696)	(34,749)
Office expenses		(84,473)	(88,880)
Organising and travelling expenses		(48,674)	(34,474)
Premises expenses		(67,761)	(54,258)
Telecommunications expenses		(17,190)	(25,128)
Other expenses from ordinary activities		(59,302)	(37,723)
Profit/(loss) before income tax		(625)	123,893
Income tax expense		-	-
Profit/(loss) attributable to members		(625)	123,893
Other comprehensive income			
Donations to Disaster Relief Reserve		1,380	940
Interest received on Disaster Relief Reserve		-	1
Expenditure from Disaster Relief Reserve		(570)	(1,200)
Net gain on revaluation of non-current assets		-	-
Total other comprehensive income for the year		810	(259)
Total comprehensive income for the year		185	123,634
Total comprehensive income attributable to members		185	123,634

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014**

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	6	529,041	424,394
Accounts receivable and other debtors	7	11,257	20,092
Other current assets	8	<u>25,128</u>	<u>39,095</u>
Total Current Assets		<u>565,426</u>	<u>483,581</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	<u>3,364,557</u>	<u>3,449,824</u>
Total Non-Current Assets		<u>3,364,557</u>	<u>3,449,824</u>
TOTAL ASSETS		<u>3,929,983</u>	<u>3,933,405</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	10	125,523	104,392
Borrowings	11	-	34,586
Employee provisions	12	<u>219,252</u>	<u>218,534</u>
Total Current Liabilities		<u>344,775</u>	<u>357,512</u>
NON-CURRENT LIABILITIES			
Employee provisions	12	<u>25,975</u>	<u>15,465</u>
Total Non-Current Liabilities		<u>25,975</u>	<u>15,465</u>
TOTAL LIABILITIES		<u>370,750</u>	<u>372,977</u>
NET ASSETS		<u>3,559,233</u>	<u>3,560,428</u>
EQUITY			
Reserves	13	2,377,685	2,376,875
Retained profits		<u>1,181,548</u>	<u>1,183,553</u>
TOTAL EQUITY		<u>3,559,233</u>	<u>3,560,428</u>

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2014**

	Retained Profits \$	Asset Revaluation Reserve \$	Disaster Relief Reserve \$	Total \$
Balance at 1 April 2012	1,060,300	2,375,604	1,530	3,437,434
Comprehensive income				
Profit/(loss) attributable to members	123,893	-	-	123,893
Other comprehensive income for the year	-	-	(899)	(899)
Total comprehensive income	<u>123,893</u>	<u>- (899)</u>		<u>122,994</u>
Transfers	<u>(640)</u>	<u>-</u>	<u>640</u>	<u>-</u>
Balance at 31 March 2013	<u>1,183,553</u>	<u>2,375,604</u>	<u>1,271</u>	<u>3,560,428</u>
Comprehensive income				
Profit/(loss) attributable to members	(625)	-	-	(625)
Other comprehensive income for the year	-	-	(570)	(570)
Total comprehensive income	<u>(625)</u>	<u>- (570)</u>		<u>(1,195)</u>
Transfers	<u>(1,380)</u>	<u>-</u>	<u>1,380</u>	<u>-</u>
Balance at 31 March 2014	<u><u>1,181,548</u></u>	<u><u>2,375,604</u></u>	<u><u>2,081</u></u>	<u><u>3,559,233</u></u>

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		1,486,169	1,545,980
Receipts from Communications Division - CEPU		17,647	42,756
Receipts from Electrical Trades Union (Qld & NT)		10,454	13,909
Other receipts		14,501	13,596
Payments to suppliers and employees		(1,079,399)	(1,014,219)
Payments to Communications Division - CEPU		(312,516)	(351,503)
Payments to CEPU National Council		(3,877)	-
Interest received		13,709	12,227
Interest paid		(1,466)	(5,078)
Net cash flows provided/(used) by operating activities	19(a)	<u>145,222</u>	<u>257,668</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	9,091
Purchases of property, plant and equipment		(5,989)	(76,574)
Net cash flows provided/(used) by investing activities		<u>(5,989)</u>	<u>(67,483)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	-
Repayment of borrowings		(34,586)	(38,183)
Net cash flows provided/(used) by financing activities		<u>(34,586)</u>	<u>(38,183)</u>
Net increase/(decrease) in cash held		104,647	152,002
Cash on hand at beginning of financial year		<u>424,394</u>	<u>272,392</u>
Cash on hand at end of financial year	6	<u><u>529,041</u></u>	<u><u>424,394</u></u>

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

The financial statements cover 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.

The financial statements were authorised for issue on 24 June 2014 by the members of the Branch Committee of Management.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. For the purpose of preparing the general purpose financial statements, the CEPU Communications Division, Queensland Communications Division Branch is a not-for-profit entity.

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. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Income Tax

No provision for income tax has been raised as the Branch is exempt from income tax under Division 50 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 cost or fair value, 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 recognised in other comprehensive income and accumulated in the asset revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss. 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 2014**

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

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amounts is made when impairment indicators are present (refer to Note 1(e) for details of impairment).

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on the straight line and diminishing value bases over the asset's 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	25.00% diminishing value
Leased Motor Vehicles	25.00% diminishing value
Plant and equipment	10.00% to 40.00% diminishing value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Leases

Leases of property, plant and equipment, 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 for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight line basis over the term of the lease.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

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

(d) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Branch becomes party to the contractual provisions to 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 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 the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over 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 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, 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 fair value (ie gains or losses) being recognised 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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

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

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either 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.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Impairment

At the end of each reporting date, the Branch assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately.

Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter into bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having undertaken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Branch recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

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

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 Branch 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 discharged, cancelled or have expired. The difference between the carrying amount 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 assumed, is recognised in profit or loss.

(e) Impairment of Assets

At the end of each reporting period, the Branch Committee of Management assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

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 individual asset, the Branch estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(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 provisions that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee provisions payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy any vesting requirements. Those cash flows are discounted using market value yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the company 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.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

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

(h) Cash on Hand

Cash on hand includes 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) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members for services provided in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

(j) Revenue and Other Income

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.

(k) 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 profit or loss in the period in which they are incurred.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities, which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payable to suppliers.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

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

(m) Comparative Amounts

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

(n) Account Payables and Other Payables

Account payables 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 that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(o) Critical Accounting Estimates and Judgments

The Branch Committee of Management evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Branch.

(p) Adoption of New and Revised Accounting Standards

During the year the Branch adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

	2014 \$	2013 \$
2. REVENUE AND OTHER INCOME		
Operating activities		
Members' contributions	1,485,794	1,545,452
Expense reimbursements - Communications Division - CEPU	17,647	42,756
Interest received	14,088	12,439
Rent received - Electrical Trades Union (Qld and NT)	10,454	13,909
Rent received - other	11,051	11,728
Other revenue	2,273	4,545
Financial support from another reporting unit	-	-
Total Revenue	<u>1,541,307</u>	<u>1,630,829</u>

Other Information

- The Branch did not receive any capitation fees from another reporting unit during the financial year.
- The Branch did not raise any compulsory levies or conduct any appeals for voluntary contributions (including whip rounds) during the financial year.
- The Branch did not receive any grants or donations during the financial year.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

	2014 \$	2013 \$
3. PROFIT FOR THE YEAR		
(a) Expenses		
Interest expense - external	1,466	5,078
Bad and doubtful debts - member contributions receivable	10,187	7,391
Rental expense on operating leases:		
- minimum lease payments on office equipment	29,660	28,013
Loss on disposal of property, plant and equipment	925	4,180
Commission for employers making payroll deductions	8,360	9,205
Affiliation expenses:		
- Australian Labour Party Queensland	6,252	16,019
- Queensland Council of Unions	-	6,715
- The Union Shopper Inc	10,361	10,639
	<u>16,613</u>	<u>33,373</u>
Donations expenses:		
- Asbestos Related Disease Support Society - donation	200	-
- ALP donation (the donation was recognised as an expense at 31 March 2014 but was not actually paid as at that date)	17,000	-
- Wavell Heights Bowls Club - Labour Day activity	-	250
- Member assistance	-	850
	<u>17,200</u>	<u>1,100</u>
Grants:		
- Member assistance (paid from Disaster Relief Fund)	500	1,200
State Executive attendance fees	1,380	790
State Executive other expenses	650	-
Legal expenses:		
- litigation	9,498	3,600
- other legal matters	10,899	29,592
	<u>20,397</u>	<u>33,192</u>
Penalties under Fair Work (Registered Organisations) Act 2009	-	-
(b) Significant Revenue and Expenses		
The following significant revenue and expense items are relevant in explaining the financial performance:		
Members' contributions	<u>1,485,794</u>	<u>1,545,452</u>

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

	2014 \$	2013 \$
4. SALARIES AND RELATED EXPENSES		
Holders of office:		
- wages and salaries	216,593	200,718
- superannuation	34,896	29,114
- leave and other entitlements	(19,883)	13,741
- separation and redundancies	-	-
- other employee expenses	-	-
Employees other than holders of office:		
- wages and salaries	333,239	290,555
- superannuation	55,552	53,245
- leave and other entitlements	31,111	23,071
- separation and redundancies	-	-
- other employee expenses	-	-
Other staff costs	<u>39,862</u>	<u>35,068</u>
	<u><u>691,370</u></u>	<u><u>645,512</u></u>
Other staff costs primarily comprise employee insurance, fringe benefits tax, payroll tax and workers compensation.		
5. AUDITOR'S REMUNERATION		
Remuneration of the auditor of the Branch for:		
Auditing or reviewing the financial report	11,500	11,100
Other services	<u>6,859</u>	<u>6,950</u>
	<u><u>18,359</u></u>	<u><u>18,050</u></u>
6. CASH ON HAND		
Petty cash	550	550
General account	42,238	67,073
Members Equity accounts	484,172	355,500
Disaster relief fund	<u>2,081</u>	<u>1,271</u>
	<u><u>529,041</u></u>	<u><u>424,394</u></u>

Bank and investment accounts earn interest at floating rates based on daily deposit rates.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

	2014 \$	2013 \$
7. ACCOUNTS RECEIVABLE AND OTHER DEBTORS		
Current		
Member contributions in arrears	13,627	15,179
Less: Provision for impairment of receivables	(6,036)	(8,421)
	<u>7,591</u>	<u>6,758</u>
Receivable - Communications Division - CEPU	893	9,763
Other debtors	<u>2,773</u>	<u>3,571</u>
	<u><u>11,257</u></u>	<u><u>20,092</u></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 members contributions in arrears.

The following table details the Branch's accounts receivable and other debtors 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.

	<i>Gross amount</i> \$	<i>Past due and impaired</i> \$	<i>Past due but not impaired (days overdue)</i> \$	<i>Past due but not impaired (days overdue)</i> \$	<i>Past due but not impaired (days overdue)</i> \$	<i>Past due but not impaired (days overdue)</i> \$	<i>Within initial trade terms</i> \$
			< 30	31-60	61-90	> 90	
2013							
Contributions in arrears	15,179	8,421	-	-	6,758	-	-
Other receivables	13,334	-	-	-	-	3,110	10,224
Total	28,513	8,421	-	-	6,758	3,110	10,224
2014							
Contributions in arrears	13,627	6,036	-	-	7,591	-	-
Other receivables	3,666	-	-	-	1,500	-	2,166
Total	17,293	6,036	-	-	9,091	-	2,166

	2014 \$	2013 \$
8. OTHER CURRENT ASSETS		
Prepayments	<u>25,128</u>	<u>39,095</u>

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

	2014 \$	2013 \$
9. PROPERTY PLANT AND EQUIPMENT		
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	214,446
Less: accumulated depreciation	<u>(289,124)</u>	<u>(229,962)</u>
	<u>1,948,707</u>	<u>2,007,869</u>
Plant and equipment, at cost	134,697	136,809
Less: accumulated depreciation	<u>(83,074)</u>	<u>(76,535)</u>
	<u>51,623</u>	<u>60,274</u>
Motor vehicles, at cost	121,113	121,113
Less: accumulated depreciation	<u>(68,751)</u>	<u>(51,297)</u>
	<u>52,362</u>	<u>69,816</u>
	<u><u>3,364,557</u></u>	<u><u>3,449,824</u></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.

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>Total \$</i>
2013					
Balance at 1 April	1,311,865	2,067,032	65,320	34,482	3,478,699
Additions	-	-	11,636	64,938	76,574
Disposals	-	-	(1,527)	(11,744)	(13,271)
Depreciation expense	-	(59,163)	(15,155)	(17,860)	(92,178)
Balance at 31 March	<u>1,311,865</u>	<u>2,007,869</u>	<u>60,274</u>	<u>69,816</u>	<u>3,449,824</u>
2014					
Balance at 1 April	1,311,865	2,007,869	60,274	69,816	3,449,824
Additions	-	-	5,989	-	5,989
Disposals	-	-	(925)	-	(925)
Depreciation expense	-	(59,162)	(13,715)	(17,454)	(90,331)
Balance at 31 March	<u>1,311,865</u>	<u>1,948,707</u>	<u>51,623</u>	<u>52,362</u>	<u>3,364,557</u>

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

	2014 \$	2013 \$
10. ACCOUNTS PAYABLE AND OTHER PAYABLES		
Current		
Unsecured liabilities:		
General accounts payable and accruals	38,024	40,681
Amount payable to Communications Division - CEPU	33,971	34,472
Amount payable to Communications Division - CEPU in relation to the ALP donation	17,000	-
Accrual for CEPU National Council	4,400	6,300
Amount payable for employers making payroll deductions	-	-
Amount payable for legal costs and other expenses	9,857	-
Contributions received in advance	6,407	9,888
Payroll liabilities	11,299	9,682
GST liabilities	4,565	3,369
	<u>125,523</u>	<u>104,392</u>

The average credit period on accounts payable and other payables is two months. No interest is payable on outstanding payables.

The amounts payable to Communications Division - CEPU for 2014 includes amounts totalling to \$25,815 claimed as payable by the Communications Division - CEPU but disputed by the Queensland Communications Division Branch. The Branch Committee of Management will seek a resolution to this matter.

11. BORROWINGS

Current		
Members Equity Goods Mortgage, secured	<u>-</u>	<u>34,586</u>
Total current and non-current secured liabilities:		
Members Equity Goods Mortgage, secured	<u>-</u>	<u>34,586</u>
(a) The Members Equity Goods Mortgage was secured by a Goods Mortgage over office fitout.		
(b) The carrying amount of non-current assets pledged as security are: Members Equity Goods Mortgage:		
- Buildings	<u>-</u>	<u>150,279</u>

The Members Equity Goods Mortgage facility was fully repaid on 24 February 2014. The interest rate on the facility was 9.14%.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

	2014 \$	2013 \$
12. EMPLOYEE PROVISIONS		
Opening balance at 1 April	233,999	197,187
Additional provisions raised during year	41,284	36,812
Amounts used	(30,056)	-
	<u>245,227</u>	<u>233,999</u>
Balance at 31 March	<u>245,227</u>	<u>233,999</u>
<i>Analysis of Employee Provisions</i>		
Current	219,252	218,534
Non-current	<u>25,975</u>	<u>15,465</u>
	<u>245,227</u>	<u>233,999</u>
<i>Holders of Office</i>		
Annual Leave	52,968	58,480
Long service leave	42,579	57,037
Separation and redundancies	-	-
Other employee provisions	<u>2,764</u>	<u>2,677</u>
	<u>98,311</u>	<u>118,194</u>
<i>Employees other than Holders of Office</i>		
Annual Leave	72,921	58,851
Long service leave	66,771	50,190
Separation and redundancies	-	-
Other employee provisions	<u>7,224</u>	<u>6,764</u>
	<u>146,916</u>	<u>115,805</u>
	<u>245,227</u>	<u>233,999</u>

Employee Provisions

Employee provisions represent amounts accrued for annual leave, vested sick leave and long service leave. The current portion for this provision includes the total amount accrued for annual leave and sick leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Branch does not expect the full amounts of annual leave, sick leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Branch does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlements. The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

	2014 \$	2013 \$
13. RESERVES		
Asset Revaluation Reserve		
The Asset Revaluation Reserve represents the cumulative amount of fair value gains/losses recognised in other comprehensive income in revaluations of non-current assets.		
Disaster Relief Reserve		
The Disaster Relief Reserve records funds set aside for disaster relief for members.		
14. CAPITAL AND LEASING COMMITMENTS		
(a) Finance Lease Commitments		
Payable - minimum lease payments:		
- not later than 12 months	-	-
- between 12 months and 5 years	-	-
- greater than 5 years	-	-
	<u>-</u>	<u>-</u>
Minimum lease payments	-	-
Less future finance charges	-	-
	<u>-</u>	<u>-</u>
Present value of minimum lease payments	<u>-</u>	<u>-</u>
(b) Operating Lease Commitments		
Payable - minimum lease payments:		
- not later than 12 months	23,160	31,060
- between 12 months and 5 years	82,990	57,377
- greater than 5 years	-	-
	<u>-</u>	<u>-</u>
	<u>106,150</u>	<u>88,437</u>

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 2014**

15. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Other than the following, the Branch Committee of Management is not aware of any contingent liabilities or contingent assets.

A claim against the Branch was made in the Fair Work Commission in relation to work place behaviour. The Branch engaged legal assistance to defend the matter. The Fair Work Commission considered and finalised the matter subsequent to 31 March 2014 and outlined consent outcomes between the parties. No financial imposts were imposed on the Branch and none are expected to arise. The legal expenses incurred by the Branch subsequent to 31 March 2014 are estimated to be \$11,400.

16. EVENTS AFTER THE REPORTING PERIOD

Other than the following, the Branch Committee of Management is not aware of any significant events since the end of the reporting period.

As noted in Note 15, the Branch has incurred legal expenses estimated to be \$11,400, in relation to a Fair Work Commission matter. The financial effect of this expense has not been brought to account in the financial statements at 31 March 2014 and will be reflected in the next year's financial statements.

17. RELATED PARTY TRANSACTIONS

(a) Key Management Personnel

Persons elected as Officials of the Branch and responsible for planning, directing and controlling the activities of the Branch are considered key management personnel.

	2014 \$	2013 \$
Short term employee benefits	217,325	203,583
Post employment benefits	34,896	33,682
Termination benefits	<u>-</u>	<u>-</u>
Total compensation	<u><u>252,221</u></u>	<u><u>237,265</u></u>

(b) Other Related Parties

Other related parties include close family members of key management personnel.

S Hughes, wife of Branch Secretary P Hughes, is employed as a Union Organiser for the Branch:

Short term employee benefits	64,299	51,654
Post employment benefits	10,636	8,688
Termination benefits	<u>-</u>	<u>-</u>
Total compensation	<u><u>74,935</u></u>	<u><u>60,342</u></u>

Employment arrangements with related parties are on normal commercial terms and conditions no more favourable than those available to other persons.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

18. INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 272 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).”

19. CASH FLOW INFORMATION

(a) Reconciliation of net cash from operations with profit (loss) after income tax

	2014 \$	2013 \$
Profit (loss) after income tax	(625)	123,893
Cash flows excluded from profit attributable to reserves		
Movement in disaster relief fund	(570)	(899)
Non-cash flows in profit (loss)		
Depreciation	90,331	92,178
Doubtful debts	(2,385)	3,626
Net loss (gain) on disposal of plant and equipment	925	4,180
Changes in assets and liabilities during the financial year		
(Increase)/decrease in accounts rec. and other receivables	11,220	(9,009)
(Increase)/decrease in other current assets	13,967	(2,767)
(Decrease)/increase in accounts payable and other payables	21,131	9,654
(Decrease)/increase in provision for employee benefits	11,228	36,812
	<u>145,222</u>	<u>257,668</u>

(b) Credit Standby Arrangements

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

(c) Loan Facilities

Loan Facilities	-	34,586
Amount used	<u>-</u>	<u>34,586</u>
	<u>-</u>	<u>-</u>

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

20. 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</i>		<i>Non-Interest Bearing \$</i>	<i>Total \$</i>
			<i>1 year or less \$</i>	<i>1 to 5 years \$</i>		
2014						
Financial Assets						
Cash and cash equivalents	2.8%	528,491	-	-	550	529,041
Accounts and other receivables	0.0%	-	-	-	11,257	11,257
Total Financial Assets		528,491	-	-	11,807	540,298
Financial Liabilities						
Accounts and other payables	0.0%	-	-	-	125,523	125,523
Borrowings	0.0%	-	-	-	-	-
Total Financial Liabilities		-	-	-	125,523	125,523
2013						
Financial Assets						
Cash and cash equivalents	3.2%	423,844	-	-	550	424,394
Accounts and other receivables	0.0%	-	-	-	20,092	20,092
Total Financial Assets		423,844	-	-	20,642	444,486
Financial Liabilities						
Accounts and other payables	0.0%	-	-	-	104,392	104,392
Borrowings	9.1%	-	34,586	-	-	34,586
Total Financial Liabilities		-	34,586	-	104,392	138,978

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

20 FINANCIAL RISK MANAGEMENT *(continued)*

Financial Risk Management Policies

The Branch Committee of Management and officials are responsible for monitoring and managing the Branch's financial risk exposure.

Specific Financial Risk Exposures and Management

The main risks the Branch is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the Branch is exposed to, how these risks arise, or the Branch's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance of counterparties of contract obligations that could lead to a financial loss for the Branch. The Branch does not have any material credit risk exposures as its major sources of revenues are receipts of member contributions.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 7. The Branch has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 7.

(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) Market Risk

Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Branch is exposed to earnings volatility on floating rate investments. The financial instruments that expose the Branch to interest rate risk are limited to cash on hand.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

20. FINANCIAL RISK MANAGEMENT (continued)

Other Price Risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held. The Branch does not have a material other price risk.

Fair Values

The 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.

21. OTHER INFORMATION

(a) Going Concern

The Branch's ability to continue as a going concern is not reliant on the agreed financial support from another reporting unit.

(b) Financial Support

No agreed financial support has been provided to ensure another reporting unit has the ability to continue as a going concern.

(c) Acquisitions of assets and liabilities under specific sections

The Branch did not acquire any asset or liability during the financial year as a result of:

- an amalgamation under Part 2 of Chapter 3 of the Fair Work (Registered Organisations) Act 2009;
- a restructure of the Branches of the organisation;
- a determination by the General Manager under subsection 245(1) of the Fair Work (Registered Organisations) Act 2009;
- a revocation by the General Manager under subsection 249(1) of the Fair Work (Registered Organisations) Act 2009.

(d) Acquisition of assets and liabilities as part of a business combination

The Branch did not acquire any assets or liabilities during the financial year as part of a business combination.

(e) Wage Recovery Activity

No recovery of wages activities occurred during the financial year. The Branch has not derived any revenue in respect of these activities.

22. BRANCH DETAILS

The principal place of business of the Branch is:

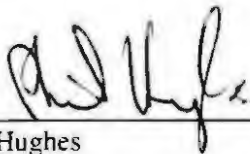
1st Floor
41 Peel Street
South Brisbane Qld 4101

CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH
COMMITTEE OF MANAGEMENT STATEMENT

The members of the Branch 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 the Fair Work Commission;
- (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 2014;
- (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 Branch 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 the Fair Work (Registered Organisations) Act 2009; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the organisation;
 - (v) where information has been sought in any request of a member of the Branch or the General Manager of the Fair Work Commission duly made under section 272 of the Fair Work (Registered Organisations) Act 2009, that information has been provided to the member or the General Manager of the Fair Work Commission; and
 - (vi) where any order for inspection of financial records made by the Fair Work Commission under section 273 of the Fair Work (Registered Organisations) Act 2009, there has been compliance.
- (f) In relation to recovery of wages activity, no recovery of wages activities occurred during the financial year. The Branch has not derived any revenue in respect of these activities.

This declaration is made in accordance with a resolution of the Committee of Management passed on
24th June 2014



P D Hughes

Dated this 24th day of June. 2014.

**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 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the committee of management statement.

Branch Committee of Management'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 and for such internal control as the Branch Committee of Management determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 Branch Committee of Management, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by the Branch Committee of Management.

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**

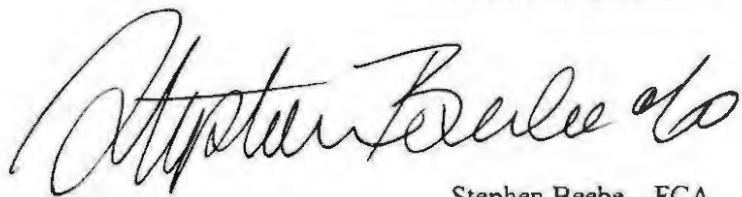
Auditor's Opinion

In my opinion:

- the financial report of the Communications Electrical Plumbing Union of Australia, Communications Division, Queensland Communications Division Branch presents fairly, in all material respects, the entity's financial position as at 31 March 2014 and the results of its operations, its changes in equity and cash flows for the year then ended in accordance with any of the following that apply to the entity:
 - (a) the Australian Accounting Standards; and
 - (b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.
- the Branch Committee of Management's use of the going concern basis of accounting in the preparation of the entity's financial statements is appropriate.

Level 5, 131 Leichhardt Street
Spring Hill Qld 4000.

STEPHEN BEEBE & Co.
Chartered Accountant



Stephen Beebe – FCA
Approved Auditor
Member of The Institute of Chartered Accountants in Australia
Holder of current Public Practice Certificate

Brisbane,
25 JUNE 2014





2014/07/86

29 July 2014



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

Dear Sir/Madam

Re YEAR 2014 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 31st March 2014. This report was made available to members via our website on 24th June 2014.

Yours faithfully

Philip Hughes
BRANCH SECRETARY

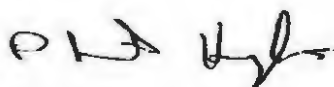
Year 2014 REPORT ON FINANCIAL STATEMENTS & ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2014

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 24th June 2014 and
- that the full report was presented to a meeting of the Branch Committee of Management held on 24th June 2014. Due to the lack of a quorum for the Annual General Meeting 22nd July 2014 the Branch Committee of Management endorsed the report (at the BCOM held on 22nd July 2014) as per the following motion:-

"That the Queensland Branch Communications Division BCOM accepts the Auditor's Report for the year ending 31st March 2014 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.

CHARTERED ACCOUNTANT

**CEPU
COMMUNICATIONS DIVISION**

**QUEENSLAND
COMMUNICATIONS
DIVISION BRANCH**

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2014**

CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH
OPERATING REPORT

The Branch Committee of Management present their operating report for the financial year ended 31 March 2014.

Committee Members

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

Phil Hughes (<i>Branch Secretary</i>)	Mark Templeman (<i>appointed 25 June 2013</i>)
Geoff Taylor (<i>President</i>)	Heike Wienzek (<i>ceased 31 October 2013</i>)
Cameron Bird (<i>Vice President</i>)	Kevin Hogan
Brian Kershaw (<i>Vice President</i>)(<i>appointed 25 June 2013</i>)	Sonya Hughes (<i>appointed 11 November 2013</i>)
Catherine Deecke (<i>appointed 25 June 2013</i>)	Darryl Woods
Chris Gleeson	Fraser Dawson

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 \$625.

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

To the best of our knowledge and belief, no official or employee 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.

Directorships of Companies or Members of a Board

To the best of our knowledge and belief, no official or employee of the Branch is:

- (i) a director of a company; or
- (ii) a member of a board.

Other Information

The activities of the Branch during the financial year produced many positive outcomes. Some of the main highlights are:

- o Finalising the Australia Post EBA with fair pay rises, job security and no loss of payroll deductions;
- o Reduction – Affiliation Fees for ALP; and
- o Union Governance Training for all BCOM Members.

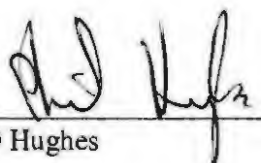
Branch Members

The number of members of the branch at the end of the financial year was 3,936.

Branch Employees

The number of employees of the Branch at the end of the financial year was 6.9.

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


P D Hughes

Dated this 24th day of June 2014.

CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 \$	2013 \$
Revenue	2	1,541,307	1,630,829
Employee benefit expense	4	(691,370)	(645,512)
Depreciation and amortisation expense		(90,331)	(92,178)
Operating lease expense	3	(29,660)	(28,013)
Finance cost expense	3	(1,466)	(5,078)
Affiliation expenses	3	(16,613)	(33,373)
Bad and doubtful debt expenses	3	(10,187)	(7,391)
Insurance		(33,820)	(39,935)
Legal expenses	3	(20,397)	(33,192)
National Council Fund - Communications Electrical Plumbing Union		(1,977)	(2,100)
Capitation fees - Communications Division - CEPU		(329,015)	(344,952)
Motor vehicle expenses		(39,696)	(34,749)
Office expenses		(84,473)	(88,880)
Organising and travelling expenses		(48,674)	(34,474)
Premises expenses		(67,761)	(54,258)
Telecommunications expenses		(17,190)	(25,128)
Other expenses from ordinary activities		(59,302)	(37,723)
Profit/(loss) before income tax		(625)	123,893
Income tax expense		-	-
Profit/(loss) attributable to members		(625)	123,893
Other comprehensive income			
Donations to Disaster Relief Reserve		1,380	940
Interest received on Disaster Relief Reserve		-	1
Expenditure from Disaster Relief Reserve		(570)	(1,200)
Net gain on revaluation of non-current assets		-	-
Total other comprehensive income for the year		810	(259)
Total comprehensive income for the year		185	123,634
Total comprehensive income attributable to members		185	123,634

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014**

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	6	529,041	424,394
Accounts receivable and other debtors	7	11,257	20,092
Other current assets	8	<u>25,128</u>	<u>39,095</u>
Total Current Assets		<u>565,426</u>	<u>483,581</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	<u>3,364,557</u>	<u>3,449,824</u>
Total Non-Current Assets		<u>3,364,557</u>	<u>3,449,824</u>
TOTAL ASSETS		<u>3,929,983</u>	<u>3,933,405</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	10	125,523	104,392
Borrowings	11	-	34,586
Employee provisions	12	<u>219,252</u>	<u>218,534</u>
Total Current Liabilities		<u>344,775</u>	<u>357,512</u>
NON-CURRENT LIABILITIES			
Employee provisions	12	<u>25,975</u>	<u>15,465</u>
Total Non-Current Liabilities		<u>25,975</u>	<u>15,465</u>
TOTAL LIABILITIES		<u>370,750</u>	<u>372,977</u>
NET ASSETS		<u>3,559,233</u>	<u>3,560,428</u>
EQUITY			
Reserves	13	2,377,685	2,376,875
Retained profits		<u>1,181,548</u>	<u>1,183,553</u>
TOTAL EQUITY		<u>3,559,233</u>	<u>3,560,428</u>

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2014**

	Retained Profits \$	Asset Revaluation Reserve \$	Disaster Relief Reserve \$	Total \$
Balance at 1 April 2012	1,060,300	2,375,604	1,530	3,437,434
Comprehensive income				
Profit/(loss) attributable to members	123,893	-	-	123,893
Other comprehensive income for the year	-	-	(899)	(899)
Total comprehensive income	<u>123,893</u>	<u>- (899)</u>		<u>122,994</u>
Transfers	<u>(640)</u>	<u>-</u>	<u>640</u>	<u>-</u>
Balance at 31 March 2013	<u>1,183,553</u>	<u>2,375,604</u>	<u>1,271</u>	<u>3,560,428</u>
Comprehensive income				
Profit/(loss) attributable to members	(625)	-	-	(625)
Other comprehensive income for the year	-	-	(570)	(570)
Total comprehensive income	<u>(625)</u>	<u>- (570)</u>		<u>(1,195)</u>
Transfers	<u>(1,380)</u>	<u>-</u>	<u>1,380</u>	<u>-</u>
Balance at 31 March 2014	<u><u>1,181,548</u></u>	<u><u>2,375,604</u></u>	<u><u>2,081</u></u>	<u><u>3,559,233</u></u>

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		1,486,169	1,545,980
Receipts from Communications Division - CEPU		17,647	42,756
Receipts from Electrical Trades Union (Qld & NT)		10,454	13,909
Other receipts		14,501	13,596
Payments to suppliers and employees		(1,079,399)	(1,014,219)
Payments to Communications Division - CEPU		(312,516)	(351,503)
Payments to CEPU National Council		(3,877)	-
Interest received		13,709	12,227
Interest paid		(1,466)	(5,078)
Net cash flows provided/(used) by operating activities	19(a)	<u>145,222</u>	<u>257,668</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	9,091
Purchases of property, plant and equipment		(5,989)	(76,574)
Net cash flows provided/(used) by investing activities		<u>(5,989)</u>	<u>(67,483)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	-
Repayment of borrowings		(34,586)	(38,183)
Net cash flows provided/(used) by financing activities		<u>(34,586)</u>	<u>(38,183)</u>
Net increase/(decrease) in cash held		104,647	152,002
Cash on hand at beginning of financial year		<u>424,394</u>	<u>272,392</u>
Cash on hand at end of financial year	6	<u><u>529,041</u></u>	<u><u>424,394</u></u>

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 7 to 25.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

The financial statements cover 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.

The financial statements were authorised for issue on *24th June.* 2014 by the members of the Branch Committee of Management.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including 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. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Income Tax

No provision for income tax has been raised as the Branch is exempt from income tax under Division 50 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 cost or fair value, 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 recognised in other comprehensive income and accumulated in the asset revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss. 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 2014**

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

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amounts is made when impairment indicators are present (refer to Note 1(e) for details of impairment).

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on the straight line and diminishing value bases over the asset's 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	25.00% diminishing value
Leased Motor Vehicles	25.00% diminishing value
Plant and equipment	10.00% to 40.00% diminishing value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Leases

Leases of property, plant and equipment, 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 for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight line basis over the term of the lease.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

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

(d) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Branch becomes party to the contractual provisions to 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 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 the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over 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 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, 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 fair value (ie gains or losses) being recognised 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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

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

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either 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.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Impairment

At the end of each reporting date, the Branch assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately.

Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter into bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having undertaken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Branch recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

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

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 Branch 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 discharged, cancelled or have expired. The difference between the carrying amount 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 assumed, is recognised in profit or loss.

(e) Impairment of Assets

At the end of each reporting period, the Branch Committee of Management assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

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 individual asset, the Branch estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(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 provisions that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee provisions payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy any vesting requirements. Those cash flows are discounted using market value yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the company 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.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

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

(h) Cash on Hand

Cash on hand includes 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) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members for services provided in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

(j) Revenue and Other Income

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.

(k) 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 profit or loss in the period in which they are incurred.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities, which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payable to suppliers.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

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

(m) Comparative Amounts

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

(n) Account Payables and Other Payables

Account payables 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 that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(o) Critical Accounting Estimates and Judgments

The Branch Committee of Management evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Branch.

(p) Adoption of New and Revised Accounting Standards

During the year the Branch adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

	2014 \$	2013 \$
2. REVENUE AND OTHER INCOME		
Operating activities		
Members' contributions	1,485,794	1,545,452
Expense reimbursements - Communications Division - CEPU	17,647	42,756
Interest received	14,088	12,439
Rent received - Electrical Trades Union (Qld and NT)	10,454	13,909
Rent received - other	11,051	11,728
Other revenue	2,273	4,545
Financial support from another reporting unit	-	-
Total Revenue	<u>1,541,307</u>	<u>1,630,829</u>

Other Information

- The Branch did not receive any capitation fees from another reporting unit during the financial year.
- The Branch did not raise any compulsory levies or conduct any appeals for voluntary contributions (including whip rounds) during the financial year.
- The Branch did not receive any grants or donations during the financial year.

CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

	2014 \$	2013 \$
3. PROFIT FOR THE YEAR		
(a) Expenses		
Interest expense - external	1,466	5,078
Bad and doubtful debts - member contributions receivable	10,187	7,391
Rental expense on operating leases:		
- minimum lease payments on office equipment	29,660	28,013
Loss on disposal of property, plant and equipment	925	4,180
Commission for employers making payroll deductions	8,360	9,205
Affiliation expenses:		
- Australian Labour Party Queensland	6,252	16,019
- Queensland Council of Unions	-	6,715
- The Union Shopper Inc	10,361	10,639
	<u>16,613</u>	<u>33,373</u>
Donations expenses:		
- Asbestos Related Disease Support Society - donation	200	-
- ALP donation (the donation was recognised as an expense at 31 March 2014 but was not actually paid as at that date)	17,000	-
- Wavell Heights Bowls Club - Labour Day activity	-	250
- Member assistance	-	850
	<u>17,200</u>	<u>1,100</u>
Grants:		
- Member assistance (paid from Disaster Relief Fund)	500	1,200
State Executive attendance fees	1,380	790
State Executive other expenses	650	-
Legal expenses:		
- litigation	9,498	3,600
- other legal matters	10,899	29,592
	<u>20,397</u>	<u>33,192</u>
Penalties under Fair Work (Registered Organisations) Act 2009	-	-
(b) Significant Revenue and Expenses		
The following significant revenue and expense items are relevant in explaining the financial performance:		
Members' contributions	<u>1,485,794</u>	<u>1,545,452</u>

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

	2014 \$	2013 \$
4. SALARIES AND RELATED EXPENSES		
Holders of office:		
- wages and salaries	216,593	200,718
- superannuation	34,896	29,114
- leave and other entitlements	(19,883)	13,741
- separation and redundancies	-	-
- other employee expenses	-	-
Employees other than holders of office:		
- wages and salaries	333,239	290,555
- superannuation	55,552	53,245
- leave and other entitlements	31,111	23,071
- separation and redundancies	-	-
- other employee expenses	-	-
Other staff costs	<u>39,862</u>	<u>35,068</u>
	<u><u>691,370</u></u>	<u><u>645,512</u></u>
Other staff costs primarily comprise employee insurance, fringe benefits tax, payroll tax and workers compensation.		
5. AUDITOR'S REMUNERATION		
Remuneration of the auditor of the Branch for:		
Auditing or reviewing the financial report	11,500	11,100
Other services	<u>6,859</u>	<u>6,950</u>
	<u><u>18,359</u></u>	<u><u>18,050</u></u>
6. CASH ON HAND		
Petty cash	550	550
General account	42,238	67,073
Members Equity accounts	484,172	355,500
Disaster relief fund	<u>2,081</u>	<u>1,271</u>
	<u><u>529,041</u></u>	<u><u>424,394</u></u>

Bank and investment accounts earn interest at floating rates based on daily deposit rates.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

	2014 \$	2013 \$
7. ACCOUNTS RECEIVABLE AND OTHER DEBTORS		
Current		
Member contributions in arrears	13,627	15,179
Less: Provision for impairment of receivables	(6,036)	(8,421)
	<u>7,591</u>	<u>6,758</u>
Receivable - Communications Division - CEPU	893	9,763
Other debtors	<u>2,773</u>	<u>3,571</u>
	<u><u>11,257</u></u>	<u><u>20,092</u></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 members contributions in arrears.

The following table details the Branch's accounts receivable and other debtors 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.

	<i>Gross amount</i> \$	<i>Past due and impaired</i> \$	<i>< 30</i>	<i>Past due but not impaired (days overdue)</i> \$	<i>31-60</i> \$	<i>61-90</i> \$	<i>> 90</i> \$	<i>Within initial trade terms</i> \$
2013								
Contributions in arrears	15,179	8,421	-	-	6,758	-	-	-
Other receivables	13,334	-	-	-	-	3,110	10,224	-
Total	<u>28,513</u>	<u>8,421</u>	<u>-</u>	<u>-</u>	<u>6,758</u>	<u>3,110</u>	<u>10,224</u>	<u>-</u>
2014								
Contributions in arrears	13,627	6,036	-	-	7,591	-	-	-
Other receivables	3,666	-	-	-	1,500	-	2,166	-
Total	<u>17,293</u>	<u>6,036</u>	<u>-</u>	<u>-</u>	<u>9,091</u>	<u>-</u>	<u>2,166</u>	<u>-</u>

	2014 \$	2013 \$
8. OTHER CURRENT ASSETS		
Prepayments	<u>25,128</u>	<u>39,095</u>

CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

	2014 \$	2013 \$
9. PROPERTY PLANT AND EQUIPMENT		
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	214,446
Less: accumulated depreciation	<u>(289,124)</u>	<u>(229,962)</u>
	<u>1,948,707</u>	<u>2,007,869</u>
Plant and equipment, at cost	134,697	136,809
Less: accumulated depreciation	<u>(83,074)</u>	<u>(76,535)</u>
	<u>51,623</u>	<u>60,274</u>
Motor vehicles, at cost	121,113	121,113
Less: accumulated depreciation	<u>(68,751)</u>	<u>(51,297)</u>
	<u>52,362</u>	<u>69,816</u>
	<u><u>3,364,557</u></u>	<u><u>3,449,824</u></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.

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>Total \$</i>
2013					
Balance at 1 April	1,311,865	2,067,032	65,320	34,482	3,478,699
Additions	-	-	11,636	64,938	76,574
Disposals	-	-	(1,527)	(11,744)	(13,271)
Depreciation expense	-	(59,163)	(15,155)	(17,860)	(92,178)
Balance at 31 March	<u>1,311,865</u>	<u>2,007,869</u>	<u>60,274</u>	<u>69,816</u>	<u>3,449,824</u>
2014					
Balance at 1 April	1,311,865	2,007,869	60,274	69,816	3,449,824
Additions	-	-	5,989	-	5,989
Disposals	-	-	(925)	-	(925)
Depreciation expense	-	(59,162)	(13,715)	(17,454)	(90,331)
Balance at 31 March	<u>1,311,865</u>	<u>1,948,707</u>	<u>51,623</u>	<u>52,362</u>	<u>3,364,557</u>

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

	2014 \$	2013 \$
10. ACCOUNTS PAYABLE AND OTHER PAYABLES		
Current		
Unsecured liabilities:		
General accounts payable and accruals	38,024	40,681
Amount payable to Communications Division - CEPU	50,971	34,472
Accrual for CEPU National Council	4,400	6,300
Amount payable for employers making payroll deductions	-	-
Amount payable for legal costs and other expenses	9,857	-
Contributions received in advance	6,407	9,888
Payroll liabilities	11,299	9,682
GST liabilities	4,565	3,369
	<u>125,523</u>	<u>104,392</u>

The average credit period on accounts payable and other payables is two months. No interest is payable on outstanding payables.

The amount payable to Communications Division - CEPU for 2014 includes amounts totalling to \$25,815 claimed as payable by the Communications Division - CEPU but disputed by the Queensland Communications Division Branch. The Branch Committee of Management will seek a resolution to this matter.

11. BORROWINGS

Current		
Members Equity Goods Mortgage, secured	<u>-</u>	<u>34,586</u>
Total current and non-current secured liabilities:		
Members Equity Goods Mortgage, secured	<u>-</u>	<u>34,586</u>
(a) The Members Equity Goods Mortgage was secured by a Goods Mortgage over office fitout.		
(b) The carrying amount of non-current assets pledged as security are:		
Members Equity Goods Mortgage:		
- Buildings	<u>-</u>	<u>150,279</u>

The Members Equity Goods Mortgage facility was fully repaid on 24 February 2014. The interest rate on the facility was 9.14%.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

	2014 \$	2013 \$
12. EMPLOYEE PROVISIONS		
Opening balance at 1 April	233,999	197,187
Additional provisions raised during year	41,284	36,812
Amounts used	(30,056)	-
	<u>245,227</u>	<u>233,999</u>
Balance at 31 March	<u>245,227</u>	<u>233,999</u>
<i>Analysis of Employee Provisions</i>		
Current	219,252	218,534
Non-current	<u>25,975</u>	<u>15,465</u>
	<u>245,227</u>	<u>233,999</u>
<i>Holders of Office</i>		
Annual Leave	52,968	58,480
Long service leave	42,579	57,037
Separation and redundancies	-	-
Other employee provisions	<u>2,764</u>	<u>2,677</u>
	<u>98,311</u>	<u>118,194</u>
<i>Employees other than Holders of Office</i>		
Annual Leave	72,921	58,851
Long service leave	66,771	50,190
Separation and redundancies	-	-
Other employee provisions	<u>7,224</u>	<u>6,764</u>
	<u>146,916</u>	<u>115,805</u>
	<u>245,227</u>	<u>233,999</u>

Employee Provisions

Employee provisions represent amounts accrued for annual leave, vested sick leave and long service leave. The current portion for this provision includes the total amount accrued for annual leave and sick leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Branch does not expect the full amounts of annual leave, sick leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Branch does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlements. The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

	2014 \$	2013 \$
13. RESERVES		
Asset Revaluation Reserve		
The Asset Revaluation Reserve represents the cumulative amount of fair value gains/losses recognised in other comprehensive income in revaluations of non-current assets.		
Disaster Relief Reserve		
The Disaster Relief Reserve records funds set aside for disaster relief for members.		
14. CAPITAL AND LEASING COMMITMENTS		
(a) Finance Lease Commitments		
Payable - minimum lease payments:		
- 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) Operating Lease Commitments		
Payable - minimum lease payments:		
- not later than 12 months	23,160	31,060
- between 12 months and 5 years	82,990	57,377
- greater than 5 years	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>
	106,150	88,437
	<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 2014**

15. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Other than the following, the Branch Committee of Management is not aware of any contingent liabilities or contingent assets.

A claim against the Branch was made in the Fair Work Commission in relation to work place behaviour. The Branch engaged legal assistance to defend the matter. The Fair Work Commission considered and finalised the matter subsequent to 31 March 2014 and outlined consent outcomes between the parties. No financial imposts were imposed on the Branch and none are expected to arise. The legal expenses incurred by the Branch subsequent to 31 March 2014 are estimated to be \$11,400.

16. EVENTS AFTER THE REPORTING PERIOD

Other than the following, the Branch Committee of Management is not aware of any significant events since the end of the reporting period.

As noted in Note 15, the Branch has incurred legal expenses estimated to be \$11,400, in relation to a Fair Work Commission matter. The financial effect of this expense has not been brought to account in the financial statements at 31 March 2014 and will be reflected in the next year's financial statements.

17. RELATED PARTY TRANSACTIONS

(a) Key Management Personnel

Persons elected as Officials of the Branch and responsible for planning, directing and controlling the activities of the Branch are considered key management personnel.

	2014 \$	2013 \$
Short term employee benefits	217,325	203,583
Post employment benefits	34,896	33,682
Termination benefits	-	-
Total compensation	<u>252,221</u>	<u>237,265</u>

(b) Other Related Parties

Other related parties include close family members of key management personnel.

S Hughes, wife of Branch Secretary P Hughes, is employed as a Union Organiser for the Branch:

Short term employee benefits	64,299	51,654
Post employment benefits	10,636	8,688
Termination benefits	-	-
Total compensation	<u>74,935</u>	<u>60,342</u>

Employment arrangements with related parties are on normal commercial terms and conditions no more favourable than those available to other persons.

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

18. INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 272 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).”

19. CASH FLOW INFORMATION

(a) Reconciliation of net cash from operations with profit (loss) after income tax

	2014 \$	2013 \$
Profit (loss) after income tax	(625)	123,893
Cash flows excluded from profit attributable to reserves		
Movement in disaster relief fund	(570)	(899)
Non-cash flows in profit (loss)		
Depreciation	90,331	92,178
Doubtful debts	(2,385)	3,626
Net loss (gain) on disposal of plant and equipment	925	4,180
Changes in assets and liabilities during the financial year		
(Increase)/decrease in accounts rec. and other receivables	11,220	(9,009)
(Increase)/decrease in other current assets	13,967	(2,767)
(Decrease)/increase in accounts payable and other payables	21,131	9,654
(Decrease)/increase in provision for employee benefits	11,228	36,812
	<u>145,222</u>	<u>257,668</u>

(b) Credit Standby Arrangements

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

(c) Loan Facilities

Loan Facilities	-	34,586
Amount used	<u>-</u>	<u>34,586</u>
	<u>-</u>	<u>-</u>

CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

20. 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</i>		<i>Non-Interest Bearing \$</i>	<i>Total \$</i>
			<i>1 year or less \$</i>	<i>1 to 5 years \$</i>		
2014						
Financial Assets						
Cash and cash equivalents	2.8%	528,491	-	-	550	529,041
Accounts and other receivables	0.0%	-	-	-	11,257	11,257
Total Financial Assets		528,491	-	-	11,807	540,298
Financial Liabilities						
Accounts and other payables	0.0%	-	-	-	125,523	125,523
Borrowings	0.0%	-	-	-	-	-
Total Financial Liabilities		-	-	-	125,523	125,523
2013						
Financial Assets						
Cash and cash equivalents	3.2%	423,844	-	-	550	424,394
Accounts and other receivables	0.0%	-	-	-	20,092	20,092
Total Financial Assets		423,844	-	-	20,642	444,486
Financial Liabilities						
Accounts and other payables	0.0%	-	-	-	104,392	104,392
Borrowings	9.1%	-	34,586	-	-	34,586
Total Financial Liabilities		-	34,586	-	104,392	138,978

**CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

20 FINANCIAL RISK MANAGEMENT *(continued)*

Financial Risk Management Policies

The Branch Committee of Management and officials are responsible for monitoring and managing the Branch's financial risk exposure.

Specific Financial Risk Exposures and Management

The main risks the Branch is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the Branch is exposed to, how these risks arise, or the Branch's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance of counterparties of contract obligations that could lead to a financial loss for the Branch. The Branch does not have any material credit risk exposures as its major sources of revenues are receipts of member contributions.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 7. The Branch has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 7.

(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) Market Risk

Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Branch is exposed to earnings volatility on floating rate investments. The financial instruments that expose the Branch to interest rate risk are limited to cash on hand.

**CEPU COMMUNICATIONS DIVISION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

20. FINANCIAL RISK MANAGEMENT (*continued*)

Other Price Risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held. The Branch does not have a material other price risk.

Fair Values

The 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.

21. OTHER INFORMATION

(a) Going Concern

The Branch's ability to continue as a going concern is not reliant on the agreed financial support from another reporting unit.

(b) Financial Support

No agreed financial support has been provided to ensure another reporting unit has the ability to continue as a going concern.

(c) Acquisitions of assets and liabilities under specific sections

The Branch did not acquire any asset or liability during the financial year as a result of:

- an amalgamation under Part 2 of Chapter 3 of the Fair Work (Registered Organisations) Act 2009;
- a restructure of the Branches of the organisation;
- a determination by the General Manager under subsection 245(1) of the Fair Work (Registered Organisations) Act 2009;
- a revocation by the General Manager under subsection 249(1) of the Fair Work (Registered Organisations) Act 2009.

(b) Acquisition of assets and liabilities as part of a business combination

The Branch did not acquire any assets or liabilities during the financial year as part of a business combination.

22. BRANCH DETAILS

The principal place of business of the Branch is:

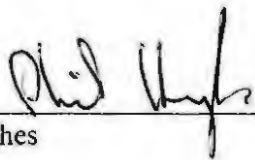
1st Floor
41 Peel Street
South Brisbane Qld 4101

CEPU COMMUNICATIONS DIVISION
QUEENSLAND COMMUNICATIONS DIVISION BRANCH
COMMITTEE OF MANAGEMENT STATEMENT

The members of the Branch 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 the Fair Work Commission;
- (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 2014;
- (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 Branch 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 the Fair Work (Registered Organisations) Act 2009; and
 - (iv) where information has been sought in any request of a member of the Branch or the General Manager of the Fair Work Commission duly made under section 272 of the Fair Work (Registered Organisations) Act 2009, that information has been provided to the member or the General Manager of the Fair Work Commission; and
 - (v) where any order for inspection of financial records made by the Fair Work Commission under section 273 of the Fair Work (Registered Organisations) Act 2009, there has been compliance.

Signed in accordance with a resolution of the Committee of Management passed on
24 June 2014


P D Hughes

Dated this *24th* day of *June* 2014.

**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 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the committee of management statement.

Branch Committee of Management'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 and for such internal control as the Branch Committee of Management determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 Branch Committee of Management, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by the Branch Committee of Management.

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**

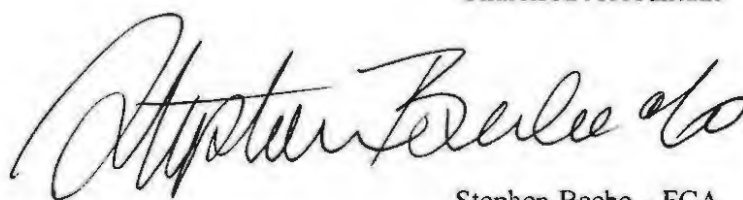
Auditor's Opinion

In my opinion:

- the financial report of the Communications Electrical Plumbing Union of Australia, Communications Division, Queensland Communications Division Branch presents fairly, in all material respects, the entity's financial position as at 31 March 2014 and the results of its operations, its changes in equity and cash flows for the year then ended in accordance with any of the following that apply to the entity:
 - (a) the Australian Accounting Standards; and
 - (b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.
- the Branch Committee of Management's use of the going concern basis of accounting in the preparation of the entity's financial statements is appropriate.

Level 5, 131 Leichhardt Street
Spring Hill Qld 4000.

STEPHEN BEEBE & Co.
Chartered Accountant



Stephen Beebe – FCA
Approved Auditor
Member of The Institute of Chartered Accountants in Australia
Holder of current Public Practice Certificate

Brisbane,

25 JUNE

2014

