



8 August 2017

Mr Gary O'Halloran
Secretary, Queensland Divisional Branch
Plumbing Division
CEPU

Sent via email: lisa@plumbersunionqld.com

Dear Mr O'Halloran

Re: CEPU, Plumbing Division, Queensland Divisional Branch – financial report for year ending 31 March 2017 (FR2017/6)

I refer to the financial report of the Queensland Divisional Branch of the Plumbing Division of the CEPU. The documents were lodged with the Registered Organisations Commission ('the ROC') on 13 July 2017.

The financial report has now been filed. The financial report was filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

You are not required to take any further action in respect of the report lodged. However I make the following comments to assist you when preparing the next financial report. Please note that the financial report for the period ending 31 March 2018 may be subject to an advanced compliance review.

Auditor's report: declaration regarding going concern

Paragraph 39 of the Reporting Guidelines requires an auditor to include in the auditor's statement a declaration that as part of the audit of the financial statement they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate. This declaration was not included in the auditor's statements.¹

References to legislation and the ROC

In last year's correspondence the Branch was requested to ensure that the wording of the notice required under sub-section 272(5) copied the wording in the Act exactly. The notice at Note 18 repeated the mis-reference to "Fair Work Australia" in the sub-heading and paragraph (1). The notice in next year's report must replace these references and references to "General Manager" with references to "Commissioner".

¹ The Auditor's statement also omitted the declaration and information required by Reporting Guideline 38.

The Branch should also pay close attention to any other sections of the RO Act where the wording “Fair Work Commission” or “General Manager” has been altered to “Registered Organisations Commission” or “Commissioner”, and use the appropriate wording in each case.

Reporting Requirements

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Please note that new Reporting Guidelines will apply to organisations and branches with financial years *commencing* on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

If you have any queries regarding this letter, please contact me via email at stephen.kellett@roc.gov.au.

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett
Financial Reporting
Registered Organisations Commission

From: KELLETT,Stephen
Sent: Tuesday, 8 August 2017 5:25 PM
To: 'lisa@plumbersunionqld.com'
Subject: Attention Mr Gary O'Halloran - financial reporting - y/e 31 March 2017 - filing [SEC=UNCLASSIFIED]

Dear Ms Noyes,

Please see attached my letter in relation to the above.

Yours faithfully

STEPHEN KELLETT
Senior Adviser
Financial Reporting
Registered Organisations Commission

Email: stephen.kellett@roc.gov.au

GPO Box 2983, MELBOURNE VIC 3001 | Level 13, 175 Liverpool Street, Sydney NSW 2000

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Australian Government
Registered Organisations Commission



CEPU PQLD (primary
final).pdf



12 July 2017

Registered Organisations Commission

GPO Box 2983

Melbourne VIC 3001

Dear Sir / Madam,

Please find enclosed our audited Financial Statements and the associated documents for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Plumbing Division, Queensland Branch for the financial year ending 31 March 2017.

Please feel free to contact Lisa Noyes on 07 3844 8433 should you require any further information.

Yours faithfully,

Gary O'Halloran

STATE SECRETARY

Enc.

**Communications, Electrical, Electronic, Energy,
Information, Postal, Plumbing and Allied Services Union
of Australia Plumbing Division Queensland Branch**

ABN: 51 918 867 235

Financial Statements

For the Year Ended 31 March 2017

(Incorporating The Plumbers and Gasfitters Employees Union Queensland, Union of Employees)

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

ABN: 51 918 867 235

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Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

ABN: 51 918 867 235

Designated Officer's Certificate

31 March 2017

I Gary O'Halloran being the State Secretary of the Communication, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union Of Australia Plumbing Division Queensland Branch certify:

- that the documents lodged herewith are copies of the full report for the Communication, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union Of Australia Plumbing Division Queensland Branch for the period ended 31 March 2017 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the Union on 14 June 2017; and
- that the full report was presented to a general meeting of members of the Union on 4 July 2017 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Gary O'Halloran
State Secretary

Brisbane, 4 - 7 - 2017

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

ABN: 51 916 867 235

Operating Report 31 March 2017

The committee presents its report of the Union for the financial year ended 31 March 2017.

Names of Committee of Management members and period positions held during the financial year

The names of committee members throughout the year and at the date of this report are:

Bevan Sutherland (President)	Elected 11/06/2015 - Resigned 06/09/2016
David White (Vice President)	Elected 11/06/2015 - Appointed President & Trustee on 06/09/2016
Gary O' Halloran (State Secretary)	Elected 11/06/2015
Michael Wiech (Assistant Secretary)	Elected 11/06/2015
Sean Trainor (Trustee)	Elected 11/06/2015
Damian O'Sullivan (was Trustee)	Elected 11/06/2015 as Trustee - Appointed Vice President on 06/09/2016
Robert Gould (Committee Member)	Elected 11/06/2015 - Resigned 06/09/2016
James White (Committee Member)	Elected 11/06/2015 - Resigned 06/09/2016
Kieron Cundy (Committee Member)	Elected 11/06/2015 - Resigned 06/09/2016
Justin Maxwell (Committee Member)	Elected 11/06/2015 - Resigned 06/09/2016
Kayne Dawson (Committee Member)	Elected 11/06/2015 - Resigned 06/09/2016
Daniel Gillett (Committee Member)	Appointed on 06/09/2016
Travis Korneha (Committee Member)	Appointed on 06/09/2016
Andrew Bum (Committee Member)	Appointed on 06/09/2016
Andrew Blakeley (Committee Member)	Appointed on 06/09/2016
Stewart Fingleton (Committee Member)	Appointed on 08/11/2016

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The principal activities of the Union during the financial year were to represent the welfare of the union members and their families. The Union delivers this promise via three core business services including industry representation, education and training and occupational health and safety compliance.

Significant changes in financial affairs

No significant change in the financial affairs occurred during the year.

Right of members to resign

A member of the Division may resign from membership by written notice addressed and delivered to the Secretary of the Branch to which such member belongs.

Officers & employees who are Superannuation fund trustee(s) or director of a company that is a Superannuation fund trustee

The Union does not have a person who holds a position of trustee or director of an entity, scheme or company as described in s.254 (2)(d) of the Fair Work (Registered Organisations) Act 2009, where criterion of such entity is that the holder of such position must be a member or official of a registered organisation.

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

ABN: 51 818 867 235

Operating Report 31 March 2017

Number of members

The number of persons, at the end of the financial year to which this financial report related, who were members of the Union was 3,939.

Number of employees

The number of persons, at the end of the financial year to which this financial report relates, who were employees of the Union, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis 14 (2016:14)

The principal activities of the company or board

Service Trades College Australia

The Service Trades College Australia is a Registered Training Organisation that provides high-quality trade and post-trade training in the Fire, Mechanical and Plumbing industries.

Service Trades Queensland

The fund provides: extensive Post Trade Training, Workplace Health & Safety advice, KWH&S Systems and support for Contributors; an Apprenticeship Mentor, Backflow Prevention Program, Employment Register and is continuing to grow to meet the needs of the Services Trades Queensland. STQ works in consultation and partnership with their RTO, The Service Trades College.

Building Employees Redundancy Trust (BERT)

The Building Employees Redundancy Trust was established in 1989 to provide redundancy payments and benefits to its members and training grants for employees in the Queensland and Northern Territory building and construction industry.

BEWT Building Employees Welfare Trust

The Building Employee Welfare Trust is the Welfare arm of BERT. This fund is available to provide funding for additional benefits for BERT members.

BERT Training Queensland

BERT Training Fund (BTF) was established in 1991 with the aim of providing the Queensland construction industry with a source of funds to train construction workers and to promote the development of skills, training and education of workers in industry.

Construction Income Protection Queensland

Construction Income Protection - CIP commenced on 1st March 2001 to provide income protection and portability of sick leave benefits for workers in the building and construction industry within Queensland and Northern Territory. On 6th September 2004 Construction Income Protection Ltd was established to oversee the fund. This company replaced Construction Income Protection (Qld) Pty Ltd.

Mates In Construction

MATES in Construction is a charity set up in 2008 to reduce the high level of suicide among Australian construction workers. It is owned and controlled by the Australian Building and Construction Industry.

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

ABN: 51 918 867 235

Operating Report
31 March 2017

The principal activities of the company or board

Fire Industry Training

FIT is a registered RTO providing training for the Fire Industry.

Plumbing Industry Training

PIT is a registered RTO providing training for the Plumbing Industry.

CEPUTECH

CEPUTECH is a training organisation dedicated to supporting Plumbing and Pipe Trades Employees Union members.

Training Invest

Training Invest is the collection agent for the Services Trades Qld funds.

Queensland Council of Unions

The Queensland Council of Unions (QCU) is the peak union body in Queensland with 34 affiliated unions covering around 350,000 Queensland workers. The QCU is the state branch of the Australian Council of Trade Unions (ACTU).

Plumbers Industry Climate Action Centre (PICAC)

The Plumbing Industry Climate Action Centre (PICAC) is a unique industry led training facility in Brunswick, Melbourne. The centre is a 5 Star Green rated building and is a working example of innovative design and sustainable plumbing. Through providing access to a training resource without peer, our industry is taking up to challenges of new technology, new risks and new approaches.

Interim Service Trades Council

The Interim Service Trades Council and will take over the plumbing and drainage regulatory responsibilities, while still operating under the Queensland Building and Construction Commission (QBCC) framework.

Signed in accordance with a resolution of the Members of the Committee:


Gary O'Halloran
State Secretary

Brisbane, 13-6-2017

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

ABN: 51 918 867 235

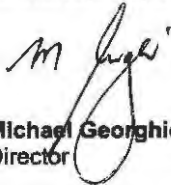
Auditor's Independence Declaration To the Committee of Management of Communication, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union Of Australia Plumbing Division Queensland Branch

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2017, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the APES 110 *Code of Ethics for Professional Accountants* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Hanrick Curran Audit

Hanrick Curran Audit Pty Ltd
Authorised Audit Company: 338599



Michael Georghiou
Director

Brisbane, 12 June 2017

**Communications, Electrical, Electronic, Energy, Information,
Postal, Plumbing and Allied Services Union of Australia
Plumbing Division Queensland Branch
ABN: 51 918 867 235**

**Committee of Management Statement
For the Year Ended 31 March 2017**

On the 13 June 2017 the Committee of Management of the Communication, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union Of Australia Plumbing Division Queensland Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 March 2017:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - (v) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period for the financial year ended 31 March 2017 for the Union.

This declaration is made in accordance with a resolution of the Committee of Management.



Gary O'Halloran
State Secretary

Brisbane, 13 June 2017

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

ABN: 51 916 867 235

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 March 2017

		2017	2016
	Note	\$	\$
Revenue			
Member subscription		1,694,855	1,596,617
Capitalisation fees	2(a)	-	-
Levies	2(b)	-	-
Interest	2(c)	24,733	30,874
Other revenue	2(d)	192,185	141,790
Total Revenue		<u>1,911,773</u>	<u>1,769,281</u>
Other Income			
Grants and/ or donations	2(e)	1,590,695	1,427,403
Gain on sale	2(f)	15,149	6,472
Insurance recoveries		-	44,596
Reimbursements		6,686	9,258
Total other income		<u>1,612,530</u>	<u>1,487,729</u>
Total Income		<u>3,524,303</u>	<u>3,257,010</u>
Expenses			
Employee benefits expense	3(a)	(2,023,625)	(1,830,865)
Capitation fees	3(b)	(146,685)	(145,442)
Affiliation costs	3(c)	(52,666)	(46,140)
Grants or donations	3(d)	(45,998)	(9,452)
Legal fees	3(e)	(33,759)	(23,747)
Administration expense	3(f)	(837,919)	(821,866)
Depreciation and amortisation expense	3(g)	(152,837)	(150,170)
Finance costs	3(h)	(3,823)	(6,749)
Audit fees		(13,538)	1,495
Total expenses		<u>(3,310,850)</u>	<u>(3,032,956)</u>
Profit (loss) for the year		<u>213,453</u>	<u>224,054</u>
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation changes for property, plant and equipment		-	-
Total comprehensive income for the year		<u>213,453</u>	<u>224,054</u>

The accompanying notes form part of these financial statements.

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

ABN: 51 918 867 235

Statement of Financial Position As At 31 March 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	2,439,476	1,877,787
Trade and other receivables	5	41,154	153,385
Other assets	6	16,944	18,487
TOTAL CURRENT ASSETS		<u>2,497,574</u>	<u>2,049,659</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,785,605	1,384,943
TOTAL NON-CURRENT ASSETS		<u>1,785,605</u>	<u>1,384,943</u>
TOTAL ASSETS		<u>4,283,179</u>	<u>3,434,602</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	1,399,322	820,964
Employee benefits	9	492,030	382,810
Other liabilities	10	33,644	69,005
TOTAL CURRENT LIABILITIES		<u>1,924,996</u>	<u>1,272,779</u>
NON-CURRENT LIABILITIES			
Employee benefits	9	66,976	55,408
Other liabilities	10	-	28,661
TOTAL NON-CURRENT LIABILITIES		<u>66,976</u>	<u>84,069</u>
TOTAL LIABILITIES		<u>1,991,972</u>	<u>1,356,848</u>
NET ASSETS		<u>2,291,207</u>	<u>2,077,754</u>
EQUITY			
Reserves	11	1,208,201	1,208,201
Retained earnings		1,083,006	869,553
TOTAL EQUITY		<u>2,291,207</u>	<u>2,077,754</u>

The accompanying notes form part of these financial statements.

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

ABN: 51 918 867 235

Statement of Changes in Equity For the Year Ended 31 March 2017

	Retained Earnings	Asset Revaluation Surplus	General Reserves	Total
	\$	\$	\$	\$
Balance at 1 April 2016	869,552	274,883	933,319	2,077,754
Profit /(loss) for the year	213,453	-	-	213,453
Balance at 31 March 2017	1,083,005	274,883	933,319	2,291,207

	Retained Earnings	Asset Revaluation Surplus	General Reserves	Total
	\$	\$	\$	\$
Balance at 1 April 2015	645,498	274,883	933,319	1,853,700
Profit /(loss) for the year	224,054	-	-	224,054
Balance at 31 March 2016	869,552	274,883	933,319	2,077,754

The accompanying notes form part of these financial statements.

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

ABN: 51 918 867 235

Statement of Cash Flows For the Year Ended 31 March 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		4,310,036	3,666,643
Payments to suppliers and employees		(3,185,119)	(3,425,929)
Interest received		24,733	30,874
Interest paid		(3,822)	(6,749)
Net cash provided by (used in) operating activities	20	1,145,828	264,839
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale/ (payment for) of plant and equipment		(15,148)	37,241
Purchase of property, plant and equipment		(523,201)	-
Net cash used by investing activities		(538,349)	37,241
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from/ (repayment of) borrowings		(45,790)	(63,428)
Net cash used by financing activities		(45,790)	(63,428)
Net increase (decrease) in cash and cash equivalents held		561,689	238,652
Cash and cash equivalents at beginning of year		1,877,787	1,639,134
Cash and cash equivalents at end of financial year	4	2,439,476	1,877,786

The accompanying notes form part of these financial statements.

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

ABN: 51 918 867 235

Statement of Receipts and Payments for Recovery of Wages For the Period Ended 31 March 2017

	2017	2016
	\$	\$
Cash assets in respect of recovery money at beginning of year	-	-
Receipts	-	-
Amount recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total Receipts	<hr/>	<hr/>
Payments	-	-
Deductions of amounts due in respect of membership for:	-	-
- 12 months or less	-	-
- greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:	-	-
- the union	-	-
- other entity	-	-
Deductions of fees or reimbursements of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total Payments	<hr/>	<hr/>
Cash assets in respect of recovery money at end of year	<hr/>	<hr/>
Numbers of workers to which the monies recovered relates to	-	-
Aggregate payable to workers attributable to recovered monies but not yet distributed	-	-
Payable balance	-	-
Number of workers the payable relates to	-	-
Fund or account operated for recovery of wages	-	-

The accompanying notes form part of these financial statements.

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

ABN: 51 918 867 235

Notes to the Financial Statements For the Year Ended 31 March 2017

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisations) Act 2009*. For the purpose of preparing the general purpose financial statements, the Union is a not-for-profit entity.

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

The financial statements have been prepared on an accrual basis and in accordance with historical costs, except for certain assets and liabilities at measured at fair value as explained in the accounting policies below. Historical costs is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

(b) Comparative Amounts

When required by Accounting Standards or other legislation, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(c) Income Tax

Communication, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union Of Australia Plumbing Division Queensland Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

ABN: 51 918 867 235

Notes to the Financial Statements For the Year Ended 31 March 2017

1 Summary of Significant Accounting Policies

(d) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. The lease is not recognised in the statement of financial position.

(e) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Revenue from subscription is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue

Interest is recognised on an accrual basis using the effective interest method.

Gains

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

ABN: 51 918 867 235

Notes to the Financial Statements For the Year Ended 31 March 2017

1 Summary of Significant Accounting Policies

Grant revenue

Grants are not recognised until there is reasonable assurance that the Union will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Union recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Union should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Union with no future related costs are recognised in profit or loss in the period in which they become receivable.

(f) Borrowing costs

Borrowing costs are recognised in profit and loss in the period in which they are incurred.

(g) Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost or revaluation model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes and estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations- Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount

Plant and equipment are measured using the cost model.

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

ABN: 51 918 867 235

Notes to the Financial Statements For the Year Ended 31 March 2017

1 Summary of Significant Accounting Policies

(g) Property, Plant and Equipment

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated on a straight-line basis 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 shown below:

Fixed asset class	Depreciation rate
At fair value	4%
Plant and Equipment	5%- 40%
Motor Vehicles	25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

(h) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Union commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions 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.

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

ABN: 51 918 867 235

Notes to the Financial Statements For the Year Ended 31 March 2017

1 Summary of Significant Accounting Policies

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. 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:

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

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

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

The Union does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

Financial Assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

ABN: 51 918 867 235

Notes to the Financial Statements For the Year Ended 31 March 2017

1 Summary of Significant Accounting Policies

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

Financial assets are classified at 'fair value through profit or loss' when they are either 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 carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

(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 Union's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

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

If during the period the Union sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) Available-for-sale financial assets

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

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

Impairment of financial assets

At the end of the reporting period the Union assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

ABN: 51 918 967 235

Notes to the Financial Statements For the Year Ended 31 March 2017

1 Summary of Significant Accounting Policies

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Union has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date

Derecognition

Financial assets

The Union derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

ABN: 51 918 867 235

Notes to the Financial Statements For the Year Ended 31 March 2017

1 Summary of Significant Accounting Policies

(i) Impairment of non-financial assets

At the end of each reporting period the Union determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(j) Fair value

The Union measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Union. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Union uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs

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Notes to the Financial Statements For the Year Ended 31 March 2017

1 Summary of Significant Accounting Policies

(j) Fair value

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the [reporting unit] determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the [reporting unit] has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy

(k) Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

(l) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, rostered day off and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

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Notes to the Financial Statements For the Year Ended 31 March 2017

1 Summary of Significant Accounting Policies

Provision is made for separation and redundancy benefit payments. The Union recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

(m) Critical accounting estimates and judgement

The Union's committee members evaluate estimates and judgements incorporated into the financial report 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 internally.

Key estimates - Impairment

The Union assess impairment at each reporting date by evaluation of conditions specific to the Union that may lead to the impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Judgement - Provision for impairment of receivables

Included in accounts receivables and other debtors at the end of the reporting period are amounts receivable from members in relation to unpaid subscription. The committee has received undertakings from the members debtors that such amounts will be paid and therefore no provision for impairment has been made.

(n) Provisions

Provisions are recognised when the Union 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.

(o) Adoption of new and revised accounting standards

No accounting standard has been adopted earlier than the application date stated in the standard.

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

ABN: 51 918 867 235

Notes to the Financial Statements For the Year Ended 31 March 2017

1 Summary of Significant Accounting Policies

(p) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Union has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Union where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
<i>AASB 9: Financial Instruments and associated Amending Standards</i>	Applicable to financial periods beginning on or after 1 January 2018	This Standard will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.	Although members of the committee anticipate that the adoption of AASB 9 may have an impact on the financial instruments, it is impracticable at this stage to provide a reasonable estimates of such impact.
<i>AASB 16: Leases</i>	Applicable to financial periods beginning on or after 1 January 2019	When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating and finance leases.	Although members of the committee anticipate that the adoption of AASB 16 may have an impact on the financial statements, it is impracticable at this stage to provide reasonable estimates of such impact.

(q) Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and record as a revenue and/ or expense in the year to which it relates.

(r) Going concern

The CEPU-PQLD's ability to continue as a going concern is not reliant on the agreed financial support of another reporting unit.

The CEPU-PQLD has not agreed to provide financial support to ensure another reporting unit has the ability to continue as a going concern.

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

Notes to the Financial Statements
For the Year Ended 31 March 2017

	2017	2016
	\$	\$
2 Income		
(a) Capitation fees		
Capitation fees	-	-
Total capitation fees	<u>-</u>	<u>-</u>
(b) Levies		
Levies	-	-
Total levies	<u>-</u>	<u>-</u>
(c) Interest		
Deposits	24,733	30,874
Total interest	<u>24,733</u>	<u>30,874</u>
(d) Other revenue		
Board fees & meetings	79,719	137,290
Sundry	109,091	-
Website advertisement	3,375	4,500
Total	<u>192,185</u>	<u>141,790</u>
(e) Grants or donation		
Grants		
Grants for union based activities	528,987	433,177
Training related grants	1,061,708	994,225
Total grants or donation	<u>1,590,695</u>	<u>1,427,402</u>
(f) Net gain from sale of assets		
Motor vehicle	15,149	6,472
Total net gains from sale of assets	<u>15,149</u>	<u>6,472</u>

The Union did not receive any other financial report from another reporting unit to ensure that the provision of the principal activities are possible.

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

Notes to the Financial Statements For the Year Ended 31 March 2017

	2017	2016
	\$	\$
2 Income		
(f) Net gain from sale of assets		
No recovery of wages activity occurred during the reporting period.		
3 Expenses		
(a) Employees expenses		
Holders of office		
Wages and salaries	677,994	595,722
Superannuation	99,077	115,921
Leave and other entitlements	82,995	83,546
Redundancy separation	-	-
BERT, BEWT, CIPQ contributions	-	27,535
Payroll tax	18,216	29,403
Fringe Benefit Tax	29,684	17,429
Travel in course of Union activities	28,620	26,465
Other	22,866	1,429
Subtotal employee expenses holders of office	959,472	897,450
Employees other than office holders		
Wages and salaries	805,312	579,508
Superannuation	113,940	93,705
Leave and entitlements	37,792	135,613
Redundancy separation	-	34,619
BERT, BEWT, CIPQ contributions	26,553	25,356
Payroll tax	21,686	24,018
Fringe Benefit Tax	-	14,237
Travel in course of Union activities	31,625	25,212
Other	27,245	1,167
Subtotal employee expenses employees other than office holders	1,064,153	933,435
Total employee expenses	2,023,625	1,830,885
(b) Capitation fees		
CEPU federal office per capita	146,685	145,442
Total Capitation fees	146,685	145,442

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

Notes to the Financial Statements
For the Year Ended 31 March 2017

	2017	2016
	\$	\$
3 Expenses		
(c) Affiliation fees		
Australian Labor Party	16,104	16,302
Union shopper Inc	8,329	8,337
Queensland Council of Unions	17,694	20,798
NT Trades and Labour Council	-	703
CEPU National Council	10,539	-
Total affiliation fees/subscriptions	52,666	46,140
(d) Grants or donations		
Grants		
Total paid that were \$1,000 or less	-	-
Total paid that exceeds \$1,000	-	-
Donations		
Total paid that were \$1,000 or less	7,398	2,452
Total paid that exceeds \$1,000	38,600	7,000
Total grants or donations	45,998	9,452
Disclosed in a statement lodged under section 237 of the RO Act		
(e) Legal costs		
Other legal fees	33,759	23,747
Litigation	-	-
Total legal costs	33,759	23,747
(f) Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	8,319	5,440
Conferences and meeting expenses	36,003	30,245
Contractors/consultants	24,880	18,790
Property expenses	30,438	22,335
Office expenses	144,760	115,907
Information communication technology	76,496	18,493
Other	499,589	595,097

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

Notes to the Financial Statements
For the Year Ended 31 March 2017

	2017	2016
	\$	\$
3 Expenses		
(f) Administration expenses		
Subtotal administration expense	820,485	806,307
Operating lease rentals:		
Minimum lease payments	17,434	15,559
Total administration expenses	837,919	821,866
(g) Depreciation		
Land & buildings	46,627	42,261
Property, plant and equipment	106,210	107,909
Total depreciation	152,837	150,170
(h) Finance costs		
Finance costs	3,822	6,749
Total finance costs	3,822	6,749
	No recovery of wages activity occurred during the reporting period.	
(i) Net loss from sale of asset		
(j) Other expenses		
Penalties - via RO Act or RO Regulations	-	-
Total other expenses	-	-
4 Cash and cash equivalents		
Cash on hand	1,500	1,500
Cash at bank	1,843,391	1,493,311
Short-term bank deposits	593,963	382,976
Other cash and cash equivalents	622	-
Total cash and cash equivalents	2,439,476	1,877,787

No recovery of wages activity occurred during the reporting period.

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

Notes to the Financial Statements For the Year Ended 31 March 2017

	2017	2016
	\$	\$
5 Trade and other receivables		
Receivables from other reporting units		
Total receivables from other reporting units	-	-
Less provision for doubtful debts	-	-
Total provision for doubtful debts	-	-
Receivable from other reporting units (net)	-	-
Other receivables		
Other trade receivables	41,154	76,936
Prepayments	-	19,445
The Service Trades College Australia - Loan	-	57,004
Total trade and other receivables	41,154	153,385
 (a) Aged analysis		
The ageing analysis of receivables is as follows:		
0-30 days	14,102	326
31-60 days	2,500	-
61-90 days (past due not impaired)	-	13,750
91+ days (past due not impaired)	24,552	139,309
	41,154	153,385
The Union does not hold any collateral over any receivables balances at 31 March 2017.		
 6 Other assets		
Prepayments	16,944	18,487
	16,944	18,487
 7 Property, plant and equipment		
Buildings		
At fair value	1,855,528	1,348,734
Accumulated depreciation	(327,405)	(280,778)
Total buildings	1,528,123	1,067,956
Plant and equipment		

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

**Notes to the Financial Statements
For the Year Ended 31 March 2017**

	2017	2016
	\$	\$
7 Property, plant and equipment		
Furniture, fixtures and equipment		
At cost	227,264	230,502
Accumulated depreciation	(184,332)	(176,102)
Total furniture, fixtures and equipment	42,932	54,400
Motor vehicles		
At cost	371,065	375,242
Accumulated depreciation	(156,515)	(112,655)
Total motor vehicles	214,550	262,587
Total plant and equipment	257,482	316,987
Total property, plant and equipment	1,785,605	1,384,943

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

Notes to the Financial Statements For the Year Ended 31 March 2017

7 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

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

	Buildings \$	Furniture, Fixtures and Equipment \$	Motor Vehicles \$	Total \$
Year ended 31 March 2017				
Balance at the beginning of year	1,067,956	54,400	262,587	1,384,943
Additions	506,794	1,000	82,647	590,441
Disposals	-	-	(36,942)	(36,942)
Depreciation	(46,627)	(12,468)	(93,742)	(152,837)
Balance at the end of the year	1,528,123	42,932	214,550	1,785,605
	Buildings \$	Furniture, Fixtures and Equipment \$	Motor Vehicles \$	Total \$
Year ended 31 March 2016				
Balance at the beginning of year	1,110,217	111,971	253,448	1,475,636
Additions	-	3,159	151,099	154,258
Disposals	-	(43,697)	(51,084)	(94,781)
Depreciation	(42,261)	(17,033)	(90,876)	(150,170)
Balance at the end of the year	1,067,956	54,400	262,587	1,384,943

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

Notes to the Financial Statements
For the Year Ended 31 March 2017

	2017	2016
	\$	\$
8 Trade and other payables		
Trade payables		
Trade creditors and accruals	137,713	57,947
Operating lease rentals	-	-
Subtotal trade creditors	<u>137,713</u>	<u>57,947</u>
Payables to other reporting units		
Federal office contributions	161,172	159,354
Subtotal payables to other reporting units	<u>161,172</u>	<u>159,354</u>
Total trade payables	<u>298,885</u>	<u>217,301</u>
Other payables		
Consideration to employers for payroll deductions	5,657	1,849
Legal costs	-	-
Unearned revenue	428,579	114,859
GST payable	50,472	37,200
PAYG	27,373	34,674
Commercial construction levy	588,356	415,081
Total other payables	<u>1,100,437</u>	<u>603,663</u>
Total trade and other payables	<u>1,399,322</u>	<u>820,964</u>
9 Provisions		
Employee provisions		
Office holders		
Annual leave	57,430	67,948
Long service leave	155,783	121,430
Separation allowances	175,716	129,628
Other	18,942	12,581
Subtotal employee provisions- office holders	<u>407,871</u>	<u>331,587</u>
Employees other than office holders		
Annual leave	64,427	56,659
Long service leave	66,949	36,070
Separation allowances	-	-
Other	19,759	13,902
Subtotal employee provision- employees other than office holders	<u>151,135</u>	<u>106,631</u>
Total employee provisions	<u>559,006</u>	<u>438,218</u>

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

Notes to the Financial Statements For the Year Ended 31 March 2017

	2017	2016
	\$	\$
9 Provisions		
Employee provisions		
Allocation of current and non-current		
Current provisions		
Employee provisions	492,030	382,810
Non-current provisions		
Employee provisions	66,976	55,408
Total	559,006	438,218
10 Borrowings		
Current		
Motor vehicle loan	33,644	69,005
Non-current		
Motor vehicle loan	-	28,660
Total borrowings	33,644	97,665
11 Reserves and retained surplus		
(a) General reserve		
The general reserve records funds set aside for future expansion of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch.		
12 Equity		
(a) Funds		
General Reserve		
Balance as at start of the year	1,208,201	1,208,201
Transferred to reserve	-	-
Transferred out of reserved	-	-
Balance as at end of year	1,208,201	1,208,201
(b) Other specific disclosures - Funds		
Compulsory levy/voluntary contribution fund - if invested in assets		
At the beginning of the reporting period	-	-

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

Notes to the Financial Statements For the Year Ended 31 March 2017

	2017	2016
	\$	\$
12 Equity		
12 Equity		
(b) Other specific disclosures - Funds		
Balance as at start of year		
Transferred to reserve	-	
Transferred out of reserve	-	
Balance as at end of year		-
13 Capital and Leasing Commitments		
(a) Operating Leases		
Minimum lease payments under non-cancelable operating leases:		
- not later than one year	-	6,129
Minimum lease payments	-	6,129
14 Key Management Personnel Disclosures		
The totals of remuneration paid to the key management personnel of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch during the year are as follows:		
Short-term employee benefits		
Salary (including annual leave taken)	173,809	456,618
Annual leave accrued	25,636	20,259
RDO accrued	1,553	1,774
Total short-term employee benefits	200,998	478,651
Long-term employee benefits		
Long-service leave	71,181	61,986
Post-employment benefits		
Superannuation	24,801	43,610
Retirement provision	103,624	90,943
Total long-term employee benefits	400,604	675,190

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

Notes to the Financial Statements
For the Year Ended 31 March 2017

	2017	2016
	\$	\$
15 Related Party Disclosures		
Revenue received from related parties includes the following		
BERT Training Queensland		
- Board meeting fees	14,362	-
- Training related grants	831,708	749,225
Total	846,070	749,225
Services Trades College Australia		
-Board meeting fees	-	26,250
Total	-	26,250
Services Trades Queensland		
- Board meeting fees	-	24,808
- Training related grants	12,000	-
- Grants for union based activities	348,828	271,098
Total	360,828	295,906
CIP Queensland		
- Board meeting fees	39,278	31,050
- Grants for union based activities	45,000	60,000
Total	84,278	91,050
Building Employees Redundancy Trust		
- Board meeting fees	45,825	44,073
- Training related grants	-	165,000
- Grants for union based activities	45,000	60,000
Total	90,825	269,073
BEWT Building Employees Welfare Trust		
- Grants for union based activities	131,250	10,000
QLeave		
- Board meeting fees	-	11,109
Construction Training Centre		
Total revenue from related parties	1,513,251	1,452,613

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

**Notes to the Financial Statements
For the Year Ended 31 March 2017**

	2017	2016
	\$	\$
Expenses paid to related parties includes the following		
Building Employee Redundancy Trust		
- Contribution on behalf of employees	22,855	174,633
BEWT Building Employees Welfare Trust		
- Contribution on behalf of employees	2,594	3,183
CIP Queensland		
- Contribution on behalf of employees	27,632	21,279
Mates in Construction		
- Sponsorship	4,043	3,500
Service Trades College Australia		
- Sponsorship	6,820	22,925
Total expenses paid to related parties	63,944	225,520

Amounts owed by related parties included the following		
BERT Training Queensland		
- Board meeting fees	3,187	3,054
- Sponsorship	1,000	-
Services Trades Queensland		
- Prepaid sponsorship	13,200	-
The Service Trades College Australia		
- Sponsorship	-	101,688
CIP Queensland		
- Board meeting fees	8,709	8,374
Building Employee Redundancy Trust		
- Board meeting fees	10,161	9,962
Total amounts owed by related parties	36,257	123,078

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

Notes to the Financial Statements For the Year Ended 31 March 2017

	2017 \$	2016 \$
Amounts owed to related parties included the following		
Building Employee Redundancy trust		
- Contribution on behalf of employees	1,260	-
- Unearned income training related grants	16,500	56,250
BEWT Building Employees Welfare Trust		
- Contribution on behalf of employees	162	2,500
- Unearned income grants for union based activities	48,125	-
CIP Queensland		
- Contribution on behalf of employees	1,836	12,500
- Unearned income grants for union based activities	16,500	-
BERT Training Queensland		
- Unearned income training related grants	332,198	-
Total amounts owed to related parties	416,581	71,250
Loans to related parties include the following		
- The Service Trades College Australia	-	57,004
Total loans to related parties	-	57,004

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2017, the Union has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2016: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

Notes to the Financial Statements For the Year Ended 31 March 2017

	2017	2016
	\$	\$
16 Remuneration of Auditors		
Remuneration of the auditor of the Union, Hanrick Curran, for:		
- auditing or reviewing the financial report	12,500	12,500
- other services	3,100	3,100
Total remuneration of auditors	<u>15,600</u>	<u>15,600</u>

No other services were provided by the auditors of the financial statements.

17 Fair Value Measurement

The Union measures the following assets and liabilities at fair value on a recurring basis:

- Financial assets
- Financial liabilities

Management of the reporting unit assessed that trade receivables and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 March 2017 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 March 2017 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

Notes to the Financial Statements
For the Year Ended 31 March 2017

17 Fair Value Measurement

17 Fair Value Measurement

The following table contains the carrying amounts and related fair values for the Union's financial asset and liabilities:

	2017 Carrying Amount \$	2017 Fair Value \$	2016 Carrying Amount \$	2016 Fair Value \$
Financial Assets	-	-	-	-
Loan - JIST	-	-	57,004	57,004
Total	-	-	57,004	57,004
Financial Liability	-	-	-	-
Lease - Motor Vehicle	33,644	33,644	97,665	97,665
Total	33,644	33,644	97,665	97,665

Fair value hierarchy

The following table provides an analysis of financial and non financial assets and liabilities that are measured at fair value, by fair value hierarchy.

	Level 1 \$	Level 2 \$	Level 3 \$
31 March 2017			
Asset measured at fair value			
Loan - JIST	-	-	-
Total	-	-	-
Liabilities measured at fair value			
Lease - Motor Vehicle	-	33,644	-
Total	-	33,644	-

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

Notes to the Financial Statements For the Year Ended 31 March 2017

17 Fair Value Measurement

17 Fair Value Measurement

Fair value hierarchy

	Level 1	Level 2	Level 3
	\$	\$	\$
31 March 2016			
Asset measured at fair value			
Loan - The Service Trades College Australia	-	57,004	-
Total	-	57,004	-
Liabilities measured at fair value			
Lease - Motor Vehicle	-	97,665	-
Total	-	97,665	-

18 Section 272 Fair Work (Registered Organisations) Act 2009

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) to (3) of section 272, which reads as follows:

Information to be provided to members or the General Manager of Fair Work Australia:

1. A member of a reporting unit, or the General Manager of Fair Work Australia, 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 Events Occurring After the Reporting Date

The financial report was authorised for issue on 13 June 2017 by the Committee of Management.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations or the state of affairs of the Union in future financial years.

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

Notes to the Financial Statements
For the Year Ended 31 March 2017

	2017	2016
	\$	\$
20 Cash Flow Information		
(a) Reconciliation of result for the year to cashflows from operating activities		
Reconciliation of net Income to net cash provided by operating activities:		
Profit for the year	213,453	224,054
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	152,837	59,923
- net gain on disposal of property, plant and equipment	(15,149)	(6,472)
Changes in assets and liabilities		
- (increase)/decrease in trade and other receivables	112,308	356,453
- (increase)/decrease in prepayments	1,543	15,201
- increase/(decrease) in income in advance	(13,017)	(165,062)
- increase/(decrease) in trade and other payables	313,720	191,092
- increase/(decrease) in other creditors/accruals	259,346	(122,571)
- increase/(decrease) in provisions	120,787	(287,758)
Cashflows from operations	1,145,828	264,840
(b) Cash flow information		
Cash inflows		
CEPU QLD joint account	-	-
CEPU communications division	-	-
CEPU electrical division	-	-
Cash outflows		
CEPU national office	161,554	153,039
CEPU national council	11,593	3,391
CEPU communications division	-	-
CEPU QLD joint account	30,769	25,205
CEPU electrical division	-	440
Total cash outflows	203,916	182,075

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

ABN: 51 918 867 235

Notes to the Financial Statements For the Year Ended 31 March 2017

21 Financial Risk Management

The Union's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable, loans to related entities and leases.

The total 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

	2017	2016
	\$	\$
Financial Assets		
Cash and cash equivalents	2,439,476	1,877,788
Trade and other receivables	41,154	153,385
Total financial assets	<u>2,480,630</u>	<u>2,031,173</u>
Financial liabilities		
Trade and other payables	1,399,242	820,964
Motor vehicle loan	28,661	74,452
Total financial liabilities	<u>1,427,903</u>	<u>895,416</u>

Financial Risk Management Policies

The Committee of Management monitors the Union's financial risk management policies and exposures and approves financial transactions entered into. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, financing risk and interest rate risk. The Committee of Management meets monthly to review the financial exposure of the Union.

The main risk the Union is exposed to through its financial instruments are credit risk, liquidity risk and market risk, consisting of interest rate risk.

Credit risk

Exposure to credit card risk relating to financial assets arises from the potential non-performance by the counterparties of contract obligations that could lead to a financial loss to the Union.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for approval, granting and renewal of credit limits and monitoring the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transaction are sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

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Notes to the Financial Statements For the Year Ended 31 March 2017

21 Financial Risk Management

Credit risk

Credit Risk Exposures

The maximum exposure to credit risk is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Union has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 5.

Credit risk relating to balances with banks and other financial institutions is managed by the Committee of Members.

Liquidity risk

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligation related to financial liabilities. The Union manages liquidity risk by monitoring forecast cash flows, holding adequate cash reserves and ensuring that adequate finance facilities are maintained.

The table below reflect an undiscounted contractual maturity analysis for financial liabilities

Cash flows realised from financial assets reflects the Committee of Management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that financing facilities will be rolled forward.

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

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Notes to the Financial Statements For the Year Ended 31 March 2017

21 Financial Risk Management

Financial Liability and Financial Assets Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Liabilities due for payment								
Trade and other payables	1,399,242	820,964	-	-	-	-	1,399,242	820,964
Motor vehicle loans	28,661	45,791	-	28,661	-	-	28,661	74,452
Total financial liabilities	1,427,903	866,755	-	28,661	-	-	1,427,903	895,416
Financial assets- cash flow realisable								
Cash and cash equivalents	2,439,476	1,877,788	-	-	-	-	2,439,476	1,877,788
Trade and other receivables	41,154	153,384	-	-	-	-	41,154	153,384
Total anticipated inflows	2,480,630	2,031,172	-	-	-	-	2,480,630	2,031,172
Net inflows of financial instruments	1,052,727	1,164,417	-	(28,661)	-	-	1,052,727	1,135,756

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

ABN: 51 916 867 235

Notes to the Financial Statements For the Year Ended 31 March 2017

21 Financial Risk Management

Market risk

(i) 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 Union is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed using a mixed of fixed and floating rate financial instruments. The effective interest rate exposure to interest rate financial instruments are as follows:

(ii) Foreign Exchange Risk

The Union is not exposed to fluctuations in foreign currencies.

(iii) Price Risk

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

Net Fair Values

Fair value estimation

No financial assets and financial liabilities are readily traded on organised markets. The net fair values of assets and liabilities approximate their carrying value. There are no financial assets where the carrying value exceeds net fair values.

Sensitivity analysis

Interest rate risk

The Union has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

Interest rate sensitivity analysis

	2017	2016
Change in profit		
Increase in interest rate by 1%	254	190
Decrease in interest rate 1%	(254)	(190)
Change in equity		
Increase in interest rate by 1%	23,660	19,135
Decrease in interest rate by 1%	(23,660)	(19,135)

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Notes to the Financial Statements For the Year Ended 31 March 2017

21 Financial Risk Management

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

22 Capital Management

The Committee of Management controls the capital of the Union in ensure that adequate cash flows are generated to fund its operations and continue as a going concern.

Risk management policies are approved and reviewed by the Committee of Management on a regular basis. These include credit risk policies and future cash flows requirements.

The Union's debt consists of financial liabilities, supported by financial assets.

The Committee of Management effectively manages the Union's capital by assessing the Union's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by the Committee of Management to control the capital of the Union since the previous year.

The gearing ratio for the year ended 31 March 2017 and 31 March 2016 are as follows:

		2017	2016
		\$	\$
Motor vehicle loan	10	28,661	97,666
Trade and other payables	8	1,399,242	820,964
Less Cash and cash equivalents	4	(2,439,476)	(1,877,788)
Net debt		(1,011,573)	(959,158)
Equity		2,291,207	2,077,753
Total capital		1,279,634	1,118,595
Gearing ratio		79.00 %	(85.00)%

23 Union Details

The principal places of business is:
41 Peel Street
South Brisbane
Queensland 4101

24 Segment Information

The Union operates solely in one reporting business segment being the provision of trade union services.

The Union operates from one reportable geographical segment being Australia.

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch

Independent Audit Report to the members of Communication, Electrical, Electronic, Energy, Information, Postal, Plumbing Division Queensland Branch

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Communication, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division Queensland Branch (the Entity), which comprises of the statement of financial position as at 31 March 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards and Fair Work (Registered Organisations) Act 2009.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards and Fair Work (Registered Organisations) Act 2009 and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hanrick Curran Audit

Hanrick Curran Audit Pty Ltd
Authorised Audit Company: 338599



Michael Georghiou
Director

Brisbane, *13 June* 2017