



13 January 2016

Mr Gary Bullock
QLD Branch Secretary
Queensland Branch
United Voice
gary.bullock@unitedvoice.org.au

CC: KPMG, Attn: M Jeffery by email: mjeffery@kpmg.com.au

Dear Mr Bullock,

**United Voice - Queensland Branch
Financial Report for the year ended 30 June 2015 - [FR2015/332]**

I acknowledge receipt of the financial report of the United Voice, Queensland Branch. The documents were lodged with the Fair Work Commission (FWC) on 16 December 2015.

The financial report has now been filed. No further action needs to be taken in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that 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.

Please note that the financial report for the year ending 30 June 2016 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The FWC will confirm these concerns have been addressed prior to filing next year's report.

Disclosure of payables in respect of legal costs

Reporting Guideline 20(b) requires a payable in relation to legal costs to be disclosed by litigation and by other legal matters. Note 18 discloses this liability but does not distinguish based on the categories indicated.

Please ensure next year's report breaks down legal payables by *litigation* and *other legal matters*.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC 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](#).

If you have any queries regarding this letter, please contact me on (03) 8656 4698 or via email at catherine.bebbington@fwc.gov.au.

Kind regards



CATHERINE BEBBINGTON
Regulatory Compliance Branch

FAIR WORK COMMISSION

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Please note my phone number has changed to 03 8656 4698



17 December, 2015

Ms Bernadette O'Neill
Fair Work Australia
80 William Street
EAST SYDNEY NSW 2011

Dear Ms O'Neill

RE: QUEENSLAND BRANCH FINANCIAL REPORTS

I am writing to lodge the financial reports for the United Voice Queensland Branch for the year ended 30 June 2015. Enclosed is the full Financial Report including:

- The Branch Executive Statement signed by the Branch Secretary
- The Operating Report signed by the Branch Secretary
- The Independent Audit Report signed by the Auditors
- The accounts including the notes to and forming part of the accounts.

The financial reports were sent to the Branch Executive on 16th September, 2015. The Executive resolved:

- That the operating report be approved and signed
- To endorse the Branch Executive Statement
- That the Branch Secretary be authorised to sign the Branch Executive Statement
- That the financial reports be distributed to members by publication on the United Voice website and advertising that link in November edition of Union News.

Subsequently the financial report including the General Purpose Financial Report, the Auditors statements and the operating report were supplied to members through publication on the United Voice website. Members also received a copy of Union News which contained an advertisement advising members how to view the reports on the website.

A full report was provided to the Committee of Management on the 8th December, 2015 and was adopted. Also enclosed is a copy of the Branch Secretary's certificate dated the 8th

December, 2015.

On the basis of the above and the enclosed documentation it would seem that the United Voice Queensland Branch has complied with the audit and reporting requirements of the Fair Work Australia Act 2009.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Jo-Anne Schofield'. The signature is written in a cursive, flowing style with a large initial 'J'.

JO-ANNE SCHOFIELD
NATIONAL SECRETARY

UNITED VOICE NATIONAL COUNCIL

FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2015

CERTIFICATE BY SECRETARY OR PRESCRIBED OFFICER

I, Gary Bullock, being the Branch Secretary of the United Voice Queensland Branch certify:

- That the documents lodged herewith are copies of the full report, referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- That the full report was provided to members on the 23 November, 2015; and
- That the full report was presented to a meeting of the committee of management of the reporting unit on the 8th December in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signed



Gary John Bullock

Date

8th December 2015.

**United Voice - Queensland Branch and its
Controlled Entities
ABN 69 844 574 256**

**Annual Financial Report
30 June 2015**

United Voice - Queensland Branch and its Controlled Entities
ABN: 69 844 574 256

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Operating report
For the year ended 30 June 2015

The Committee of management presents its report together with the financial report of United Voice - Queensland Branch and its Controlled Entities ("the Union") for the financial year ended 30 June 2015 and the auditor's report thereon.

1 Members of the management committee

The Members of the Management Committee at any time during or since the end of the financial year are:

| | |
|----------------------------------|----------------------------------|
| Gary Bullock- Branch | Carol Corless |
| Elizabeth (Christine) Rowntree | Sheila Hunter |
| Abiel Asmerom | Sharron Caddie |
| Jan Gerhardt | Maria Halwood |
| Desmond Hardman | Aaron Harper (resigned 09/02/15) |
| Laura Miller (resigned 12/01/15) | Heather Jackson |
| Leah Malzard | Sandra Lingard |
| Jamie-Lee White | Darryl Pascoe |

2 Principal activities

The principal activities of the Union during the course of the financial year were providing industrial representation and service for members.

3 Operating and financial review

Review and result of operations

The loss for the year ended 30 June 2015 was (\$48,528) (2014: \$559,348 profit).

Significant changes in the state of affairs

On 25 May 2015, a company limited by guarantee called Poll Printing Limited was incorporated. No trading activity had occurred within Poll Printing prior to 30 June 2015, however as the Company is controlled by the Union the financial statements have been prepared on a consolidated basis for the year ended 30 June 2015.

Other than the matter noted above, there were no significant changes in the state of affairs of the Union during the financial year.

4 Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Committee of Management, to affect significantly the operations of the union, the results of those operations, or the state of affairs of the Union.

Operating report (continued)
For the year ended 30 June 2015

5 Members right to resign from the Union

A member of the Union may resign from membership by written notice to the branch to which the member is attached. Resignation from membership of the Union takes effect:

- on the day on which the notice is received by the Union;
- on the day specified in the notice;
- at the end of the two (2) weeks after notice is received by the Union, whichever is later.

6 Trustee of superannuation entity

Gary Bullock, Fiona Scalon and Michael Clifford are directors of IS Industry Funds Pty Ltd, Trustee of Intrust.

Sheila Hunter and Sharron Caddie are directors of Club Plus (Qld) Pty Ltd, Trustee of Club Super.

Gary Bullock is a director of IS Financial Planning Pty Ltd and IS Investment Trust Pty Ltd.

Sheila Hunter is a director of QIEC Super Pty Ltd, Trustee of QIEC Super.

Except for the above, the Committee are not aware of any officer or member of the Union who is:

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

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

7 Number of members and employees

The number of members of the Union at 30 June 2015 was 27,508 (2014: 27,544).

The number of full-time employees of the Union at 30 June 2015 was 92 (2014:91).

This report is signed in accordance with a resolution of the Committee of Management:



Gary Bullock

United Voice - Queensland Branch Secretary

Dated at Brisbane this 16th day of September 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the period ended 30 June 2015

In AUD

| | Note | 2015 | 2014 |
|--|------|-------------------|-------------------|
| Revenue | | | |
| Membership subscription | | 14,618,736 | 14,913,360 |
| Capitation fees | 9A | - | - |
| Levies | 9B | - | - |
| Interest | 9C | 81,210 | 84,971 |
| Rental revenue | 9D | 649,958 | 746,869 |
| Other revenue | | 372,329 | 321,351 |
| Total Revenue | | <u>15,722,233</u> | <u>16,066,551</u> |
| Other Income | | | |
| Grants and/or donations | 9E | - | - |
| Net gain from sale of assets | 9F | 48,317 | 97,510 |
| Total other income | | <u>48,317</u> | <u>97,510</u> |
| Total Income | | <u>15,770,550</u> | <u>16,164,061</u> |
| Expenses | | | |
| Employee expenses | 10A | 8,793,682 | 8,883,865 |
| Indirect employment expenses | 10B | 927,240 | 935,868 |
| Capitation fees | 10C | 1,773,031 | 1,814,000 |
| Affiliation fees | 10D | 538,973 | 433,752 |
| Administrative expenses | 10E | 402,494 | 360,986 |
| Grants and donations | 10F | 257,033 | 324,682 |
| Depreciation | 10G | 475,014 | 496,573 |
| Finance costs | 10H | 245,050 | 246,014 |
| Legal and professional costs | 10I | 271,261 | 477,907 |
| Audit fees | 10J | 42,037 | 38,473 |
| Campaign costs | 10K | 457,249 | 290,184 |
| Communication costs | 10L | 41,541 | 39,751 |
| IT costs | 10M | 43,871 | 57,362 |
| Meeting and conference costs | 10N | 504,888 | 352,494 |
| Member services | 10O | 385,135 | 264,384 |
| Property costs | 10P | 650,938 | 586,858 |
| Research | 10Q | 9,641 | 1,560 |
| Other expenses | 10R | - | - |
| Total Expenses | | <u>15,819,078</u> | <u>15,604,713</u> |
| Profit (loss) for the year | | <u>(48,528)</u> | <u>559,348</u> |
| Other comprehensive income | | | |
| Items that will not be subsequently reclassified to profit or loss | | | |
| Gain on revaluation of land and buildings | | - | - |
| Total comprehensive income for the year | | <u>(48,528)</u> | <u>559,348</u> |

The above statement should be read in conjunction with the notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

In AUD

| | Note | 2015 | 2014 |
|--------------------------------------|------|-------------------|-------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 14 | 2,368,176 | 3,344,640 |
| Trade and other receivables | 13 | 318,423 | 270,669 |
| Other Investments | 12 | 16,888 | 16,735 |
| Other assets | 15 | 163,118 | 82,097 |
| Total current assets | | 2,866,605 | 3,714,141 |
| Non-Current Assets | | | |
| Land and buildings | 11 | 6,483,037 | 6,277,269 |
| Plant and equipment | 11 | 445,454 | 491,030 |
| Other investments | 12 | 410,320 | 110,320 |
| Total non-current assets | | 7,338,811 | 6,878,619 |
| Total assets | | 10,205,416 | 10,592,760 |
| LIABILITIES | | | |
| Trade payables | 17 | 173,800 | 487,827 |
| Other payables | 18 | 1,050,805 | 1,092,548 |
| Employee provisions | 16 | 1,318,374 | 1,338,640 |
| Total current liabilities | | 2,542,979 | 2,919,015 |
| Employee provisions | 16 | 254,764 | 217,544 |
| Total non-current liabilities | | 254,764 | 217,544 |
| Total liabilities | | 2,797,743 | 3,136,559 |
| Net assets | | 7,407,673 | 7,456,201 |
| EQUITY | | | |
| Retained earnings | | 7,407,673 | 7,456,201 |
| Total equity | | 7,407,673 | 7,456,201 |

The above statement should be read in conjunction with the notes.

United Voice - Queensland Branch and its Controlled Entities
ABN: 69 844 574 256

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2015

| <i>In AUD</i> | Retained earnings | Total |
|---|------------------------------|-------------------------|
| Balance as at 1 July 2013 | 6,896,853 | 6,896,853 |
| Total comprehensive income for the year | 559,348 | 559,348 |
| Balance at 1 July 2014 | <u>7,456,201</u> | <u>7,456,201</u> |
| Balance at 1 July 2014 | 7,456,201 | 7,456,201 |
| Total comprehensive loss for the year | (48,528) | (48,528) |
| Balance at 30 June 2015 | <u>7,407,673</u> | <u>7,407,673</u> |

The above statement should be read in conjunction with the notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended 30 June 2015

| <i>In AUD</i> | Note | 2015 | 2014 |
|--|------|------------------|--------------|
| Cash flows from operating activities | | | |
| Cash receipts from customers | | 16,543,775 | 17,087,973 |
| Cash paid to suppliers and employees | | (16,714,407) | (16,631,909) |
| Cash generated from operations | | <u>(170,632)</u> | 456,064 |
| Interest received | | 81,210 | 84,971 |
| Net cash flows (used in)/from operating activities | 23 | <u>(89,422)</u> | 541,035 |
| Cash flows from investing activities | | | |
| Proceeds from sale of property, plant and equipment | | 125,884 | 118,219 |
| Acquisition of property, plant and equipment | | (712,926) | (113,318) |
| Acquisiton of investments | | <u>(300,000)</u> | 0 |
| Net cash flows (used in)/from in investing activities | | <u>(887,042)</u> | 4,901 |
| Net cash flows from financing activities | | | |
| | | <u>-</u> | - |
| Net (decrease)/increase in cash and cash equivalents | | (976,464) | 545,936 |
| Cash and cash equivalents at beginning of period | | 3,344,640 | 2,798,704 |
| Cash and cash equivalents at end of period | 13 | <u>2,368,176</u> | 3,344,640 |

The above statement should be read in conjunction with the notes.

CONSOLIDATED RECOVERY OF WAGES ACTIVITY

for the period ended 30 June 2015

In AUD

| | 2015 | 2014 |
|---|------|---------|
| Cash assets in respect of recovered money at beginning of year | - | - |
| Receipts | | |
| Amounts recovered from employers in respect of wages | - | 297,500 |
| Interest received on recovered money | - | - |
| Total receipts | - | 297,500 |
| Payments | | |
| Deduction of amounts due in respect of membership for : | | |
| 12 months or less | - | - |
| Greater than 12 months | - | - |
| Deductions of donations to accounts or funds of the reporting unit | - | - |
| Deduction of fees or reimbursement of expenses | - | 79,869 |
| Payment to workers in respect of recovered money | - | - |
| Total payments | - | 79,869 |
| Cash assets in respect of recovered money at end of year | - | 217,631 |
| Number of workers to which the monies recovered relates | - | 12 |
| Aggregate payables to workers attributable to recovered monies but not yet distributed | | |
| Payable balance | - | 217,631 |

Account operated for recover of wages activity

The Union operated the following bank account in respect of recovery of wages activity in the current and comparative periods:

United Voice - Queensland Branch
 BSB: 064-001 Account Number: 1007-8063

The above statement should be read in conjunction with the notes.

Notes to and forming part of the financial statements
For the year ended 30 June 2015

1 Reporting entity

United Voice - Queensland Branch and its Controlled Entities (the 'Union') is a trade union domiciled in Australia. The address of the Union's registered office is 27 Peel Street, South Brisbane QLD 4101, Australia.

The Union is a not-for-profit entity primarily involved in providing industrial representation and service for members.

2 Basis for preparation

(a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Fair Work (Registered Organisation) Act 2009.

The consolidated financial statements were approved by the Branch Executive on 16 September 2015.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except available for sale assets measured at fair value.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Union's functional currency.

(d) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Notes to and forming part of the financial statements (continued)
 For the year ended 30 June 2015

3 Reclassification of expenses

The presentation of the expenses in the Statement of profit or loss and other comprehensive income ('SOCl') has been reclassified from prior years to more accurately align with the requirements of the Fair Work Commission.

The most significant reclassification relates to the creation of the "Indirect employment expenses" caption which now includes Education and training expenses, Motor vehicle expenses, Staff amenities, Staff recruitment costs, Workcover and Payroll tax costs.

These items previously resided in their own caption on the face of the statement or in Employee expenses or General administration expenses.

| | Original Balance | Reclass- ification | As reclass- ified |
|--|---------------------|-----------------------|----------------------|
| Expenses | | | |
| Employee expenses | 9,224,623 | (340,758) | 8,883,865 |
| Indirect employment expenses | - | 935,868 | 935,868 |
| Capitation fees | 1,814,000 | - | 1,814,000 |
| Affiliation fees | 433,752 | - | 433,752 |
| Administrative expenses | - | 360,986 | 360,986 |
| Grants and donations | 324,682 | - | 324,682 |
| Depreciation | 496,573 | - | 496,573 |
| Finance costs | - | 246,014 | 246,014 |
| Legal and professional costs | 374,689 | 103,218 | 477,907 |
| Audit fees | 38,473 | - | 38,473 |
| Campaign costs | 290,184 | - | 290,184 |
| communication costs | - | 39,751 | 39,751 |
| IT costs | - | 57,362 | 57,362 |
| Meeting and conference costs | 196,966 | 155,528 | 352,494 |
| Member services | - | 264,384 | 264,384 |
| Property costs | - | 586,858 | 586,858 |
| Research | 1,560 | - | 1,560 |
| Other expenses | - | - | - |
| Overhead expenses - telephone, electricity and insurance | 617,936 | (617,936) | - |
| General administration expenses | 547,011 | (547,011) | - |
| Motor vehicles expenses | 322,975 | (322,975) | - |
| Repairs and maintenance | 123,922 | (123,922) | - |
| Postage, printing and stationery | 149,951 | (149,951) | - |
| Property expenses | 142,834 | (142,834) | - |
| Travel expenses | 62,930 | (62,930) | - |
| Rent | 113,000 | (113,000) | - |
| Rates | 96,608 | (96,608) | - |
| Organising expenses | 39,121 | (39,121) | - |
| Education and training | 42,389 | (42,389) | - |
| Magazines expenses | 9,701 | (9,701) | - |
| Computer expenses | 37,615 | (37,615) | - |
| Professional fees | 103,218 | (103,218) | - |
| | 15,604,713 | - | 15,604,713 |

Notes to and forming part of the financial statements (continued)
For the year ended 30 June 2015

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Certain comparative amounts have been reclassified to conform with the current year's presentation.

(a) Financial instruments

(i) *Non-derivative financial assets*

The Union initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Union becomes a party to the contractual provisions of the instrument.

The Union derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Union is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Union has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Union classifies non-derivative financial assets in the following categories: loans and receivables and available-for-sale financial assets.

Notes to and forming part of the financial statements (continued)
For the year ended 30 June 2015

4 Significant accounting policies (continued)

(a) Financial instruments (continued)

(i) *Non-derivative financial assets (continued)*

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. (See Note 4(c)(i)).

Loans and receivables comprise cash and cash equivalents and trade and other receivables.

Cash and Cash equivalents

Cash and Cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Union in the management of its short term commitments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (See note 4(c)(i)), are recognised in other comprehensive income and presented within equity in the fair value reserve in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit and loss.

Available-for-sale financial assets comprise equity securities and units in unit trusts.

(i) *Non-derivative financial liabilities*

The Union initially recognises financial liabilities on the trade date which is the date that the Union becomes a party to the contractual provisions of the instrument. The Union derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Union classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise trade and other payables.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2015

4 Significant accounting policies (continued)

(b) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net in profit and loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Union and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit and loss.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Union will obtain ownership by the end of the lease term. Land is not depreciated.

The depreciation rate applied in the current and comparative periods are as follows:

| | 2015 | 2014 |
|----------------------------------|-------------|-------------|
| • Buildings | 3.33% | 3.33% |
| • Building improvements | 4% | 4% |
| • Office furniture and equipment | 20-25% | 20-25% |
| • Library | 20% | 20% |
| • Motor Vehicles | 25% | 25% |

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Notes to and forming part of the financial statements (continued)
For the year ended 30 June 2015

4 Significant accounting policies (continued)

(c) Impairment

(i) *Non-derivative financial assets*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Union on terms that the Union would not consider otherwise, indication that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Financial assets measured at amortised cost

The Union considers evidence of impairment for receivables at a specific asset level. All receivables and investment securities are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event caused the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale assets

Impairment losses on available-for-sale investment securities are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in cumulative impairment losses attributable to application of the effective interest method are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

4 Significant accounting policies (continued)

(c) Impairment (continued)

(i) *Non-financial assets*

The carrying amounts of the Union's non-financial asset are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount estimated.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated other CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

(d) Employee benefits

(i) *Short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Union has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in profit or loss in the periods during which related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

4 Significant accounting policies (continued)

(d) Employee benefits (continued)

(iii) *Other long-term employee benefits*

The Union's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current or prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the report date on AA credit-rated government bonds that have maturity dates approximating the terms of the Union's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

(iv) *Termination benefits*

Termination benefits are recognised as an expense when the Union is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies if the Union has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

If benefits are payable more than 12 months of the reporting period, then they are discounted to their present value.

(e) Revenue

(i) *Membership Subscription*

Membership subscriptions are accounted for on an accruals basis to recognise the basis upon which fees are due and receivable. Amounts are recognised net of goods and services tax.

(ii) *Interest*

Interest income comprises interest on funds invested and is recognised as it accrues in profit or loss using the effective interest method.

(iii) *Rental revenue*

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

4 Significant accounting policies (continued)

(f) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the contingency no longer exists and the lease adjustment is known.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Union determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- if fulfilment of the arrangement is dependent on the use of a specified asset or assets; and
- the arrangement contains a right to use the asset(s).

At inception or upon reassessment of the arrangement, the Union separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values.

(g) Finance costs

Finance costs consist of Bank fees, Doubtful debts written off, Insurance and interest paid.

(h) Income tax

The Union is exempt from income tax under Income Tax Assessment Act 1997, Section 50-15.

(i) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Notes to and forming part of the financial statements (continued)
For the year ended 30 June 2015

4 Significant accounting policies (continued)

(j) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Tax Office ("ATO") is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable to, or payable to, the ATO are classified as operating cash flows.

(k) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2014, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the financial statements of the Union, except for;

- AASB 9 – Financial Instruments – approved in December 2014, replaces the existing guidance in ASAB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from AASB 139.

AASB 9 is effective for annual reporting periods beginning on or after 1 January 2018. The Union is assessing the potential impact on its financial statements resulting from the application of AASB 9.

5 Determination of fair values

A number of the Union's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Investments in equity and debt securities.

The fair values of investment in equity and debt securities are determined with reference to their quoted closing bid price at the measurement date, or if unquoted, determined using a valuation technique. Valuation techniques employed include market multiples and discounted cash flow analysis using expected future cash flows and a market related discount rate.

Notes to and forming part of the financial statements (continued)
For the year ended 30 June 2015

6 Fair Work (Registered Organisations) Act 2009

In accordance with the requirement of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1), (2),(3) and (4) of section 272 of the Act, which reads as follows:

- (1) A member of a reporting unit, or the General Manager may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be made 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 entity must comply with the application made under subsection (1).
- (4) The General Manager may only make an application under subsection (1) at the request of a member of the reporting unit concerned, and the Registrar shall provide to a member, information received because of an application made at the request of the member.

7 Union property and funds

The rules of the Union provide that all the property and assets are held in the name of the Union. This particularly applies to property acquired from Branch funds but which is registered in the name of the Union. Branch funds themselves form part of the property of the Union.

The Union policy is for assets and property acquired from Branch funds to be accounted for in the financial statements of the Branch from whose funds the assets were acquired.

Similarly, all income received by a Branch (whether in the form of entrance fees, contributions, fines, fees, levies, dues or penalties or by way of investments and the likes) is accounted for in the financial statements of that Branch.

8 Events after the reporting period

There were no events that occurred after 30 June 2015, and/or prior to signing of the financial statements, that would affect the ongoing structure and financial activities of United Voice Queensland Branch.

Notes to and forming part of the financial statements (continued)
 For the year ended 30 June 2015

NOTE 9 Income

| | | | |
|-----------|--|-----------------------|-----------------------|
| 9A | Capitation fees | | |
| | <i>in AUD</i> | 2015 | 2014 |
| | Total capitation fees | <u>-</u> | <u>-</u> |
| 9B | Levies | | |
| | <i>in AUD</i> | 2015 | 2014 |
| | Total levies | <u>-</u> | <u>-</u> |
| 9C | Interest | | |
| | <i>in AUD</i> | 2015 | 2014 |
| | Cash Deposits | <u>81,210</u> | <u>84,971</u> |
| | Total interest | <u>81,210</u> | <u>84,971</u> |
| 9D | Rental revenue | | |
| | <i>in AUD</i> | 2015 | 2014 |
| | 27 Peel Street | <u>649,958</u> | <u>746,869</u> |
| | Total rental revenue | <u>649,958</u> | <u>746,869</u> |
| 9E | Grants or donations | | |
| | <i>in AUD</i> | 2015 | 2014 |
| | Total grants or donations | <u>-</u> | <u>-</u> |
| 9F | Net gains on sale of assets | | |
| | <i>in AUD</i> | 2015 | 2014 |
| | Disposal of motor vehicles | <u>48,317</u> | <u>97,479</u> |
| | Disposal of office furniture and equipment | <u>-</u> | <u>31</u> |
| | Total net gain from sale of assets | <u>48,317</u> | <u>97,510</u> |

Notes to and forming part of the financial statements (continued)
 For the year ended 30 June 2015

NOTE 10 Expenses

10A Employee Expenses

| <i>in AUD</i> | 2015 | 2014 |
|---|------------------|------------------|
| Holders of office: | | |
| Wages and salaries | 300,323 | 186,792 |
| Superannuation | 49,948 | 32,789 |
| Leave and other entitlements | 52,323 | 78,015 |
| Separation and redundancies | - | 1,658 |
| Other Employee expenses | 37,033 | 24,492 |
| Subtotal employee expenses holders of office | 439,627 | 323,746 |
| Employees other than office holders: | | |
| Wages and Salaries | 5,576,574 | 5,613,200 |
| Superannuation | 938,627 | 928,979 |
| Leave and other entitlements | 1,349,260 | 1,265,458 |
| Separation and redundancies | 3,577 | 239,514 |
| Other employee expenses | 486,017 | 512,968 |
| Subtotal employee expenses employees other than office holders | 8,354,055 | 8,560,119 |
| Total employee expenses | 8,793,682 | 8,883,865 |

10B Indirect employment expenses

| <i>in AUD</i> | 2015 | 2014 |
|---|----------------|----------------|
| Payroll tax | 474,495 | 451,678 |
| Workcover | 91,594 | 82,801 |
| Staff recruitment | 8,460 | 1,988 |
| Education and staff training | 70,638 | 42,389 |
| Staff amenities | 34,691 | 34,037 |
| Motor vehicle expenses | 247,362 | 322,975 |
| Total indirect employment expenses | 927,240 | 935,868 |

10C Capitation Fees

| <i>in AUD</i> | 2015 | 2014 |
|---------------------------------------|------------------|------------------|
| Sustentation paid to National Council | 1,773,031 | 1,814,000 |
| Total capitation fees | 1,773,031 | 1,814,000 |

Notes to and forming part of the financial statements (continued)
 For the year ended 30 June 2015

| | | | |
|------------|---|----------------|----------------|
| 10D | Affiliation fees | | |
| | <i>in AUD</i> | 2015 | 2014 |
| | Australian Labor Party | 197,872 | 161,711 |
| | Queensland Council of Unions | 291,808 | 216,223 |
| | Union Shopper | 37,293 | 36,818 |
| | Queensland Community Alliance | 12,000 | 12,000 |
| | Safe Work College | - | 7,000 |
| | Total affiliation fees | 538,973 | 433,752 |
| | | | |
| 10E | Administration expenses | | |
| | <i>in AUD</i> | 2015 | 2014 |
| | Consideration to employers for payroll deductions | - | - |
| | Compulsory levies | - | - |
| | General expenses | 2,587 | 40,821 |
| | Postage and freight | 58,746 | 70,365 |
| | Printing and stationery | 127,709 | 79,718 |
| | Telephone | 147,730 | 166,682 |
| | Repairs and maintenance office machines | 8,083 | 3,400 |
| | Subtotal administration expense | 344,855 | 360,986 |
| | Operating lease rentals: | | |
| | Minimum lease payments | 57,639 | - |
| | Total administration expenses | 402,494 | 360,986 |
| | | | |
| 10F | Grants or donations | | |
| | <i>in AUD</i> | 2015 | 2014 |
| | Grants: | | |
| | Total paid that were \$1,000 or less | | |
| | Total paid that exceeded \$1,000 | | - |
| | Donations: | | |
| | Total paid that were \$1,000 or less | 8,834 | 6,601 |
| | Total paid that exceeded \$1,000 | 248,199 | 318,081 |
| | Total grants or donations | 257,033 | 324,682 |

Notes to and forming part of the financial statements (continued)
 For the year ended 30 June 2015

| | | | |
|------------|---|----------------|-------------|
| 10G | Depreciation | | |
| | <i>in AUD</i> | 2015 | 2014 |
| | Land and Buildings | 262,767 | 258,865 |
| | Office Furniture and fittings and equipment | 38,845 | 60,499 |
| | Motor vehicles | 173,402 | 177,209 |
| | Total depreciation | 475,014 | 496,573 |
| 10H | Finance costs | | |
| | <i>in AUD</i> | 2015 | 2014 |
| | Bank fees | 201,676 | 200,778 |
| | Doubtful debt written off | - | 14,740 |
| | Insurance | 37,302 | 30,496 |
| | Interest paid | 6,072 | - |
| | Total finance costs | 245,050 | 246,014 |
| 10I | Legal and professional costs | | |
| | <i>in AUD</i> | 2015 | 2014 |
| | Professional fees | 22,500 | - |
| | Other legal matters | 248,761 | 477,907 |
| | Total legal and professional costs | 271,261 | 477,907 |
| 10J | Audit costs | | |
| | <i>in AUD</i> | 2015 | 2014 |
| | KPMG audit costs | 42,037 | 38,473 |
| | Total audit costs | 42,037 | 38,473 |
| 10K | Campaign costs | | |
| | <i>in AUD</i> | 2015 | 2014 |
| | Member campaigns and blitzes | 457,249 | 290,184 |
| | Total campaign costs | 457,249 | 290,184 |
| 10L | Communication costs | | |
| | <i>in AUD</i> | 2015 | 2014 |
| | Advertising | 3,652 | 2,714 |
| | Magazine and media costs | - | 9,701 |
| | Promotional expense | 37,889 | 27,336 |
| | Total campaign costs | 41,541 | 39,751 |

Notes to and forming part of the financial statements (continued)
 For the year ended 30 June 2015

| | | | |
|------------|---|----------------|----------------|
| 10M | IT costs | | |
| | <i>in AUD</i> | 2015 | 2014 |
| | Computer expenses | 41,686 | 37,615 |
| | Repairs and maintenance computer | 2,185 | 19,747 |
| | Total IT costs | 43,871 | 57,362 |
| 10N | Meeting and conference costs | | |
| | <i>in AUD</i> | 2015 | 2014 |
| | Catering, venue hire and other meeting expenses | 138,339 | 196,967 |
| | Fees/allowances - meetings and conferences | 380 | - |
| | Travel | 314,848 | 62,934 |
| | Parking and tolls | 51,321 | 92,593 |
| | Total meeting and conference costs | 504,888 | 352,494 |
| 10O | Member services | | |
| | <i>in AUD</i> | 2015 | 2014 |
| | Member insurances | 300,969 | 183,782 |
| | Labour day expenses | 84,166 | 80,602 |
| | Total member services costs | 385,135 | 264,384 |
| 10P | Property costs | | |
| | <i>in AUD</i> | 2015 | 2014 |
| | Cleaning | 8,102 | 7,588 |
| | Electricity | 48,808 | 126,053 |
| | Rates, water and land tax | 127,224 | 96,608 |
| | Repairs and maintenance | 352,072 | 243,609 |
| | Rent | 114,732 | 113,000 |
| | Total property costs | 650,938 | 586,858 |
| 10Q | Research costs | | |
| | <i>in AUD</i> | 2015 | 2014 |
| | Subscriptions and journals | 9,641 | 1,560 |
| | Total research costs | 9,641 | 1,560 |
| 10R | Other expenses | | |
| | <i>in AUD</i> | 2015 | 2014 |
| | Penalties - via RO Act or RO Regulations | - | - |
| | Total other expenses | - | - |

11 Property, plant and equipment

| <i>in AUD</i> | Land | Buildings | Building improvements | Land and buildings total | Office furniture and equipment | Library | Motor Vehicles | Plant and equipment total |
|---|-----------|-----------|--------------------------|-----------------------------|-----------------------------------|---------|----------------|------------------------------|
| Cost or deemed cost | | | | | | | | |
| Balance at 1 July 2013 | 1,251,153 | 5,268,075 | 2,038,785 | 8,558,013 | 1,081,738 | 176,219 | 1,113,555 | 2,371,512 |
| Additions | - | - | 7,209 | 7,209 | 5,605 | - | 100,504 | 106,109 |
| Disposals and Write offs | - | - | - | - | (694,283) | - | (318,228) | (1,012,511) |
| Balance at 1 July 2014 | 1,251,153 | 5,268,075 | 2,045,994 | 8,565,222 | 393,060 | 176,219 | 895,831 | 1,465,110 |
| Balance at 1 July 2014 | 1,251,153 | 5,268,075 | 2,045,994 | 8,565,222 | 393,060 | 176,219 | 895,831 | 1,465,110 |
| Additions | - | - | 468,535 | 468,535 | 26,911 | - | 217,480 | 244,391 |
| Disposals and Write offs | - | - | - | - | - | - | (347,168) | (347,168) |
| Balance at 30 June 2015 | 1,251,153 | 5,268,075 | 2,514,529 | 9,033,757 | 419,971 | 176,219 | 766,143 | 1,362,333 |
| Depreciation and impairment losses | | | | | | | | |
| Balance at 1 July 2013 | - | 1,577,694 | 451,394 | 2,029,088 | 929,022 | 176,219 | 622,934 | 622,934 |
| Depreciation for the year | - | 176,433 | 82,432 | 258,865 | 60,499 | - | 177,209 | 177,209 |
| Disposals and Write offs | - | - | - | - | (692,515) | - | (299,288) | (299,288) |
| Balance at 1 July 2014 | - | 1,754,127 | 533,826 | 2,287,953 | 297,006 | 176,219 | 500,855 | 500,855 |
| Balance at 1 July 2014 | - | 1,754,127 | 533,826 | 2,287,953 | 297,006 | 176,219 | 500,855 | 974,080 |
| Depreciation for the year | - | 176,433 | 86,334 | 262,767 | 38,845 | - | 173,402 | 212,247 |
| Disposals and Write offs | - | - | - | - | - | - | (269,448) | (269,448) |
| Balance at 30 June 2015 | - | 1,930,560 | 620,160 | 2,550,720 | 335,851 | 176,219 | 404,809 | 916,879 |
| Carrying amounts | | | | | | | | |
| At 1 July 2013 | 1,251,153 | 3,690,381 | 1,587,391 | 6,528,925 | 152,716 | - | 490,621 | 643,337 |
| At 1 July 2014 | 1,251,153 | 3,513,948 | 1,512,168 | 6,277,269 | 96,054 | - | 394,976 | 491,030 |
| At 30 June 2015 | 1,251,153 | 3,337,515 | 1,894,369 | 6,483,037 | 84,120 | - | 361,334 | 445,454 |

Notes to and forming part of the financial statements (continued)
 For the year ended 30 June 2015

12 Other investments

| <i>in AUD</i> | 2015 | 2014 |
|--|----------------|---------|
| Current investments | | |
| Term Deposit | 15,738 | 15,585 |
| Available-for-sale financial assets | 1,150 | 1,150 |
| | 16,888 | 16,735 |
| Non-current investments | | |
| Trades and Labour Council of Queensland Building Trust Rockhampton (available-for-sale) | 50,020 | 50,020 |
| The QCU Bundaberg Unit Trust (available-for-sale) | 60,000 | 60,000 |
| IS Industry Fund Pty Ltd | 300 | 300 |
| Sentinel Property Investment | 300,000 | - |
| | 410,320 | 110,320 |

13 Trade and other receivables

| <i>in AUD</i> | 2015 | 2014 |
|---|----------------|----------|
| Receivables from other reporting unit(s) | - | - |
| Total receivables from other reporting unit(s) | - | - |
| Less provision for doubtful debts | - | - |
| Total provisions for doubtful debts | - | - |
| Receivables from other reporting unit(s) (net) | - | - |
| Other receivables | | |
| Other trade receivables | 318,423 | 270,669 |
| Total other receivables | 318,423 | 270,669 |
| Total trade and other receivables | 318,423 | 270,669 |

14 Cash and cash equivalents

| <i>in AUD</i> | 2015 | 2014 |
|----------------------------------|------------------|-----------|
| Bank balances | 32,661 | 273,501 |
| Call deposits | 2,333,515 | 3,069,139 |
| Cash on hand | 2,000 | 2,000 |
| Cash and cash equivalents | 2,368,176 | 3,344,640 |

Notes to and forming part of the financial statements (continued)
 For the year ended 30 June 2015

15 Other assets

in AUD

2015 2014

Prepayments

163,118 82,097

16 Employee provisions

in AUD

2015 2014

Office Holders

Annual leave

55,182 16,588

Liability for long service leave -officials

35,111 41,479

Separations and redundancies

- -

Other

- -

Subtotal employee provisions - office holders

90,293 58,067

Employees other than office holders

Annual leave

753,225 706,062

Long service leave

729,620 792,055

Separations and redundancies

- -

Other

- -

Subtotal employee provisions - employees other than office holder

1,482,845 1,498,117

Total employee provisions

1,573,138 1,556,184

Current

1,318,374 1,338,640

Non Current

254,764 217,544

Total employee provisions

1,573,138 1,556,184

17 Trade payables

in AUD

2015 2014

Trade creditors and accruals

173,800 487,827

Subtotal trade payables

173,800 487,827

Payables to other reporting unit(s)

Subtotal payables to other reporting unit(s)

- -

Total trade payables

173,800 487,827

United Voice - Queensland Branch and its Controlled Entities
ABN: 69 844 574 256

Notes to and forming part of the financial statements (continued)
For the year ended 30 June 2015

18 Other payables

in AUD

| | 2015 | 2014 |
|---|------------------|------------------|
| Superannuation | 107,734 | 80,202 |
| Payroll Tax | 63,346 | 49,933 |
| Prepaid rent received | 36,896 | 7,963 |
| Consideration to employers for payroll deductions | - | - |
| Legal costs | 64,723 | - |
| Australian Taxation Office: | | |
| Goods and services tax | 248,562 | 335,359 |
| PAYG | 33,045 | 151,309 |
| United Voice National Council: | | |
| Sustentation fees | 496,499 | 447,453 |
| Other | - | 20,329 |
| | 1,050,805 | 1,092,548 |

Notes to and forming part of the financial statements (continued)
 For the year ended 30 June 2015

19 Financial Instruments

Overview

The union has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Union's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

Risk management framework

The Union's Committee of management has overall responsibility for the establishment and oversight of the risk management framework.

The Union's risk management policies are established to identify and analyse the risks faced by the Union, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Union's activities. The Union, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(a) Credit risk

Credit risk is the risk of financial loss to the Union if a member or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Union's receivables from members and investment securities.

Exposure to credit risk

The carrying amount of the Union's financial assets represents the maximum credit exposure. The Union's maximum exposure to credit risk at the reporting date was:

| <i>in AUD</i> | Note | 2015 | 2014 |
|---|-------------|-------------------------|-------------------------|
| Other investments (current and non-current excluding term deposits) | 12 | 411,470 | 111,470 |
| Trade and other receivables (including term deposits and excluding prepayments) | 12,13 | 334,161 | 286,254 |
| Cash and cash equivalents | 14 | 2,368,176 | 3,344,640 |
| | | <u>3,113,807</u> | <u>3,742,364</u> |

Notes to and forming part of the financial statements (continued)
 For the year ended 30 June 2015

19 Financial Instruments (continued)

(a) Credit risk (continued)
Impairment losses

The ageing of the Union's trade and other receivables at the reporting dates was:

| <i>in AUD</i> | Note | Gross 2015 | Impairment 2015 | Gross 2014 | Impairment 2014 |
|---------------|------|----------------|--------------------|----------------|--------------------|
| Not past due | 13 | 318,423 | - | 270,669 | - |
| | | 318,423 | - | 270,669 | - |

Cash and cash equivalents

The Union held cash and cash equivalents of \$2,368,176 at 30 June 2015 (2014: \$3,344,640) which represents its maximum credit exposure on these assets. The cash and cash equivalents are held at highly rated bank and financial institution counterparts.

(b) Liquidity risk

Liquidity risk is the risk that the Union will not be able to meet its financial obligations as they fall due.

Management of liquidity risk

The Union ensures that it has sufficient cash on demand to meet expected operational expenses and liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Union's reputation.

The following are the contractual maturities of financial liabilities:

30-Jun-15

| <i>in AUD</i> | Note | Carrying amount | Contractual cash flows | 12 months or less | 1-5 years | More than 5 years |
|---|-------|--------------------|---------------------------|----------------------|-----------|----------------------|
| Non-derivative financial liabilities | | | | | | |
| Trade and other payables | 17,18 | 1,224,605 | 1,224,605 | 1,224,605 | - | - |
| | | 1,224,605 | 1,224,605 | 1,224,605 | - | - |

30-Jun-14

| <i>in AUD</i> | Note | Carrying amount | Contractual cash flows | 12 months or less | 1-5 years | More than 5 years |
|---|-------|--------------------|---------------------------|----------------------|-----------|----------------------|
| Non-derivative financial liabilities | | | | | | |
| Trade and other payables | 17,18 | 1,580,375 | 1,580,375 | 1,580,375 | - | - |
| | | 1,580,375 | 1,580,375 | 1,580,375 | - | - |

Notes to and forming part of the financial statements (continued)
 For the year ended 30 June 2015

19 Financial Instruments (continued)

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, that will affect the Union's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

At the reporting date the interest rate profit of the Union's interest-bearing financial instruments was:

| in AUD | Note | 2015 | 2014 |
|----------------------------------|------|------------------|------------------|
| Variable rate instruments | | | |
| Bank Balances | 14 | 32,661 | 273,501 |
| Call deposits | 14 | 2,333,515 | 3,069,139 |
| Term Deposits | 12 | 15,738 | 15,585 |
| | | <u>2,381,914</u> | <u>3,358,225</u> |

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would not have increased (decreased) equity and profit or loss by a significant amount.

20 Financial instruments – Fair values

(a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

20 Financial instruments – Fair values (continued)
(a) Accounting classifications and fair values (continued)
30 June 2015

| <i>In AUD</i> | Note | Carrying amount | | | | | | Fair value | | | | | |
|---|------|------------------|--------------------------|--------------------------------|------------------|-----------------------|--------------------|-----------------------------|-------------|---------|---------|---------|---------|
| | | Held-for-trading | Designated at fair value | Fair value-hedging instruments | Held-to-maturity | Loans and receivables | Available-for-sale | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at fair value | | | | | | | | | | | | | |
| Investments (current and non-current excluding Term deposits) | | - | - | - | - | - | 411,470 | - | 411,470 | - | - | 411,470 | 411,470 |
| | | - | - | - | - | - | 411,470 | - | 411,470 | - | - | 411,470 | 411,470 |
| Financial assets not measured at fair value | | | | | | | | | | | | | |
| Trade and other receivables | | - | - | - | - | 318,423 | - | - | 318,423 | - | - | - | - |
| Cash and cash equivalents | | - | - | - | - | 2,368,176 | - | - | 2,368,176 | - | - | - | - |
| Term deposit | | - | - | - | - | 15,738 | - | - | 15,738 | - | - | - | - |
| | | - | - | - | - | 2,702,337 | - | - | 2,702,337 | - | - | - | - |
| Financial liabilities not measured at fair value | | | | | | | | | | | | | |
| Trade payables | | - | - | - | - | - | - | (1,224,605) | (1,224,605) | - | - | - | - |
| | | - | - | - | - | - | - | (1,224,605) | (1,224,605) | - | - | - | - |

30 June 2014

| <i>In AUD</i> | Note | Carrying amount | | | | | | Fair value | | | | | |
|---|------|------------------|--------------------------|--------------------------------|------------------|-----------------------|--------------------|-----------------------------|-------------|---------|---------|---------|---------|
| | | Held-for-trading | Designated at fair value | Fair value-hedging instruments | Held-to-maturity | Loans and receivables | Available-for-sale | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at fair value | | | | | | | | | | | | | |
| Investments (current and non-current excluding Term deposits) | | - | - | - | - | - | 111,470 | - | 111,470 | - | - | 111,470 | 111,470 |
| | | - | - | - | - | - | 111,470 | - | 111,470 | - | - | 111,470 | 111,470 |
| Financial assets not measured at fair value | | | | | | | | | | | | | |
| Trade and other receivables | | - | - | - | - | 270,669 | - | - | 270,669 | - | - | - | - |
| Cash and cash equivalents | | - | - | - | - | 3,344,640 | - | - | 3,344,640 | - | - | - | - |
| Term deposit | | - | - | - | - | 15,585 | - | - | 15,585 | - | - | - | - |
| | | - | - | - | - | 3,630,894 | - | - | 3,630,894 | - | - | - | - |
| Financial liabilities not measured at fair value | | | | | | | | | | | | | |
| Trade payables | | - | - | - | - | - | - | (1,580,375) | (1,580,375) | - | - | - | - |
| | | - | - | - | - | - | - | (1,580,375) | (1,580,375) | - | - | - | - |

Notes to and forming part of the financial statements (continued)
For the year ended 30 June 2015

21 Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

| <i>in AUD</i> | 2015 | 2014 |
|----------------------------|-----------------------|----------------|
| Less than one year | 31,200 | 74,879 |
| Between one and five years | 79,845 | 116,359 |
| | <u>111,045</u> | <u>191,238</u> |

The Union leased four office spaces under operating leases. The leases run for a period ranging between 2 to 5 years, with an option to renew the lease after that date. Lease payments are increased every year to reflect market rentals.

During the year ended 30 June 2015, an amount of \$114,733 was recognised as an expense in profit or loss in respect of operating leases (2014: \$113,000).

Leases as lessor

The Union leases out a portion of its business premises held under operating lease. The future minimum lease payments under non-cancellable leases are as follows:

| <i>in AUD</i> | 2015 | 2014 |
|----------------------------|-------------------------|------------------|
| Less than one year | 636,590 | 615,632 |
| Between one and five years | 1,318,217 | 1,954,807 |
| | <u>1,954,807</u> | <u>2,570,439</u> |

22 Contingencies

There are no contingent liabilities as balance date.

Notes to and forming part of the financial statements (continued)
 For the year ended 30 June 2015

23 (a) Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:

in AUD

2015

2014

Cash and cash equivalents as per:

| | | |
|---------------------|------------------|-----------|
| Cash flow statement | 2,368,176 | 3,344,640 |
| Balance sheet | 2,368,176 | 3,344,640 |
| Difference | - | - |

Reconciliation of cash flows from operating activities

Reconciliation of profit /(loss) to net cash from operating activities:

| | | |
|--|------------------|-----------|
| Profit/(loss) for the period | (48,528) | 559,348 |
| Adjustments for non-cash items | | |
| Depreciation | 475,014 | 177,209 |
| Gain on disposal of property, plant and equipment | (48,317) | (97,510) |
| Operating profit before changes in working capital and provisions | 378,169 | 639,047 |
| Change in trade and other receivables | (47,754) | (48,931) |
| Change in trade and other payables | (355,770) | 90,178 |
| Change in prepayments | (81,021) | (37,103) |
| Change in provision and employee benefits | 16,954 | (421,519) |
| Net cash (used in)/from operating activities | (89,422) | 221,672 |

(b) Cash flow information

Cash inflows

| | | |
|--------------------------------|----------|----------------|
| United Voice Queensland Branch | - | 545,936 |
| Total cash inflows | - | 545,936 |

Cash outflows

| | | |
|--------------------------------|------------------|----------|
| United Voice Queensland Branch | (976,464) | - |
| Total cash outflows | (976,464) | - |

Notes to and forming part of the financial statements (continued)
 For the year ended 30 June 2015

24 Related Party Disclosures

(a) Related Party Transactions for the Reporting Period

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

| <i>in AUD</i> | 2015 | 2014 |
|--|------------------|-------------|
| Revenue received from United Voice National Council includes the following: | | |
| Staff secondment | 202,927 | 89,937 |
| Reimbursement of expenses | 35,999 | 73,255 |
| Research and Documentary | 7,095 | 20,718 |
| Campaign initiatives | - | 100,000 |
| Staff Entitlements | 15,415 | - |
| Expenses paid to United Voice National Council includes the following: | | |
| Sustentation | 1,946,032 | 2,032,544 |
| Queensland Branch share of ADSL | 17,550 | 16,514 |
| Queensland Branch share of U Organise software cost | 17,535 | 1,650 |
| Queensland Branch share of server cost | 6,600 | - |
| Queensland Branch portion of Member Professional | - | - |
| Indemnity insurance | 133,182 | - |
| Reimburse expenses | 18,164 | 93,514 |
| Staff Entitlements | - | 19,408 |
| Research | - | 8,997 |

United Voice - Queensland Branch and its Controlled Entities
 ABN: 69 844 574 256

Notes to and forming part of the financial statements (continued)
 For the year ended 30 June 2015

24 Related Party Disclosures(continued)

(a) Related Party Transactions for the Reporting Period (continued)

**Amounts owed by United Voice National Council
 include the following:**

| | | |
|---------------------------|---------------|--------|
| Staff Secondment | 33,679 | 61,999 |
| Reimbursement of expenses | 22,871 | 19,587 |

**Amounts owed to United Voice National Council
 include the following:**

| | | |
|---|----------------|---------|
| Sustentation | 496,499 | 447,453 |
| Queensland Branch share of U Organise software cost | - | 15,940 |
| Reimburse expenses | - | - |
| Queensland Branch share of ADSL | | 4,388 |

**Revenue received from United Voice New South Wales Branch
 includes the following:**

| | | |
|---------------------------|---|--------|
| Reimbursement of expenses | - | 12,551 |
|---------------------------|---|--------|

**Expenses paid to United Voice Victorian Branch
 includes the following**

| | | |
|--------------------|---|-------|
| Reimburse expenses | - | 1,395 |
|--------------------|---|-------|

**Expenses paid to United Voice Western Australia Branch
 includes the following**

| | | |
|--------------------|------------------|------------------|
| Reimburse expenses | 1,113 | - |
| | 2,693,225 | 2,735,940 |

24 Related Party Disclosures(continued)

(b) Key Management Personnel Remuneration for the Reporting Period

| <i>in AUD</i> | 2015 | 2014 |
|--|----------------|-------------|
| Short-term employee benefits | | |
| Salary and wages(including annual leave taken) | 333,388 | 264,268 |
| Annual leave accrued | 26,342 | (23,682) |
| Motor Vehicle Allowance | 37,033 | 24,492 |
| Total short-term employee benefits | 396,763 | 265,078 |
| Post-employment benefits: | | |
| Superannuation | 49,948 | 32,789 |
| Total post-employment benefits | 49,948 | 32,789 |
| Other long-term benefits: | | |
| Long-service leave | 19,258 | 539 |
| Total other long-term benefits | 19,258 | 539 |
| Termination benefits | - | 1,658 |
| Total | - | - |

25 Remuneration of Auditors

| <i>in AUD</i> | 2015 | 2014 |
|---------------------------------------|---------------|-------------|
| Audit services | | |
| <i>KPMG Australia:</i> | | |
| Audit and review of financial reports | 38,362 | 37,887 |
| Other services | | |
| <i>KPMG Australia:</i> | | |
| Other assurance services | 3,675 | 3,585 |
| Other advisor services | - | 10,649 |
| | 42,037 | 52,121 |

26 Subsidiaries

The Union has one wholly-owned subsidiary entity, Poll Printing Limited, that was incorporated on 25 May 2015.

United Voice - Queensland Branch and its Controlled Entities
ABN: 69 844 574 256

Committee of Management's Statement
For the period ended 30 June 2015

On 16 September 2015, the Committee of Management of United Voice - Queensland Branch, and its Controlled Entities passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2015:

The Committee of Management declares that in its opinion:

- (a) the consolidated financial statements and notes comply with the Australian Accounting Standards;
- (b) the consolidated financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the consolidated 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 RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting units have been kept as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request of 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 the General Manager; and
 - (vi) 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.

In accordance to the resolution passed by the Committee of Management at Brisbane on 16 September 2015



Gary Bullock
Branch Secretary - United Voice - Queensland Branch



Independent auditor's report to the members of United Voice – Queensland Branch and its Controlled Entities

We have audited the accompanying financial report of United Voice – Queensland Branch and its Controlled Entities (the Union), which comprises the consolidated statement of financial position as at 30 June 2015, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 26 comprising a summary of significant accounting policies and other explanatory information and the Committee of Management's declaration of the Union comprising United Voice – Queensland Branch and the entities it controlled at the year's end or from time to time during the financial year.

Committee of Management's responsibility for the financial report

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

Auditor's responsibility

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

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

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Fair Work (Registered Organisations) Act 2009* and Australian Accounting Standards, a view which is consistent with our understanding of the Union's financial position and of its performance.



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

Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor's opinion

In our opinion, the financial report of United Voice – Queensland Branch and its Controlled Entities presents fairly, in all material aspects, the Union's financial position as at 30 June 2015 and its performance for the year ended on that date in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 1999*.

Report on other regulatory requirements

- a) The scope of our audit encompassed recovery of wages activity. In our opinion, the recovery of wages activity financial report presents fairly, in all material aspects, in accordance with Reporting Guidelines made under section 255 of the Fair Work (Registered Organisations) Act 1999, including:
 - (i) any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity; and
 - (ii) any donations or other contributions deducted from recovered money
- b) In our opinion, the Committee of Management's use of the going concern basis of accounting in the preparation of the financial report is appropriate.
- c) I am an approved auditor as defined by Regulation 4 of the Fair Work (Registered Organisations) Act 1999, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

KPMG

KPMG

M J Jeffery
Partner

Brisbane

16 September 2015