



Australian Government
Australian Industrial Registry

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

Ref: FR2006/606-[128V-QLD]

Mr Richard Williams
Branch Secretary
CEPU Electrical Division
Queensland Divisional Branch
41 Peel Street
SOUTH BRISBANE QLD 4101

Dear Mr Williams

Financial Return - year ending 31 December, 2006

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

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

Information on AIRC Website

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

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

Reporting Unit

Under the provisions of the Registration and Accountability of Organisations Schedule (RAO), Schedule 1 of the *Workplace Relations Act 1996*, reporting entities are known as "*reporting units*". Where an organisation is **not** divided into branches the reporting unit is the whole of the organisation. Where an organisation **is** divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will use the term "reporting unit" in this letter.

Industrial Registrar's Guidelines

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

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

Timeline Planner and Checklist

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

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

Three Reports

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

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar's Reporting Guidelines. The GPFR consists of:
 - (a) Financial Statements containing:
 - a profit and loss statement, or other operating statement; and
 - a balance sheet; and
 - a statement of cash flows; and
 - any other statements required by the Australian Accounting Standards; and
 - (b) Notes to the Financial Statements containing:
 - notes required by the Australian Accounting Standards; and
 - information required by the Industrial Registrar's *Reporting Guidelines* under section 255 including disclosures related to any recovery of wages activity ; and
 - (c) Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C) including declarations related to the recovery of wages activity.
2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

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

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

First Meeting (Committee of Management)

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

The Auditor

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

Informing Your Members

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

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

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

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

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

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

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

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

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

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

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

Lodge full report within 14 days of meeting

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

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

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

Complying with time limits

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

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

Extensions of Time

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

Contact the Registry

We encourage you to contact the Registry on (02) 8374 6618 or by e-mail at belinda.penna@air.gov.au as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedures but we cannot give you legal or accounting advice.

Yours sincerely



For Deputy Industrial Registrar
19 January 2007

Documents Checklist

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

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

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

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

Committee Of Management Statement

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

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

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

[Add the following if any recovery of wages activity has been undertaken during the financial year]

- (f) in relation to recovery of wages activity:
 - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
 - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
 - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) that prior to engaging in any recovery of wages activity, the organization has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and

- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

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

Title of Office held:

Signature:

Date:

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

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

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *Workplace Relations Act 1996*

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

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

Signature

Date:

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

(a) the secretary; or

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

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

³*Insert whichever is applicable*



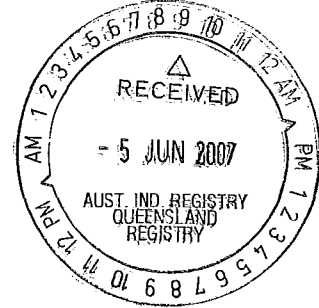
**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, ELECTRICAL DIVISION,
QUEENSLAND & NORTHERN TERRITORY DIVISIONAL BRANCH**

REGISTERED OFFICE:
41 Peel Street
SOUTH BRISBANE QLD 4101

POSTAL ADDRESS:
PO Box 3520
SOUTH BRISBANE QLD 4101
Please address all correspondence to the
Secretary: R.L. (Dick) WILLIAMS

Telephone: (07) 3846 2477
Facsimile: (07) 3844 9851
www.etu.org.au
info@cepuqld.asn.au

Ref: RLW/XSZ



Australian Industrial Relations Commission
GPO Box 373
BRISBANE QLD 4001

Monday, 4th June 2007

Dear Sir/Madam

RE: 2006 FINANCIAL RETURNS

The documents lodged herewith are an original copy of this organisations audited Financial Statements for the year ending 31st December 2006. These were tabled at our Annual General Meeting on 29th May 2007 (second meeting) and they include the Certificate by Auditor, the Committee of Management Certificate and the Accounting Officer's Certificate, which were in accordance with a resolution, passed by the Committee at our meeting on 23rd April 2007 (first meeting).

All members have received a copy of same which was included with our Winter 2007, Volume No.56, Electrical Worker Bulletin.

Yours faithfully


Richard Williams
Divisional Branch Secretary

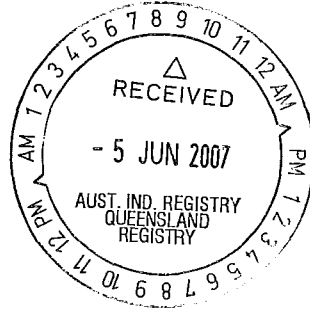
Encl.

**CENTRAL
QUEENSLAND**
26 Beckinsale Street
PO Box 848
Gladstone 4680
Ph: (07) 4972 6676
Fax: (07) 4972 5721

MACKAY
41 Brisbane Street
PO Box 1854
Mackay 4740
Ph: (07) 4953 4799
Fax: (07) 4953 4899

**NORTH
QUEENSLAND**
15 Palmer Street
PO Box 5800
Townsville 4810
Ph: (07) 4772 3122
Fax: (07) 4721 1117

**NORTHERN
TERRITORY**
First Floor,
38 Woods Street
PO Box 4053
Darwin 0801
Ph: (08) 8941 2300
Fax: (08) 8981 1770



**COMMUNICATIONS, ELECTRICAL, ELECTRONIC,
ENERGY, INFORMATION, POSTAL, PLUMBING AND
ALLIED SERVICES UNION OF AUSTRALIA
ELECTRICAL DIVISION, QUEENSLAND AND NORTHERN TERRITORY
DIVISIONAL BRANCH**

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2006

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION,
QUEENSLAND AND NORTHERN TERRITORY DIVISIONAL BRANCH

FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2006

CONTENTS

| | Page No |
|---|---------|
| General Fund | |
| Independent Audit Report..... | 1 |
| Committee of Management's Operating Report..... | 3 |
| Income Statement..... | 6 |
| Balance Sheet..... | 7 |
| Statement of Changes in Equity..... | 8 |
| Cash Flow Statement..... | 9 |
| Notes to the Financial Statements..... | 10 |
| Objects of the Union..... | 22 |
| Membership - Certificate by Auditor..... | 23 |
| Audit Report – Additional Information..... | 24 |
| Additional Information..... | 25 |

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION, QUEENSLAND AND NORTHERN TERRITORY DIVISIONAL BRANCH

Scope

The financial report and Committee of Management's ("Committee") responsibility

The financial report comprises the income statement, balance sheet, statement of changes in equity, statement of cash flows, accompanying notes to the financial statements and the Committee's operating report for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Queensland and Northern Territory Divisional Branch ("Union"), for the year ended 31 December 2006.

The Committee of the Union is responsible for the preparation and true and fair presentation of the financial report in accordance with the *Workplace Relations Act 1996* ("Act"). This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the Union. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Act and Union's Rules, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Union's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Committee.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

MGI White Hancock Chartered Accountants (incorporating Alexander Partners)

MGI White Hancock Pty Ltd ABN 68 295 962 698

Central Plaza Two, 66 Eagle Street, GPO Box 1087, Brisbane Qld 4001 Australia

t: +61 7 3002 4800 f: +61 7 3229 5603 e: wh@mgiwh.com.au www.mgiwh.com.au

MGI is a worldwide association of independent auditing, accounting and consulting firms.

Each member firm undertakes no responsibility for the activities, work, opinions or service of the other member firms.

Audit Opinion

In our opinion:

- (1) The financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Queensland and Northern Territory Divisional Branch is in accordance with:
 - a. the *Workplace Relations Act 1996*, including:
 - i. giving a true and fair view of the Union's financial position as at 31 December 2006 and of its performance for the year ended on that date; and
 - ii. complying with Accounting Standards in Australia; and
 - b. other mandatory professional reporting requirements.
- (2) The Union has kept satisfactory accounting records for the financial year including records of:
 - (i) the sources and nature of the Union's income, including membership subscriptions and other income from members; and
 - (ii) the nature of and reasons for the Union's expenditure.
- (3) All the information and explanations that officers or employees of the Union were required to provide have been provided; and
- (4) There was no deficiency, failure or shortcoming in any matters referred to in (1) to (3) above.



MGI WHITE HANCOCK
Chartered Accountants



A D FRASER
Registered Company Auditor

Brisbane

23 April 2007

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION,
QUEENSLAND AND NORTHERN TERRITORY DIVISIONAL BRANCH**

**COMMITTEE OF MANAGEMENT OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2006**

Operating Report

In accordance with section 254 of the Workplace Relations Act 1996 ("Act") the Committee of Management ("the Committee") presents its Operating Report on the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical Division, Queensland and Northern Territory Divisional Branch ("Union"), for the year ended 31 December 2006.

Principal Activities

The principal activity of the Union was to act on behalf of members in pursuit of the Objects of the Union (detailed at page 22).

Operating Results

The profit for the financial year amounted to \$618,109 (2005: \$890,381).

Review of Operations

A review of the operations of the Union during the financial year found that there was no significant change in the nature or the results of the operations during the year.

After Balance Date Events

No matters of 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.

Future Developments

Likely developments in the operations of the Union are the expected result of those operations in future financial years have not been included in this report as such information is likely to result in unreasonable prejudice to the Union.

Environmental Issues

The Union's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Members Right to Resign

The right of members to resign from the Union is set out in the Rules of the CEPU – Electrical Division and on the reverse side of the application to join form.

Membership of Superannuation Scheme

Those who hold a position of trustee or director of an entity, scheme or company as described in s.254 (2)(d) of Schedule 1B, where a criterion of such entity is that the holder of such position must be a member or official of a registered organisation are as follows:

| | |
|------------------|--|
| Walter Threlfall | Director of SMART (Sugar Manufactures of Australia Retirement Trust) |
| Richard Williams | Alternate Director of SPEC (Q) |

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION,
QUEENSLAND AND NORTHERN TERRITORY DIVISIONAL BRANCH

COMMITTEE OF MANAGEMENT OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2006

Number of Members

The number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for s.230 of the RAO Schedule and who are taken to be members of the Union under s.244 of the RAO Schedule is:

| | |
|---------------------------|--------|
| Total | 13,922 |
| Financial | 10,458 |
| Honorary and Life members | 885 |
| Unfinancial | 2,579 |

Members of the Committee of Management

The name of each person who has been a member of the committee of management of the Union at any time during the reporting period, and the period for which he or she held such a position is as follows:

| Name | Period of appointment |
|-----------------------|------------------------------|
| *Abbott, Gordon | Whole Period |
| Baker, Gary | Whole Period |
| *Bloxsom, Gary | Whole Period |
| *Calligan, Peter | Whole Period |
| Cawley, Peter | Whole Period |
| *Christoffel, Jeffrey | Whole Period |
| Cooke, Clive | Whole Period |
| Coxon, Michael | Whole Period |
| Cunningham, Clayton | From 20/11/06 |
| Denson, Shane | Whole Period |
| Dick, Peter | Whole Period |
| *Fiteni, Joseph | Whole Period |
| Francis, Terrie | Whole Period |
| Hamblyn, Gary | Whole Period |
| Higgins, Shawn | Whole Period |
| Jeffer, Brendan | Whole Period |
| Keding, Daryl | Whole Period |
| *List, Stephen | Whole Period |
| McGaw, Christopher | Whole Period |
| Moloney, Wendel | From 20/11/06 |
| Reichman, Scott | Whole Period |
| Simpson, Peter | Whole Period |
| Smith, Clinton | Whole Period |
| Smith, Gregory | Whole Period |
| Stein, Clark | Whole Period |
| Taylor, John | Whole Period |
| Truill, Stuart | Whole Period |
| *Williams, Richard | Whole Period |

** Member of the Divisional Branch Executive*

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION,
QUEENSLAND AND NORTHERN TERRITORY DIVISIONAL BRANCH

COMMITTEE OF MANAGEMENT OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2006

Indemnifying Officers or Auditors

The Union has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor:

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against liability for the costs or expenses to defend legal proceedings.

Proceedings on Behalf of Union


No person has applied for leave of Court to bring proceedings on behalf of the Union or intervene in any proceedings to which the Union is a part for the purpose of taking responsibility on behalf of the Union for all or any part of those proceedings. The Union was not a party to any such proceedings during the year.

Other Information

There is no other information that the Union considers relevant.

This report is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee Members by:


G Abbott


R Williams

23 April 2007

South Brisbane

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION,
QUEENSLAND AND NORTHERN TERRITORY DIVISIONAL BRANCH**

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

| | Notes | 2006 \$ | 2005 \$ |
|---|-------|-----------------------|-----------------------|
| Revenue | 2 | 5,169,388 | 5,025,670 |
| Employee benefits expense | | (2,364,081) | (1,955,987) |
| Depreciation and amortisation expenses | 3 | (144,399) | (189,589) |
| Finance costs | 3 | (10,265) | (6,006) |
| Other expenses | | (2,032,534) | (1,983,707) |
| Profit before income tax expense | | <u>618,109</u> | <u>890,381</u> |
| Income tax expense | 1(a) | <u>-</u> | <u>-</u> |
| Profit attributable to members of the Union | | <u><u>618,109</u></u> | <u><u>890,381</u></u> |

The accompanying notes form part of these financial statements

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION,
QUEENSLAND AND NORTHERN TERRITORY DIVISIONAL BRANCH

BALANCE SHEET
AS AT 31 DECEMBER 2006

| | Notes | 2006 \$ | 2005 \$ |
|--------------------------------------|-------|------------------|------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 4,950,578 | 2,821,384 |
| Trade and other receivables | 5 | 60,085 | 737 |
| Investments | 7 | - | 1,413,863 |
| TOTAL CURRENT ASSETS | | <u>5,010,663</u> | <u>4,235,984</u> |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 6 | 321,064 | 447,431 |
| Loan receivable | 8 | 680,000 | 680,000 |
| TOTAL NON-CURRENT ASSETS | | <u>1,001,064</u> | <u>1,127,431</u> |
| TOTAL ASSETS | | <u>6,011,727</u> | <u>5,363,415</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 185,300 | 94,029 |
| Short-term borrowings | 10 | 26,299 | 42,549 |
| Short-term provisions | 11 | 448,999 | 546,516 |
| TOTAL CURRENT LIABILITIES | | <u>660,598</u> | <u>683,094</u> |
| NON-CURRENT LIABILITIES | | | |
| Long-term borrowings | 12 | 94,612 | 120,911 |
| Long-term provisions | 13 | 117,286 | 38,288 |
| TOTAL NON-CURRENT LIABILITIES | | <u>211,898</u> | <u>159,199</u> |
| TOTAL LIABILITIES | | <u>872,496</u> | <u>842,293</u> |
| NET ASSETS | | <u>5,139,231</u> | <u>4,521,122</u> |
| MEMBERS EQUITY | | | |
| Retained Profits | | <u>5,139,231</u> | <u>4,521,122</u> |

The accompanying notes form part of these financial statements

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
 PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION,
 QUEENSLAND AND NORTHERN TERRITORY DIVISIONAL BRANCH

STATEMENT OF CHANGES IN MEMBERS EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2006

| | Notes | Retained Earnings | Total |
|------------------------------------|-------|-------------------------|-------------------------|
| | | \$ | \$ |
| Balance at 1 January 2005 | | | |
| Retained Earnings | | 3,630,741 | 3,630,741 |
| Profit for the year | | 890,381 | 890,381 |
| Balance at 31 December 2005 | | <u>4,521,122</u> | <u>4,521,122</u> |
| | | | |
| Balance at 1 January 2006 | | | |
| Retained Earnings | | 4,521,122 | 4,521,122 |
| Profit for the year | | 618,109 | 618,109 |
| Balance at 31 December 2006 | | <u>5,139,231</u> | <u>5,139,231</u> |

The accompanying notes form part of these financial statements

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION,
QUEENSLAND AND NORTHERN TERRITORY DIVISIONAL BRANCH

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006

| | Notes | 2006 \$ | 2005 \$ |
|---|-------|------------------|------------------|
| Cash Flows from Operating Activities | | | |
| Membership contributions | | 4,147,339 | 3,889,421 |
| Interest received | | 337,973 | 266,299 |
| Other receipts from customers | | 390,804 | 531,745 |
| Fines and Levies | | 272,539 | 337,680 |
| Payments to employees | | (2,382,600) | (1,943,039) |
| Payments to supplies | | (1,964,881) | (2,173,171) |
| Finance costs | | (10,265) | (6,006) |
| Net cash provided by operating activities | 14(b) | <u>790,909</u> | <u>902,919</u> |
| Cash Flows from Investing Activities | | | |
| Payment for property, plant & equipment | | (106,308) | (86,694) |
| Proceeds from sale of property, plant & equipment | | 95,453 | 39,091 |
| (Payment to)/ Advance from DMB fund | | (18,181) | 18,181 |
| Proceeds from TCV Investment | | 1,391,689 | - |
| Net cash provided by/(used in) investing activities | | <u>1,362,653</u> | <u>(43,986)</u> |
| Cash Flows Financing Activities | | | |
| Motor Vehicle finance lease repayments (principal) | | (24,368) | (14,564) |
| Net cash used in financing activities | | <u>(24,368)</u> | <u>(14,564)</u> |
| Net increase in cash held | | 2,129,194 | 858,933 |
| Cash at beginning of financial year | | <u>2,821,384</u> | <u>1,962,451</u> |
| Cash at end of financial year | 14(a) | <u>4,950,578</u> | <u>2,821,384</u> |

The accompanying notes form part of these financial statements

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION,
QUEENSLAND AND NORTHERN TERRITORY DIVISIONAL BRANCH**

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report covers the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Electrical Division Queensland and Northern Territory Divisional Branch ("Union") as an individual entity. The Union is a trade union which is incorporated and domiciled in Australia.

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

Basis of Preparation

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

(a) Income Tax

The Union is exempt from income tax by virtue of s50-45 of the Income Tax Assessment Act 1997.

(b) Plant and Equipment

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

Plant and equipment

Plant and equipment is measured on the cost basis.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with that item will flow to the group and the costs of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION,
QUEENSLAND AND NORTHERN TERRITORY DIVISIONAL BRANCH**

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

NOTE 1: ACCOUNTING POLICIES (cont.)

(b) Plant and Equipment (cont.)

Depreciation

The depreciable amount of all fixed assets including capitalised leased assets, is depreciated on a straight line basis over their estimated useful lives to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

| Class of Fixed Asset | Depreciation Rate |
|----------------------|-------------------|
| Plant and equipment | 5% - 40% |
| Motor Vehicles | 20% |

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

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

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

(c) Impairment of Assets

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

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown with short-term borrowings in current liabilities on the balance sheet.

(e) Financial Instruments

Recognition

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

Financial assets at fair value through profit and Loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION,
QUEENSLAND AND NORTHERN TERRITORY DIVISIONAL BRANCH**

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

NOTE 1: ACCOUNTING POLICIES (cont.)

(e) Financial Instruments (cont.)

Loans and Receivables

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

Held-to-maturity investments

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

Financial Liabilities

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

Impairment

At each reporting date, the Union assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

(f) Employee Benefits

Provision is made for the Union's liability for employee benefits (Annual Leave and Long Service Leave) arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(g) Chattel Mortgages

Chattel Mortgages used to finance fixed assets, where substantially all the risks and benefits incidental to the ownership of the assets, are transferred to the Union are classified as assets. Chattel Mortgages are capitalised, recording an asset and liability equal to the present value of the minimum payments including any guaranteed residual values. The Assets (motor vehicles) are amortised on a straight-line basis over their estimated useful lives. Payments are allocated between the reduction of the liability and the interest expense of the period.

(h) Leases

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

(i) Revenue

Revenue from membership contributions is recognised on a cash basis.

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

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

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION,
QUEENSLAND AND NORTHERN TERRITORY DIVISIONAL BRANCH**

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

NOTE 1: ACCOUNTING POLICIES (cont.)

(j) Borrowing Costs

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

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

(k) Goods and services tax (GST)

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

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

(l) Comparative Figures

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

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 within the group.

Key Estimates – Impairment

The Union assess impairment at each reporting date by evaluating 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.

No impairment has been recognised in respect of the current year.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION, QUEENSLAND AND NORTHERN TERRITORY DIVISIONAL BRANCH

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

| | Note | 2006 \$ | 2005 \$ |
|---|------|------------------|------------------|
| NOTE 2 – REVENUE | | | |
| Membership received | | 4,377,163 | 4,249,446 |
| Rental income | | 142,037 | 144,654 |
| Interest received | | 337,973 | 266,299 |
| Refunds received | | 98,903 | 147,371 |
| Advertising received | | 34,750 | 78,112 |
| Administration Fees - Distress, Mortality & Building Fund | | 17,614 | 19,880 |
| Merchandise Sold | | 10,892 | 12,544 |
| Sundry Income | | 150,056 | 107,364 |
| | | <u>5,169,388</u> | <u>5,025,670</u> |
| NOTE 3 – PROFIT FROM ORDINARY ACTIVITIES | | | |
| Expenses | | | |
| (i) Finance Costs - External | | 10,265 | 6,006 |
| (ii) Depreciation and amortisation | | | |
| - Motor vehicles | | 94,537 | 107,160 |
| - Plant and equipment | | 27,688 | 68,568 |
| - TCV investment | | 22,174 | 13,861 |
| | | 144,399 | 189,589 |
| (iii) Conference expenses | | 219,778 | 228,724 |
| (iv) National council expenses | | 360,950 | 382,460 |
| (v) Legal fees | | 109,233 | 155,636 |
| (vii) Sale of property, plant and equipment | | | |
| - Profit on sale | | - | 525 |
| - Loss on sale | | 14,997 | 4,993 |
| NOTE 4 – CASH ASSETS | | | |
| Cash on Hand | | 2,857 | 4,181 |
| Cash at Bank | | 78,530 | 111,446 |
| Deposit at Call (CBA) | | 600,307 | 750,394 |
| Deposits (Members Equity) | | 4,268,884 | 1,955,363 |
| | | <u>4,950,578</u> | <u>2,821,384</u> |

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION, QUEENSLAND AND NORTHERN TERRITORY DIVISIONAL BRANCH

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

| | Note | 2006 \$ | 2005 \$ |
|--|------|-----------------------|-----------------------|
| NOTE 5 – TRADE AND OTHER RECEIVABLES | | | |
| Trade and other Receivables | | 6,473 | 737 |
| Prepayment to ETU Fighting Fund | | 53,612 | - |
| | | <u>60,085</u> | <u>737</u> |
| NOTE 6 – PROPERTY, PLANT AND EQUIPMENT | | | |
| Furniture, Fittings and Office equipment: | | | |
| At cost | | 452,497 | 456,907 |
| Accumulated Depreciation | | (364,116) | (394,843) |
| Total furniture, fittings and office equipment | | <u>88,381</u> | <u>62,064</u> |
| Motor Vehicles: | | | |
| At cost | | 359,331 | 518,037 |
| Accumulated Depreciation | | (126,648) | (132,670) |
| Total motor vehicles | | <u>232,683</u> | <u>385,367</u> |
| Total Property, Plant & Equipment | | <u>321,064</u> | <u>447,431</u> |

(a) MOVEMENTS IN CARRYING AMOUNTS

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

| | Motor Vehicles | Furniture, Fittings and Office Equipment | Total |
|--|----------------|--|----------------|
| Balance at the beginning of year | 385,367 | 62,064 | 447,431 |
| Additions | 52,302 | 54,006 | 106,308 |
| Disposals | (210,311) | (58,425) | (268,736) |
| Write back of accumulated depreciation | 99,862 | 58,424 | 158,286 |
| Depreciation expense | (94,537) | (27,688) | (122,225) |
| Carrying amount at the end of year | <u>232,683</u> | <u>88,381</u> | <u>321,064</u> |

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING
AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION, QUEENSLAND AND
NORTHERN TERRITORY DIVISIONAL BRANCH

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

| | Note | 2006 \$ | 2005 \$ |
|--|------|----------------|------------------|
| NOTE 7 – INVESTMENTS | | | |
| TCV Investment – at cost | | - | 1,538,614 |
| Less: Amortisation | | - | (124,751) |
| | | <u>-</u> | <u>1,413,863</u> |
| NOTE 8 – LOAN RECEIVABLE | | | |
| Distress, Mortality & Building Fund receivable | | 680,000 | 680,000 |
| | | <u>680,000</u> | <u>680,000</u> |
| NOTE 9 – TRADE AND OTHER PAYABLES | | | |
| Trade payables and accrued expenses | | 102,112 | 10,888 |
| GST Collected | | 4,444 | 39,461 |
| Other payables | | 78,744 | 43,680 |
| | | <u>185,300</u> | <u>94,029</u> |
| NOTE 10 – SHORT TERM BORROWINGS | | | |
| Advance from DM&B Fund | | - | 18,181 |
| Finance Lease – Motor Vehicles | 15 | 26,299 | 24,368 |
| | | <u>26,299</u> | <u>42,549</u> |
| NOTE 11 – SHORT TERM PROVISIONS | | | |
| Provision for Annual Leave | | 310,196 | 277,731 |
| Provision for Long Service Leave | | 138,803 | 268,785 |
| | | <u>448,999</u> | <u>546,516</u> |
| NOTE 12 – LONG TERM BORROWINGS | | | |
| Finance Lease – Motor Vehicles | 15 | 94,612 | 120,911 |
| | | <u>94,612</u> | <u>120,911</u> |
| NOTE 13 – LONG TERM PROVISIONS | | | |
| Provision for Long Service Leave | | 117,286 | 38,288 |
| | | <u>117,286</u> | <u>38,288</u> |

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING
AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION, QUEENSLAND AND
NORTHERN TERRITORY DIVISIONAL BRANCH

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

| | Note | 2006 \$ | 2005 \$ |
|--|------|--------------------|--------------------|
| NOTE 14 –CASH FLOW INFORMATION | | | |
| (a) Reconciliation of Cash and Cash Equivalents | | | |
| For the purposes of the Cash Flow Statement, cash and cash equivalents includes cash on hand, at banks and on deposits or any other cash held that can be readily convertible to known amount of cash and be subject to an insignificant risk of changes in value. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows: | | | |
| Cash on hand | | 2,857 | 4,181 |
| Cash at Bank | | 78,530 | 111,446 |
| Deposit at Call (CBA) | | 600,307 | 750,394 |
| Deposits (Members Equity) | | 4,268,884 | 1,955,363 |
| | | <u>4,950,578</u> | <u>2,821,384</u> |
| | | | |
| (b) Reconciliation of Net Cash Provided by Operating Activities to Net Profit after Income Tax | | | |
| Operating Surplus | | <u>618,109</u> | <u>890,381</u> |
| Non cash flows in profit from ordinary activities | | | |
| - Depreciation & Amortisation | | 144,399 | 189,589 |
| - Loss on disposal of property, plant and equipment | | 14,997 | 4,993 |
| | | <u>159,396</u> | <u>194,582</u> |
| Changes in assets and liabilities | | | |
| (Increase)/ decrease in trade receivables | | (59,348) | 21,515 |
| (Increase)/ decrease in other receivables | | - | 31,432 |
| Increase/ (decrease) in trade payables and accruals | | 91,271 | (247,939) |
| Increase/ (decrease) in provisions | | (18,519) | 12,948 |
| | | <u>13,404</u> | <u>(182,044)</u> |
| Net Cash provided by Operating Activities | | <u>790,909</u> | <u>902,919</u> |
| | | | |
| (c) Credit standby arrangements | | | |
| Finance Leases | | | |
| Used facility | | 120,911 | 145,279 |
| Unused facility | | - | - |
| Total Facility | | <u>120,911</u> | <u>145,279</u> |

The financing facility has been arranged with a number of Australian banks with the facility due to expire in 2009.

The Union does not operate any other financing facilities at 31 December 2006.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION, QUEENSLAND AND NORTHERN TERRITORY DIVISIONAL BRANCH

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

| | Note | 2006 \$ | 2005 \$ |
|---|------|-----------------|-----------------|
| NOTE 15 – COMMITMENTS AND CONTINGENCIES | | | |
| (a) Operating Lease Commitments | | - | - |
| (b) Contingent liabilities and Commitments There are no material contingent liabilities or Commitments | | | |
| (c) Finance Lease Commitments – Motor Vehicles | | | |
| Payable – Minimum lease payments | | | |
| - not later than 12 months | | 34,633 | 34,633 |
| - between 12 months and 5 years | | 103,484 | 138,117 |
| - greater than 5 years | | - | - |
| Minimum lease payments | | <u>138,117</u> | <u>172,750</u> |
| Less: Future financing charges | | <u>(17,206)</u> | <u>(27,471)</u> |
| Present value of minimum lease payments | | <u>120,911</u> | <u>145,279</u> |

The finance lease is on two motor vehicles, which commenced in 2005 and is due to cease in 2009.

NOTE 16 – RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

(a) Distress, Mortality and Building Fund
The Union receives receipts and payments on behalf of the Distress, Mortality and Building Fund ("the Fund"). Once received, the Union forwards such receipts and payments to the Fund. Refer Note 22 for further information.

In addition, the Union has an amount owing by the Fund at balance date of \$680,000 (2005: \$680,000).

NOTE 17 – KEY MANAGEMENT PERSONNEL

Key management personnel comprise of those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Union. During the year, the key management personnel of the Union were remunerated as follows:

| | Short-Term Benefits | Post-Employment Benefits | Total |
|--------------------|------------------------|-----------------------------|---------|
| 2006 | | | |
| Total compensation | 194,252 | 29,605 | 223,857 |
| 2005 | | | |
| Total compensation | 184,412 | 28,467 | 212,879 |

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION, QUEENSLAND AND NORTHERN TERRITORY DIVISIONAL BRANCH

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

| | Note | 2006 \$ | 2005 \$ |
|---|------|---------------|---------------|
| NOTE 18 – AUDITORS REMUNERATION | | | |
| Amounts received or due and receivable by the auditor of the Union for: | | | |
| (a) audit of the financial report of the Union | | 15,000 | 15,000 |
| (b) audit of other associated entities of the Union | | 7,883 | 8,269 |
| (c) other services | | 5,500 | 5,500 |
| | | <u>28,383</u> | <u>28,769</u> |

NOTE 19 – 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.

NOTE 20 – FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The Union's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable and leases.

The main purpose of non-derivative financial instruments is to raise finance for the Union's operations.

The Union does not have any derivative instruments at 31 December 2006.

(i) Treasury risk management

Senior committee members meet on a regular basis to analysis interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

(ii) Financial risk

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

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating interest bearing investments.

Foreign currency risk

The Union is not exposed to fluctuations in foreign currencies.

Liquidity risk

The Union manages liquidity risk by monitoring forecast cash flows and ensuring that adequate borrowing facilities are maintained and available.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION, QUEENSLAND AND NORTHERN TERRITORY DIVISIONAL BRANCH

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

NOTE 20 – FINANCIAL INSTRUMENTS (Cont.)

Credit risk

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

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

Price Risk

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

(b) Interest Rate Risk

The Union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

| | Weighted Average Effective Interest Rate | | Fixed Interest Rate | | Floating Interest Rate | | Non Interest Bearing | | TOTAL | |
|------------------------------------|--|--------|---------------------|-----------|------------------------|-----------|----------------------|---------|-----------|-----------|
| | 2006 % | 2005 % | 2006 \$ | 2005 \$ | 2006 \$ | 2005 \$ | 2006 \$ | 2005 \$ | 2006 \$ | 2005 \$ |
| Financial Assets | | | | | | | | | | |
| Cash on hand | - | - | - | - | - | - | 2,857 | 4,181 | 2,857 | 4,181 |
| Cash at bank | 0.95 | 0.95 | - | - | 78,530 | 111,446 | - | - | 78,530 | 111,446 |
| Deposits (ME) | 6.25 | 5.50 | - | - | 4,268,884 | 1,955,363 | - | - | 4,268,884 | 1,955,363 |
| Deposit at Call (CBA) | 5.50 | 4.75 | - | - | 600,307 | 750,394 | - | - | 600,307 | 750,394 |
| Investments | - | 10.25 | - | 1,413,863 | - | - | - | - | - | 1,413,863 |
| Receivables | - | - | - | - | - | - | 60,085 | 737 | 60,085 | 737 |
| Unsecured Loan | - | - | - | - | - | - | 680,000 | 680,000 | 680,000 | 680,000 |
| Total Financial Assets | | | - | 1,413,863 | 4,947,721 | 2,817,203 | 742,942 | 684,918 | 5,690,663 | 4,915,984 |
| Financial Liabilities | | | | | | | | | | |
| Trade & other payables | - | - | - | - | - | - | 185,300 | 94,029 | 185,300 | 94,029 |
| Borrowings | 7.36 | 7.36 | 120,902 | 145,279 | - | - | - | 18,181 | 120,902 | 163,460 |
| Total Financial Liabilities | | | 120,902 | 145,279 | - | - | 185,300 | 112,210 | 306,202 | 257,489 |

(c) Credit Risk

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

The Union does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Union.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION, QUEENSLAND AND NORTHERN TERRITORY DIVISIONAL BRANCH

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

NOTE 20 – FINANCIAL INSTRUMENTS (Cont.)

(d) Net Fair Values

The net fair values of listed investments have been valued at cost at balance date. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have been written down as the Union intends to hold these assets to maturity.

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

NOTE 21 – UNION DETAILS

The principal place of business is:

41 Peel Street
South Brisbane
Queensland 4101

NOTE 22 - DISTRESS AND MORTALITY AND BUILDING FUND – QUEENSLAND AND NORTHERN TERRITORY (“Fund”)

The DMB levy received by the Union on behalf of the Fund, which is a trust fund, is excluded from the income statement. Those amounts are presented in the audited financial report of the Fund. The amounts excluded are:

- | | |
|----------------------------|-----------------------------|
| • levy received | \$181,898 (2005:\$ 206,430) |
| • levy transferred to Fund | \$183,691 (2005:\$ 207,916) |

NOTE 23 - INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996 as amended the attention of members is drawn to the following provisions:

Workplace Relations Act 1996 - Sections 272 (1), (2) and (3):

Sub-Section (1)

A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation to be made available to the person making the application.

Sub-Section (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 organisation.

Sub-Section (3)

The organisation must comply with an application made under sub section (1) above.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION, QUEENSLAND AND NORTHERN TERRITORY DIVISIONAL BRANCH

The purposes for which the Union is established are:

- (a) To advance the trade interests of members and secure a proper classification of the workers in the industry.
- (b) To obtain adequate pay for its members and the institution and maintenance of the apprenticeship system.
- (c) To afford legal protection to its members in industrial matters.
- (d) To establish and maintain an employment bureau for electrical workers.
- (e) To publish a trade union journal or newspaper.
- (f) To establish a Branch or Branches of the Union and Sub-Branches of Branches and Agencies of Branches.
- (g) To organise the electrical workers into Branches or Sub-Branches of the Union throughout the Commonwealth of Australia.
- (h) To financially assist Branches and Sub-Branches.
- (i) To provide for the acquisition or leasing of property.
- (j) To secure preference of employment of Unionists.
- (k) To advance the living and working conditions of workers and their families, and to assist kindred Unions and to support other bodies having these objects, and such projects for the advancement of Labor as the Union may determine.
- (l) The abolition and prevention of contract and piecework schemes and the restriction and control of incentive and bonus systems in industry.
- (m) To establish funds to assist members in distress through sickness or accident or who are lawfully out of employment.
- (n) To make financial provision for carrying out the objects set out herein.
- (o) To make such provision for superannuation payments or retiring allowances and/or long service leave to full-time officers and/or employees of the Union as the Union may determine.
- (p) To establish a fund for sustenance of members involved in industrial disputes.
- (q) To establish an Electrical Workers' Award.
- (r) To provide legal representation for:
 - (i) A member in a compensation claim and/or action for damages arising out of injuries sustained in the course of his employment.
 - (ii) Dependants of a deceased member at an inquest or inquiry in a compensation claim and/or action for damages arising from the death of a member.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION,
QUEENSLAND AND NORTHERN TERRITORY DIVISIONAL BRANCH**

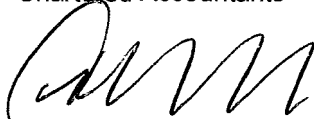
MEMBERSHIP - CERTIFICATE BY AUDITOR

FOR THE YEAR ENDED 31 DECEMBER 2006

We advise that we have audited the financial statements of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing, and Allied Services Union of Australia, Electrical Division, Queensland and Northern Territory Divisional Branch ("Union") for the year ended 31 December 2006.

The financial statements disclose total membership of: 10,458 financial members, 885 honorary and life members and 2,579 unfinancial members as at 31 December 2006 which is consistent with the membership records maintained by the Union and audited by us.

MGI WHITE HANCOCK
Chartered Accountants



A D FRASER
Registered Company Auditor

23 April 2007

Brisbane

MGI White Hancock Chartered Accountants (incorporating Alexander Partners)

MGI White Hancock Pty Ltd ABN 68 295 962 698

Central Plaza Two, 66 Eagle Street, GPO Box 1087, Brisbane, Qld 4001 Australia

t: +61 7 3002 4800 f: +61 7 3229 5603 e: wh@mgiwh.com.au www.mgiwh.com.au

MGI is a worldwide association of independent auditing, accounting and consulting firms.

Each member firm undertakes no responsibility for the activities, work, opinions or service of the other member firms.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION,
QUEENSLAND AND NORTHERN TERRITORY DIVISIONAL BRANCH**

OPINION ON ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

The additional financial information presented on pages 25 to 26 is consistent with the financial statements of the Union for the year ended 31 December 2006. Such additional financial information has been subject to auditing procedures in order to express an opinion on the revenue and expenses of the Union. Our auditing procedures involve testing on a test basis a sample of transactions throughout the year.

Audit Opinion

In our opinion, the additional information on pages 25 to 26 presents fairly in all material respects the revenues and expense of the Union for the year ended 31 December 2006.

MGI WHITE HANCOCK

Chartered Accountants



A D FRASER

Registered Company Auditor

Brisbane

23 April 2007

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA ELECTRICAL DIVISION, QUEENSLAND AND NORTHERN TERRITORY DIVISIONAL BRANCH

Additional Information in Explaining the Financial Results of the Union

| | 2006 \$ | 2005 \$ |
|---|------------------|------------------|
| REVENUE | | |
| General Fund | | |
| Administration Fees - Distress, Mortality & Building Fund | 17,614 | 19,880 |
| Advertising received | 34,750 | 78,112 |
| Contributions Received (Nett) | 4,096,581 | 3,898,803 |
| Contribution Wallets | 1,514 | 1,858 |
| Entrance Fees | 8,528 | 11,106 |
| Discount Revenue | - | 91 |
| Fines | 10,187 | 5,296 |
| Interest Received | 337,973 | 266,299 |
| Levies Received | 260,352 | 332,384 |
| Merchandise Sold | 10,892 | 12,544 |
| Other Refunds | 84,703 | 101,524 |
| Profit on Sale of MV | - | 525 |
| Refund Organising Expenses | 8,748 | 39,483 |
| Refund Staff Salaries | 5,453 | 6,364 |
| Rents Received | 142,037 | 144,654 |
| Sundry Income | 150,056 | 106,747 |
| | <u>5,169,388</u> | <u>5,025,670</u> |
| EXPENDITURE | | |
| General Fund | | |
| Advertising | 77,945 | 1,469 |
| Accounting | 5,500 | 5,500 |
| Affiliation Fees | 106,930 | 96,183 |
| Audit Fees | 22,883 | 18,797 |
| Bank Charges | 22,279 | 23,269 |
| Conference Expenses | 219,778 | 228,724 |
| Debt Collection Fees | 79,114 | 75,049 |
| Delegate Expenses | | |
| Coal Delegates | 18,602 | 26,098 |
| Other Delegates | 19,497 | 15,359 |
| Depreciation | 122,225 | 175,728 |
| Discount Expense | - | 1,364 |
| Donations | 25,558 | 27,727 |
| Electrical Trades Journal and Rule Books | 11,595 | 50,391 |
| Electricity | 642 | 1,268 |
| | <u>732,548</u> | <u>746,926</u> |
| <i>Sub-total</i> | <u>732,548</u> | <u>746,926</u> |

| | Note | 2006 \$ | 2005 \$ |
|---|------|------------------|------------------|
| EXPENDITURE (cont.) | | | |
| <i>Balance carried forward</i> | | 732,548 | 746,926 |
| Employee Leave Entitlements | | 13,097 | 12,949 |
| Expenses 877 Boundary Road | | 6,905 | 180 |
| Fringe Benefits Tax | | 22,626 | 43,155 |
| Insurance | | 38,739 | 38,940 |
| Internet Expenses | | 11,339 | 6,959 |
| Interest on MV Loan | | 10,265 | 6,006 |
| Investments – write off in value of TCV | | 22,174 | 13,861 |
| Labour Day Expenses | | 42,777 | 15,402 |
| Legal Costs | | | |
| Professional Fees | | 103,405 | 140,995 |
| Lodgement Fees | | 5,828 | 14,641 |
| Loan Transaction Processing Cost | | - | 1,400 |
| Loss on Fixed Asset Sales and Scrapping | | 14,997 | 5,518 |
| Maintenance – 41 Peel Street | | 37,468 | 30,006 |
| Meeting Fees | | 1,475 | 620 |
| Merchandise Purchases | | 101,574 | 74,041 |
| Motor Vehicle Expenses | | 87,945 | 69,528 |
| National Council Fees and Expenses | | 360,950 | 382,460 |
| National Office Expenses | | 39,204 | 16,398 |
| Northern Territory Office – Expenses | | 20,593 | 35,004 |
| Office Equipment, Supplies and Maintenance Expenses | | 47,197 | 27,325 |
| Organising Expenses | | 154,169 | 111,706 |
| Payroll Tax | | 75,241 | 53,207 |
| Postage | | 76,076 | 78,150 |
| Printing & Stationery | | 104,813 | 90,785 |
| Rates – 877 Boundary Road | | 9,458 | 10,240 |
| Refund of Contributions | | 5,981 | 23,396 |
| Rent | | 18,564 | 18,841 |
| Salaries – Officers | | 658,989 | 560,636 |
| Salaries – Staff | | 1,011,333 | 888,688 |
| Salaries – Income Protection 1.2% | | 18,923 | 16,576 |
| Salaries – NT | | 81,776 | 76,865 |
| Shop Stewards Reimbursements | | 9,220 | 10,071 |
| Staff Amenities | | 39,144 | 32,486 |
| Storage | | 1,766 | 1,104 |
| Subscriptions | | 8,509 | 9,355 |
| Superannuation | | 352,057 | 302,560 |
| Supply Industry Expenses | | 18,151 | 16,108 |
| Sundry Expenses | | 82,693 | 34,375 |
| Telephone | | 84,493 | 90,765 |
| Training | | 18,614 | 27,061 |
| T'ville Petty Cash | | 200 | - |
| | | 4,551,279 | 4,135,289 |



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

Mr Richard Williams
Divisional Branch Secretary, Electrical Divisional Branch, Queensland
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia
PO Box 3520
SOUTH BRISBANE QLD 4101

Dear Mr Williams

**Re: Lodgement of Financial Return – CEPU, Queensland Electrical Divisional Branch -
for year ending 31 December 2006 (FR2006/606)**

I refer to the abovementioned financial statements lodged in the Registry on 5 June 2007 which have been under consideration by the Registry. In the normal course of events, the Registry would have corresponded with the Branch regarding the return much sooner and I sincerely apologise for the delay.

Two issues would have been raised had the Registry replied at the time: the *first* being to remind the Branch, in view of the total amount of Donations itemised on page 25, as \$25,558, to lodge a statement setting out particulars of any individual donation exceeding \$1,000, pursuant to s237 of the RAO Schedule; and the *second* being to draw the Branch's attention to the omission of a separate Committee of Management Statement as required by the Industrial Registrar's Guidelines.

However, unless a s237 statement as described in the preceding paragraph is applicable, in view of the lapse of time, there is no further action required, and the documents have now been filed.

Yours sincerely

A handwritten signature in black ink, appearing to be 'S Kellett', written over a horizontal line.

Stephen Kellett
for Deputy Industrial Registrar.

2 June 2008