

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

ABN: 71 584 779 039

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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**INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF
ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND**

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Report on the Financial Report

We have audited the accompanying financial statements, being special purpose financial report, of the Electrical Trades Union of Employees Queensland (the Union), which comprise the statement of financial position as at 31 December 2014, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies, other explanatory notes and the committee of management's declaration.

Committee of Management responsibility for the Financial Report

The committee of management of the Union is responsible for the preparation of the financial report that gives a true and fair view and has determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Industrial Relations Act 1999* and is appropriate to meet the needs of the members. The committee of management's responsibility also includes such internal controls as the committee of management determines is necessary to enable the preparation of the financial report that gives a true and fair view and 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 have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 of the financial report that gives a true and fair view 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of the Union for the year ended 31 December 2014 included on the Union's website. The Union's Committee of Management is responsible for the integrity of the Union's website. We have not been engaged to report on the integrity of this website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to / from these statements. If users of this report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

Independence

In conducting our audit, we followed applicable independence requirements of Australian Professional Ethical Pronouncements.

Auditor's Opinion

In our opinion:

- (1) The financial statements of the Electrical Trades Union of Employees Queensland are in accordance with the *Industrial Relations Act 1999*, including:
 - (i) giving a true and fair view of the Union's financial position as at 31 December 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia (including the Australian Accounting Interpretations) to the extent disclosed in Note 1.
- (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;
- (4) The financial disclosure statement and mid-year financial disclosure statement for the year were prepared in accordance with the *Industrial Relations Act 1999*;
- (5) The Union has the policies it is required to have in place under section 553A(1) of the *Industrial Relations Act 1999*;
- (6) The Union's spending for political purposes from 1 July 2013, did not contravene the requirements of section 553F of the *Industrial Relations Act 1999*; and
- (7) There was no deficiency, failure or shortcoming in any matters referred to in (1) to (6) above.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the committee of management's financial reporting responsibilities under the *Industrial Relations Act 1999*. As a result, the financial report may not be suitable for another purpose.

M.G.I

MGI Audit (Q) Pty Ltd



G I Kent
Director

South Brisbane

23 March 2015

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

COMMITTEE OF MANAGEMENT OPERATING REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

Principal Activities

The principal activity of the Electrical Trades Union of Employees, Queensland was to act on behalf of members in pursuit of the following:

- to enrol in the ETU-Q persons eligible to be members;
- to advance the interest of members and secure appropriate classification structures with appropriate rates of pay that adequately reflect the training and skills of members and the conditions and circumstances in which members are employed;
- to ensure adequate training is available for members including the maintenance of the principles of the apprenticeship system;
- to provide legal protection for members with respect to industrial and work injury related matters;
- to assist members in the event of unemployment, sickness, injury, mortality and industrial dispute;
- to establish Sub-Branches and Sections of the Union and organise members into Sub-Branches and Sections throughout Queensland; and
- to advance the living and working conditions of workers and their families, and to assist kindred unions and other bodies having objects similar in whole or in part to the objects of the Union.

Operating Results

The surplus for the financial year amounted to \$298,241 (2013: deficit \$290,243).

Review of Operations

There were no significant changes 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 ETU-Q, the results of those operations or the state of affairs of the ETU-Q in future financial years.

Future Developments

Likely developments in the operations of the ETU-Q or 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 ETU-Q.

Environmental Issues

The ETU-Q'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 ETU-Q is set out in the Rules of the Electrical Trades Union of Employees Queensland.

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

COMMITTEE OF MANAGEMENT OPERATING REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

Members of the Committee of Management

The name of each person who has been a member of the committee of management of the ETU-Q 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, Lloyd	Whole Period
Baker, Gary	Whole Period
Blackmore, Ivan	Whole Period
Bloom, Gregory	Whole Period
*Bloxsom, Gary	Whole Period
*Burgess, Mark	Whole Period
Burns, Daniel	Appointed 24 February 2014
Cawley, Peter	Whole Period
*Christoffel, Jeffrey	Whole Period
Clarke, Ken	Whole Period
Coxon, Michael	Whole Period
Ferguson, Kevin	Whole Period
Forrest, Alan	Whole Period
*Fiteni, Joseph	Whole Period
Gardiner, Ben	Whole Period
Harrington, Bradley	Resigned 24 February 2014
Hayes, David	Whole Period
Hill, Robert	Appointed 24 February 2014
Holdsworth, Jamie	Appointed 24 February 2014
Keding, Daryl	Whole Period
*King, Shane	Whole Period
*Kirby, Paul	Resigned 24 February 2014
*List, Stephen	Resigned 24 February 2014
*McGaw, Christopher	Whole Period
McPherson, Lindsay	Whole Period
Moloney, Dane	Whole Period
Nugent, Luke	Whole Period
Riehl, John	Resigned 24 February 2014
Senior, Craig	Whole Period
*Simpson, Peter	Whole Period
Sologinkin, Scott	Appointed 24 February 2014
Sladden, Jason	Whole Period
Smith, Gregory	Whole Period
Stein, Clark	Whole Period
Taylor, John	Whole Period
Thomas, Craig	Whole Period
Towler, Ben	Whole Period
Visini, Owen	Whole Period
Walmsley, James	Whole Period
Williams, Wayne	Whole Period

** Member of the State Executive*

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

COMMITTEE OF MANAGEMENT OPERATING REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The Committee of Management of the ETU-Q declares that:

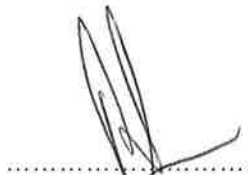
- (1) The financial statements and notes, as set out in pages 8 to 24, are in accordance with the *Industrial Relations Act 1999* and show a true and fair view of the financial affairs of the ETU-Q as at 31 December 2014.
- (2) In the Committee's opinion the ETU-Q was solvent for the whole financial year and there are reasonable grounds to believe that the ETU-Q will be able to pay its debts as and when they become due and payable.
- (3) In the Committee's opinion:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the ETU-Q; and
 - (ii) the financial affairs of the ETU-Q have been managed in accordance with the rules of the ETU-Q;
- (4) To the knowledge of any Committee members there have been no instances during the financial year where records, rules or copies of these records or rules required by the *Industrial Relations Act 1999* or the rules to be provided to a member have not been so provided.
- (5) In respect of the financial statements for the year ended 31 December 2014 the ETU-Q has complied with sections 565 and 566 of the *Industrial Relations Act 1999* by presenting to an Annual General Meeting and providing to members the financial statements including auditor's report, of the ETU-Q which were included within the financial statements of the CEPU-Electrical Division, Queensland and Northern Territory Divisional Branch.

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


.....
C. McGaw
President

23 March 2015

South Brisbane


.....
P Simpson
State Secretary

23 March 2015

South Brisbane

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

ACCOUNTING OFFICER'S CERTIFICATE FOR THE YEAR ENDED 31 DECEMBER 2014

I, Peter Simpson, being the Accounting Officer responsible for keeping the accounting records for The Electrical Trades Union of Employees, Queensland Branch ("ETU-Q"), certify that as at 31 December 2014 the number of financial members of the ETU-Q was 13,993 excluding honorary and lifetime members and the number of unfinancial members was 1,424.

In my opinion,

- (i) the attached financial statements show a true and fair view of the financial affairs of the ETU-Q as at 31 December 2014;
- (ii) a record has been kept of all moneys paid by, or collected from, members if any, and all moneys so paid or collected have been credited to the bank account to which those moneys are to be credited, in accordance with the rules of the ETU-Q;
- (iii) before any expenditure was incurred by the ETU-Q, approval of the incurring of the expenditure was obtained in accordance with the rules of the ETU-Q;
- (iv) with regard to funds of the ETU-Q raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules of the ETU-Q, no payments were made out of any such fund for a purpose other than the purpose for which the fund was operated, and if any such payment was so made, it was approved in accordance with the rules of the ETU-Q;
- (v) no loan or other financial benefit was granted to employees or persons holding office in the ETU-Q; and
- (vi) the register of members of the ETU-Q was maintained in accordance with the *Industrial Relations Act 1999*.



P Simpson
State Secretary

23 March 2015

South Brisbane

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE COMMITTEE OF MANAGEMENT OF THE
ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND**

As lead auditor for the audit of the Electrical Trades Union of Employees Queensland for the year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

M.G.I

MGI Audit (Q) Pty Ltd



G I Kent
Director

South Brisbane

23 March 2015

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$	2013 \$
Revenue	4	2,141,987	2,401,246
Depreciation and amortisation expense	5 (ii)	(142,312)	(148,106)
Finance costs	5 (i)	(61,308)	(73,238)
Administration fees		(60,733)	(47,273)
Advertising		(2,543)	(148,038)
Campaign expense		(27,018)	(185,580)
Centenary book expense		-	(61,875)
Conference expenses		(128,416)	(414,192)
Jobs board maintenance expense		-	(14,542)
Industry expenses		(4,746)	(14,744)
Insurance expense		(9,741)	(3,514)
Labour hire expense		(481,962)	(500,581)
Legal expenses		(19,713)	(41,057)
Employee benefit expense		(455,328)	-
Organising Expenses		(292,546)	(401,575)
Property expenses		(88,264)	(129,313)
Repairs & maintenance		(6,719)	(1,360)
Sponsorship		(24,932)	(404,459)
Training/ recruitment		(57)	-
Other expenses		(37,408)	(102,042)
Surplus/(Deficit) before income tax		<u>298,241</u>	<u>(290,243)</u>
Income tax expense	1(e)	-	-
Surplus/(Deficit) for the year		<u>298,241</u>	<u>(290,243)</u>
Other comprehensive income			
Other comprehensive income (net of income tax)			-
Total comprehensive income for the year		<u>298,241</u>	<u>(290,243)</u>
Surplus/(Deficit) attributable to:			
Members of the union		<u>298,241</u>	<u>(290,243)</u>
Total comprehensive income attributable to:			
Members of the union		<u>298,241</u>	<u>(290,243)</u>

The accompanying notes form part of these financial statements

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

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

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,701,096	499,725
Trade and other receivables	8	249,084	269,346
Other assets	9	103,593	103,593
TOTAL CURRENT ASSETS		<u>2,053,773</u>	<u>872,664</u>
NON CURRENT ASSETS			
Property, plant & equipment	10	<u>2,114,890</u>	<u>2,265,369</u>
TOTAL NON CURRENT ASSETS		<u>2,114,890</u>	<u>2,265,369</u>
TOTAL ASSETS		<u>4,168,663</u>	<u>3,138,033</u>
CURRENT LIABILITIES			
Trade and other payables	11	1,165,850	709,489
Provisions	12	201,671	-
TOTAL CURRENT LIABILITIES		<u>1,367,521</u>	<u>709,489</u>
NON-CURRENT LIABILITIES			
Provisions	12	13,746	-
Interest bearing liabilities	13	<u>2,296,849</u>	<u>2,236,238</u>
TOTAL NON-CURRENT LIABILITIES		<u>2,310,595</u>	<u>2,236,238</u>
TOTAL LIABILITIES		<u>3,678,116</u>	<u>2,945,727</u>
NET ASSETS		<u>490,547</u>	<u>192,306</u>
MEMBERS EQUITY			
Retained earnings		<u>490,547</u>	<u>192,306</u>

The accompanying notes form part of these financial statements

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	Retained Earnings \$	Total \$
Balance at 1 January 2013	482,549	482,549
Deficit attributable to members of the Union	(290,243)	(290,243)
Total other comprehensive income for the year	-	-
Balance at 31 December 2013	192,306	192,306
 Balance at 1 January 2014	 192,306	 192,306
Surplus attributable to members of the Union	298,241	298,241
Total other comprehensive income for the year	-	-
Balance at 31 December 2014	490,547	490,547

The accompanying notes form part of these financial statements

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

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

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Levies received		2,072,148	1,820,928
Sponsorship income received		104,794	521,519
Receipts from other revenue		136,966	239,669
Interest received		2,041	2,857
Finance costs		(697)	(80,949)
Payment in advance – Centenary		-	(8,500)
Payment to suppliers		(1,095,012)	(2,247,901)
Net cash provided by operating activities	14(b)	<u>1,220,240</u>	<u>247,623</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		<u>(18,869)</u>	<u>(54,831)</u>
Net cash used in investing activities		<u>(18,869)</u>	<u>(54,831)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	900,000
Repayment of borrowings		-	(1,200,000)
Net cash provided/(used) by financing operations		<u>-</u>	<u>(300,000)</u>
Net increase/(decrease) in cash held		1,201,371	(107,208)
Cash at beginning of the financial year		499,725	606,933
Cash at the end of the financial year	14(a)	<u>1,701,096</u>	<u>499,725</u>

The accompanying notes form part of these financial statements

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Electrical Trades Union of Employees Queensland ("ETU-Q") is a trade union which is incorporated and domiciled in Australia.

Basis of Preparation

The committee of management has prepared the financial statements on the basis that the ETU-Q is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Industrial Relations Act 1999*. The ETU-Q is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Industrial Relations Act 1999* and the significant accounting policies disclosed below, which the committee has determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

Reporting Basis and Conventions

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. The amounts presented in the financial statements are in Australian dollars and have been rounded to the nearest dollar.

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

The financial statements were authorised for issue on 23 March 2015 by the Committee of Management of the Union.

(a) Impairment of Assets

At each reporting date, the ETU-Q 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 costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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

Where it is not possible to estimate the recoverable amount of a class of asset, the ETU-Q estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(b) Cash and cash equivalents

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

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Revenue

Revenue is recognised to the extent that it is probable that the benefits will flow to the ETU-Q and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) *Interest Income*

Interest revenue is recognised when the ETU-Q's right to receive the payment is established. It is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

(ii) *Levies*

Levies are recognised when the right to receive the levy has been established.

(iii) *Other Revenue*

Other revenue is accounted for on an accrual basis.

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

(d) 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 statement of financial position are shown inclusive of GST.

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

(e) Income Tax

The ETU-Q is exempt from income tax by virtue of s50-15 of the *Income Tax Assessment Act 1997*.

(f) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and impairment losses.

Land and Buildings

Freehold land and buildings are shown at cost less subsequent depreciation for buildings.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Property, Plant and Equipment (Continued)

Plant and equipment (Continued)

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 the item will flow to the ETU-Q and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the ETU-Q 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 depreciable asset are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Office Equipment	20%
Motor Vehicles	10-30%
Buildings	4%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

(g) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the ETU-Q are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the ETU-Q will obtain ownership of the asset or over the term of the lease.

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Finance costs

Finance 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 finance costs are recognised in income in the period in which they are incurred.

(i) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

(j) Trade and Other Payables

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

(k) Comparative figures

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

(l) Critical Accounting Estimates and Judgments

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

Key estimates — Impairment

The Committee of Management assesses impairment at each reporting date by evaluating conditions specific to the ETU-Q that may lead to 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.

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) New, Revised or Amending Accounting Standards and Interpretations

The Union has adopted all of the new, revised or amended Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(n) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Union. The Union has decided not to early adopt any of the new and amended pronouncements. The Union's assessment of the new and amended pronouncements that are relevant to the Union but applicable in future reporting periods is set out below:

AASB 9: Financial Instruments (December 2010) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

These Standards will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Union on initial application of AASB 9 and associated Amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although the Committee of Management anticipate that the adoption of AASB 9 may have an impact on the Union's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
NOTE 2: COMMITMENTS AND CONTINGENCIES		
(a) Operating lease commitments		
Receivable – minimum lease payments		
- not later than 12 months	157,560	150,060
- between 12 months and 5 years	329,442	-
- greater than 5 years	-	-
Minimum lease payments	<u>487,002</u>	<u>150,060</u>

The lease relates to rent receivable for 877 Boundary Road, Coopers Plains.

(b) Contingent liabilities and commitments

There were no contingent liabilities or commitments at reporting date.

NOTE 3: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the *Industrial Relations Act 1999* the attention of members is drawn to the following provisions:

Industrial Relations Act 1999 – Section 556:

Sub-Section (1)

A member of an organisation may apply to the organisation for information that it must, under a regulation, give its members.

Sub-Section (2)

An application may be made by the registrar for a member.

Sub-Section (3)

The organisation must give the member or, if the registrar applied for a member, the registrar, the information applied for in a way prescribed under a regulation.

Sub-Section (4)

If the information is given to the registrar, the registrar must give the information to the member for whom the registrar made the application.

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
NOTE 4: REVENUE		
Operating Activities		
- Rental income	126,480	133,728
- Meeting income	12,402	10,668
- Sponsorship income	147,888	478,950
- Interest income	441	2,857
- Levy income	1,832,992	1,672,301
- Refunds and reimbursements	1,284	102,742
- Sundry Income	20,500	-
	2,141,987	2,401,246

Industry levies include the following:

- Coal Levy
- QR Levy
- Lift Industry Levy
- Electrical Contracting Levy
- Supply Industry Levy

The industry levies are to provide members with financial assistance for conferences and training.

The Apprentice Levy provides apprentices funding for various industrial, political and other campaigns to assist in recruitment and retention strategies.

The OH & S Levy provides members with access to OH & S experts.

The Support Levy provides funding for various industrial campaigns.

The Campaign levy provides funding for various industrial, political and other campaigns to assist in recruitment and retention strategies.

Levy income consists of:

- Campaign Levy	738,174	670,669
- Coal Levy	34,863	35,729
- Lift Industry Levy	13,688	12,744
- Electrical Contracting Levy	161,910	123,026
- Supply Industry Levy	107,900	111,156
- Apprentice Levy	17,862	17,793
- OH & S Levy	29,812	27,016
- QR Levy	25,743	27,718
- Supply TND Levy	519	7,533
- Supply TNDC Levy	385	3,657
- Support Levy	702,136	635,260
	1,832,992	1,672,301

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
NOTE 5: PROFIT BEFORE INCOME TAX		
(i) Finance costs		
- external	563	737
- related entities	60,745	72,501
Total finance costs	<u>61,308</u>	<u>73,238</u>
(ii) Depreciation and amortisation		
- Buildings	90,747	90,746
- Office equipment	34,860	29,582
- Motor vehicles	16,705	27,778
	<u>142,312</u>	<u>148,106</u>
NOTE 6: AUDITOR REMUNERATION		
Amounts received or due and receivable by the auditors of the Union for:		
(a) audit of the financial report of the union and preparation of the financial statements	10,750	10,750
(b) other services		
(i) taxation services	-	-
	<u>10,750</u>	<u>10,750</u>
NOTE 7: CASH AND CASH EQUIVALENTS		
Cash on hand	1,955	-
Cash at bank	1,699,141	499,725
	<u>1,701,096</u>	<u>603,933</u>
NOTE 8: TRADE AND OTHER RECEIVABLES		
Trade receivables	56,590	11,896
GST receivable	141,243	206,199
Accrued income	1,600	1,600
Related party receivables – DMB Fund	49,651	49,651
	<u>249,084</u>	<u>269,346</u>
NOTE 9: OTHER ASSETS		
Prepayments	<u>103,593</u>	<u>103,593</u>

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
NOTE 10: PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
- At cost	2,268,643	2,268,643
- Accumulated depreciation	(297,199)	(206,452)
Total Land and Buildings	<u>1,971,444</u>	<u>2,062,191</u>
Office Equipment		
- At cost	229,359	212,783
- Accumulated depreciation	(167,557)	(134,288)
Total Office Equipment	<u>61,802</u>	<u>78,495</u>
Motor Vehicles		
- At cost	119,129	162,140
- Accumulated depreciation	(37,485)	(37,457)
Total Equipment	<u>81,644</u>	<u>124,683</u>
Total Property, Plant and Equipment	<u>2,114,890</u>	<u>2,265,369</u>

(a) Movements in Carrying Amounts

	Land & Buildings \$	Office Equipment \$	Motor Vehicles \$	Total \$
Balance at the beginning of the year	2,062,191	78,495	124,683	2,265,369
Additions	-	18,167	20,500	38,667
Disposals		-	(46,834)	(46,834)
Depreciation expense	(90,747)	(34,860)	(16,705)	(142,312)
Carrying amount at the end of the year	<u>1,971,444</u>	<u>61,802</u>	<u>81,644</u>	<u>2,114,890</u>

	2014 \$	2013 \$
NOTE 11: TRADE AND OTHER PAYABLES		
Trade payables	1,051,728	53,768
Other payables	61,550	-
GST payable	28,562	54,000
Accruals	700	10,200
Related party payables – CEPU	23,310	591,521
	<u>1,165,850</u>	<u>709,489</u>

NOTE 12: PROVISIONS

Current

Provisions for Annual Leave	57,272	-
Provision for Long Service Leave	144,399	-
	<u>201,671</u>	-

Non-Current

Provision for Long Service Leave	13,746	-
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Total Provisions	<u>215,417</u>	<u>-</u>
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THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
NOTE 13: INTEREST BEARING LIABILITIES		
Current		
Related party secured loan	-	-
Non Current		
Related party secured loan	2,296,849	2,236,238
Total Interest Bearing Liabilities	2,296,849	2,236,238

ETU-Q has borrowed from the CEPU – Electrical Division – QLD & NT Branch (a related entity) for the purchase of the building located at 952 Ipswich Road, Moorooka, 64 Ross River Road, Townsville, and 37 Peel Street, South Brisbane. The CEPU has security over the assets of the ETU-Q.

NOTE 14: CASH FLOW INFORMATION

(a) Reconciliation of Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand, at banks and 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 statement of financial position as follows:

Cash on hand	1,955	-
Cash at bank	1,699,141	499,725
	1,701,096	499,725

(b) Reconciliation of Cash Flow from Operations with Profit after Income Tax

Profit after income tax	298,241	(290,243)
Non-cash flows in profit after income tax:		
Net Interest expense / (income)	60,611	(7,711)
Depreciation	142,312	148,106
Changes in asset and liabilities:		
(Increase)/Decrease in trade and other receivables	(38,751)	(153,911)
(Increase)/Decrease in prepayments	-	(9,688)
Increase/(Decrease) in employee leave entitlements	215,417	-
Increase/(Decrease) in trade and other payables	542,410	561,070
Net cash provided by operating activities	1,220,240	247,623

(c) Non-cash financing and investing activities

Motor Vehicles

During the 2014 financial year, the union acquired a motor vehicles with an aggregate fair value of \$20,500 by means of a donation. This acquisitions is not reflected in the statement of cash flows.

During the 2014 financial year, the union disposed of a motor vehicles with an aggregate fair value of \$47,000 by means of a loan to a related party. This disposal is not reflected in the statement of cash flows.

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

NOTE 15: UNION DETAILS

Principal place of business of the union is:

41 Peel Street
South Brisbane QLD 4101

NOTE 16: EVENTS AFTER BALANCE DATE

There are no events subsequent to the balance date that have impacted on the values disclosed in the financial statements.

**THE FOLLOWING REPORTS DO NOT FORM
PART OF THE AUDITED FINANCIAL STATEMENTS.
THEY HAVE BEEN PROVIDED AS ADDITIONAL
MANAGEMENT INFORMATION TO ASSIST THE READER
IN THEIR ANALYSIS OF THE FINANCIAL STATEMENTS.**

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

Additional Information in Explaining the Financial Results of the Union (Unaudited)

	2014 \$	2013 \$
REVENUE		
General Fund		
Apprentice Levy	17,862	17,793
Campaign Levy	738,174	670,669
Coal Levy	34,861	35,729
Electrical Contracting Levy	161,910	123,026
Lift Industry Levy	13,688	12,744
OH & S Levy	29,812	27,016
QR Levy	25,743	27,718
Supply Industry Levy	107,900	111,156
Supply TND Levy	519	7,533
Supply TNDC Levy	385	3,657
Support Levy	702,136	635,260
Interest Income	441	2,857
Meeting Income	12,402	10,668
Refunds and Reimbursements	1,284	102,742
Rental Income	126,482	133,728
Sponsorship Income	147,888	478,950
Sundry income	20,500	3,166
	2,141,987	2,404,412
EXPENDITURE		
General Fund		
Accounting	11,584	10,200
Administration Fees	60,733	47,273
Advertising	2,543	148,038
Campaign Expenses	27,018	185,580
Centenary Book Expense	-	61,875
Conference Expenses	128,417	414,192
Delegates Expenses	116	39,002
Depreciation Expense	142,312	148,106
Industry Expenses	4,746	14,744
Insurance	9,741	3,514
Interest Expenses	61,308	73,238
Jobs Board Maintenance Expenses	-	14,542
Labour Day Expenses	4,357	-
Labour Hire	481,962	500,581
Employee benefits expense	455,328	-
Legal Costs	19,713	41,057
Motor Vehicle Expenses	3,474	11,964
Office Equipment Maintenance	6,719	1,360
Organising Expenses	292,546	401,575
Printing, Postage & Stationery	11,011	35,859
Property Expenses	88,264	129,313
Research Expenses	-	-
Sponsorship Expenses	24,932	404,459
Sundry Expenses	6,865	5,017
Training/ Recruitment	57	-
	1,843,746	2,691,489
Surplus/(Deficit) before income tax	298,241	(290,243)