

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

CONTENTS

	Page No
Independent Auditor's Report	1
Committee of Management Operating Report	3
Accounting Officer's Certificate	6
Auditor's Independence Declaration	7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12
Additional Information	24

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

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 2012, 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 2012 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 2012 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; and
- (4) There was no deficiency, failure or shortcoming in any matters referred to in (1) to (3) 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.

MGI Assurance (South Qld) Pty Ltd

G I Kent
Director

South Brisbane

18 March 2013

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

COMMITTEE OF MANAGEMENT OPERATING REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

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 loss for the financial year amounted to \$127,595 (2011: \$77,968 profit).

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 2012

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
Bijoux, Cyril	Whole Period
Blackmore, Ivan	Whole Period
Bloom, Gregory	Whole Period
*Bloxsom, Gary	Whole Period
*Burgess, Mark	Whole Period
Cawley, Peter	Whole Period
*Christoffel, Jeffrey	Whole Period
Clarke, Ken	Whole Period
Cooke, Clive	Resigned 26 November 2012
Coxon, Michael	Whole Period
Ferguson, Kevin	Whole Period
Forrest, Alan	Whole Period
*Fiteni, Joseph	Whole Period
Harrison, Mark	Whole Period
Hayes, David	Whole Period
Hoeksema, Tom	Whole Period
Keding, Daryl	Whole Period
*King, Shane	Whole Period
*Kirby, Paul	Whole Period
*List, Stephen	Whole Period
*McGaw, Christopher	Whole Period
Moloney, Dane	Whole Period
Moloney, Wendel	Whole Period
Nugent, Luke	Whole Period
Riehl, John	Whole Period
Senior, Craig	Whole Period
*Simpson, Peter	Whole Period
Sladden, Jason	Whole Period
Smith, Gregory	Whole Period
Stein, Clark	Whole Period
Stewart, Rachael	Whole Period
Taylor, John	Whole Period
Visini, Owen	Whole Period
Walmsley, James	Whole Period
Williams, Wayne	Appointed 26 November 2012

* *Member of the State Executive*

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

**COMMITTEE OF MANAGEMENT OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012**

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 2012.
- (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 2011 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

.....
P Simpson
State Secretary

18 March 2013

18 March 2013

South Brisbane

South Brisbane

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

**ACCOUNTING OFFICER'S CERTIFICATE
FOR THE YEAR ENDED 31 DECEMBER 2012**

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 2012 the number of financial members of the ETU-Q was 12,700 excluding honorary and lifetime members and the number of unfinancial members was 1,365.

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 2012;
- (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

18 March 2013

South Brisbane

**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 2012, 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.

MGI Assurance (South Qld) Pty Ltd

G I Kent
Director

South Brisbane

18 March 2013

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 \$	2011 \$
Revenue	4	2,030,727	1,162,092
Depreciation and amortisation expense	5 (ii)	(133,505)	(76,110)
Finance costs	5 (i)	(128,112)	(96,615)
Administration fees		(396,818)	(13,636)
Advertising		(198,133)	-
Campaign expense		(548,921)	(478,573)
Centenary book expense		(60,000)	-
Conference expenses		(206,281)	-
Jobs board maintenance expense		(51,277)	-
Industry expenses		(27,783)	-
Insurance expense		(20,056)	(73,964)
Labour hire expense		(46,600)	(118,540)
Legal expenses		(63,614)	(45,354)
Property expenses		(68,734)	(10,226)
Repairs & maintenance		-	(63,591)
Research expense		(44,200)	-
Sponsorship		(26,905)	-
Training/ recruitment		(25,133)	(83,792)
Other expenses		(112,250)	(23,723)
(Loss)/ Profit before income tax		<u>(127,595)</u>	<u>77,968</u>
Income tax expense	1(e)	-	-
(Loss)/ Profit for the year		<u>(127,595)</u>	<u>77,968</u>
Other comprehensive income		-	-
Other comprehensive income (net of income tax)		-	-
Total comprehensive income for the year		<u>(127,595)</u>	<u>77,968</u>
(Loss)/ Profit attributable to:			
Members of the union		<u>(127,595)</u>	<u>77,968</u>
Total comprehensive income attributable to:			
Members of the union		<u>(127,595)</u>	<u>77,968</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 2012**

	Note	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	606,933	387,918
Trade and other receivables	8	115,435	319,882
Other assets	9	93,905	23,081
Financial assets	10	900,000	100,000
TOTAL CURRENT ASSETS		<u>1,716,273</u>	<u>830,881</u>
NON CURRENT ASSETS			
Financial assets	10	-	900,000
Property, plant & equipment	11	2,358,644	2,426,868
TOTAL NON CURRENT ASSETS		<u>2,358,644</u>	<u>3,326,868</u>
TOTAL ASSETS		<u>4,074,917</u>	<u>4,157,749</u>
CURRENT LIABILITIES			
Trade and other payables	12	148,419	134,812
Interest bearing liabilities	13	900,000	100,000
TOTAL CURRENT LIABILITIES		<u>1,048,419</u>	<u>234,812</u>
NON-CURRENT LIABILITIES			
Interest bearing liabilities	13	2,543,949	3,312,793
TOTAL NON-CURRENT LIABILITIES		<u>2,543,949</u>	<u>3,312,793</u>
TOTAL LIABILITIES		<u>3,592,368</u>	<u>3,547,605</u>
NET ASSETS		<u>482,549</u>	<u>610,144</u>
MEMBERS EQUITY			
Retained earnings		<u>482,549</u>	<u>610,144</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 2012**

	Retained Earnings \$	Total \$
Balance at 1 January 2011	532,176	532,176
Profit attributable to members of the Union	77,968	77,968
Total other comprehensive income for the year	-	-
Balance at 31 December 2011	<u>610,144</u>	<u>610,144</u>
Balance at 1 January 2012	610,144	610,144
Loss attributable to members of the Union	(127,595)	(127,595)
Total other comprehensive income for the year	-	-
Balance at 31 December 2012	<u>482,549</u>	<u>482,549</u>

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 2012**

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Levies received		1,844,178	886,134
Sponsorship income received		65,538	15,000
Receipts from other revenue		368,704	209,310
Interest received		286	26,370
Finance costs		(96,955)	(96,615)
Payment in advance – Centenary		(85,000)	-
Payment to suppliers		(1,976,736)	(1,073,387)
Net cash provided by operating activities	13(b)	<u>119,015</u>	<u>(33,188)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	(2,429,391)
Proceeds from the sale of property, plant and equipment		-	151,095
Net cash used in investing activities		<u>-</u>	<u>(2,278,296)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		100,000	2,406,928
Repayment of borrowings		-	(151,095)
Net cash provided by financing operations		<u>100,000</u>	<u>2,255,833</u>
Net increase/(decrease) in cash held		219,015	(55,651)
Cash at beginning of the financial year		387,918	443,569
Cash at the end of the financial year	13(a)	<u>606,933</u>	<u>387,918</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 2012

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 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 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.

(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 2012

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 2012

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	20-50%
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 2012

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 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Union has decided not to early adopt. A discussion of those future requirements and their impact on the Union is as follows:

- AASB 2011-9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income (AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049) (Applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This standard affects presentation only and is therefore not expected to significant impact the union.

- AASB 13 Fair Value Measurement

AASB 13 establishes a single source of guidance under AASB for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets.

AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.

Consequential amendments were also made to other standards via AASB 2011-8.

- AASB 119 Employee Benefits

The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability and requires that the liabilities arising from such plans is recognised in full with actuarial gains and losses being recognised in other comprehensive income. It also revised the method of calculating the return on plan assets. The definition of short-term benefits has been revised, meaning some annual leave entitlements may become long-term in nature with a revised measurement. Similarly the timing for recognising a provision for termination benefits has been revised, such that provisions can only be recognised when the offer cannot be withdrawn.

Consequential amendments were also made to other standards via AASB 2011-10.

- AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities

AASB 2012-2 principally amends AASB 7 *Financial Instruments: Disclosures* to require disclosure of information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognized financial liabilities, on the entity's financial position.

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) New Accounting Standards for Application in Future Periods

- AASB 1053 Application of tiers of Australian Accounting Standards

This standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements:

- (a) Tier 1: Australian Accounting Standards
- (b) Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

The following entities are required to apply Tier 1 reporting requirements (ie full IFRS):

- (a) for-profit private sector entities that have public accountability; and
- (b) the Australian Government and state, territory and local governments

The following entities can elect to apply Tier 2 of the framework when preparing general purpose financial statements:

- (a) for-profit private sector entities that do not have public accountability;
- (b) not-for-profit private sector entities; and
- (c) public sector entities, whether for-profit or not-for-profit, other than the Australian Government and state, territory and local governments

As the Union is not required to prepare general purpose financial statements AASB 1053 will have no impact on the financial statements of the Union.

Consequential amendments to other standards to implement the regime were introduced by AASB 2010-2, 2011-2, 2011-6, 2011-11, 2012-1 and 2012-7.

- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities

AASB 2012-3 adds application guidance to AASB 132 *Financial Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.

- AASB 9 Financial Instruments

AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below.

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) New Accounting Standards for Application in Future Periods

- (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.
- (b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
- (d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
- The change attributable to changes in credit risk are presented in other comprehensive income
 - The remaining change is presented in profit or loss

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Further amendments were made by AASB 2012-6 which amends the mandatory effective date to annual reporting periods beginning on or after 1 January 2015. AASB 2012-6 also modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.

The union is still determining whether any adoption of these standards will have any impact on the future reporting periods.

2012 2011
\$ \$

NOTE 2: COMMITMENTS AND CONTINGENCIES

(a) Operating lease commitments

Receivable – minimum lease payments		
- not later than 12 months	142,914	-
- between 12 months and 5 years	150,060	-
- greater than 5 years	-	-
Minimum lease payments	<u>292,974</u>	<u>-</u>

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

In previous financial years this income was accounted for in the CEPU. At 1 January 2012 the Committee of Management resolved that it was more appropriate for this income to be recognised in the ETU-Q.

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	\$	\$
NOTE 2: COMMITMENTS AND CONTINGENCIES (CONTINUED)		
(a) Operating lease commitments (Continued)		
Payable – minimum lease payments		
- not later than 12 months	222,600	-
- between 12 months and 5 years	204,050	-
- greater than 5 years	-	-
Minimum lease payments	<u>426,650</u>	<u>-</u>

The lease relates to rent of two billboards located at Gordonvale and Red Hill.

(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 2012**

	2012	2011
	\$	\$
NOTE 4: REVENUE		
Operating Activities		
- Gain on sale of property, plant and equipment	-	108,048
- Rental income	258,679	35,496
- Meeting income	9,585	14,798
- Sponsorship income	60,282	15,000
- Lease income	-	11,990
- Interest income	286	26,370
- Levy income	1,676,835	874,933
- Refunds and reimbursements	25,060	75,457
	<u>2,030,727</u>	<u>1,162,092</u>

Levy income consists of:

- Campaign Levy	676,665	633,952
- Coal Levy	36,489	-
- Lift Industry Levy	14,637	-
- Electrical Contracting Levy	108,622	-
- Supply Industry Levy	117,663	-
- Apprentice Levy	19,201	-
- OH & S Levy	26,413	-
- QR Levy	31,403	30,346
- Supply TND Levy	175,706	172,721
- Supply TNDC Levy	40,918	37,914
- Support Levy	429,118	-
	<u>1,676,835</u>	<u>874,933</u>

NOTE 5: PROFIT BEFORE INCOME TAX

(i) Finance costs		
- external	696	361
- related entities	127,416	96,254
Total finance costs	<u>128,112</u>	<u>96,615</u>
(ii) Depreciation and amortisation		
- Buildings	90,746	48,849
- Office equipment	35,167	25,174
- Motor vehicles	7,592	2,087
	<u>133,505</u>	<u>76,110</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	10,200	11,000
(b) other services		
(i) taxation services	-	5,750
	<u>10,200</u>	<u>16,750</u>

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012	2011
	\$	\$
NOTE 7: CASH AND CASH EQUIVALENTS		
Cash on hand	3,666	-
Cash at bank	603,267	387,918
	<u>606,933</u>	<u>387,918</u>

NOTE 8: TRADE AND OTHER RECEIVABLES

Trade receivables	42,193	2,750
GST receivable	71,642	230,338
Accrued income	1,600	36,923
Related party receivables – NTN Services	-	1,090
Related party receivables – CEPU	-	48,781
	<u>115,435</u>	<u>319,882</u>

NOTE 9: OTHER ASSETS

Prepayments	<u>93,905</u>	<u>23,081</u>
-------------	---------------	---------------

NOTE 10: FINANCIAL ASSETS

Current		
Related party loan – Future Skills	<u>900,000</u>	<u>100,000</u>
Non-Current		
Related party loan – Future Skills	<u>-</u>	<u>900,000</u>
Total Financial Assets	<u>900,000</u>	<u>1,000,000</u>

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

Land and Buildings		
- At cost	2,268,643	2,268,643
- Accumulated depreciation	(115,706)	(24,960)
Total Land and Buildings	<u>2,152,937</u>	<u>2,243,683</u>
Office Equipment		
- At cost	198,810	203,965
- Accumulated depreciation	(104,705)	(74,693)
Total Office Equipment	<u>94,105</u>	<u>129,272</u>
Motor Vehicles		
- At cost	121,281	56,000
- Accumulated depreciation	(9,679)	(2,087)
Total Equipment	<u>111,602</u>	<u>53,913</u>
Total Property, Plant and Equipment	<u>2,358,644</u>	<u>2,426,868</u>

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Movements in Carrying Amounts

	Land & Buildings \$	Office Equipment \$	Motor Vehicles \$	Total \$
Balance at the beginning of the year	2,243,683	129,272	53,913	2,426,868
Additions	-	-	65,281	65,281
Disposals	-	-	-	-
Depreciation expense	(90,746)	(35,167)	(7,592)	(133,505)
Carrying amount at the end of the year	<u>2,152,937</u>	<u>94,105</u>	<u>111,602</u>	<u>2,358,644</u>

	2012 \$	2011 \$
--	------------	------------

NOTE 12: TRADE AND OTHER PAYABLES

Trade payables	42,150	41,158
GST payable	19,655	5,950
Accruals	10,200	11,000
Related party payables – CEPU	67,520	-
Related party payables - DMB	8,894	76,704
	<u>148,419</u>	<u>134,812</u>

NOTE 13: INTEREST BEARING LIABILITIES

Current		
Related party secured loan	<u>900,000</u>	<u>100,000</u>
Non Current		
Related party secured loan	<u>2,543,949</u>	<u>3,312,793</u>
Total Interest Bearing Liabilities	<u>3,443,949</u>	<u>3,412,793</u>

ETU-Q has borrowed from the CEPU (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.

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012**

NOTE 14: CASH FLOW INFORMATION

2012 **2011**
\$ **\$**

(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	3,666	-
Cash at bank	<u>603,267</u>	<u>387,918</u>
	<u>606,933</u>	<u>387,918</u>

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

Profit after income tax	(127,595)	77,968
Non-cash flows in profit after income tax		
Gain on disposal of property, plant and equipment	-	(108,048)
Interest expense	31,157	-
Depreciation	133,505	76,110
Changes in asset and liabilities:		
(Increase)/Decrease in trade and other receivables	220,363	(133,970)
(Increase)/Decrease in prepayments	(70,824)	(5,160)
Increase/(Decrease) in trade and other payables	<u>(67,591)</u>	<u>59,912</u>
Net cash provided by operating activities	<u>119,015</u>	<u>(33,188)</u>

(b) Non-cash financing and investing activities
Motor Vehicles

During the financial year, the union acquired motor vehicles with an aggregate fair value of \$65,281 by means of loan from a related party. These acquisitions are not reflected in the statement of cash flows.

NOTE 15: CAPITAL MANAGEMENT

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

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

The ETU-Q's debt consists of financial liabilities, supported by financial assets.

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

THE ELECTRICAL TRADES UNION OF EMPLOYEES QUEENSLAND

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 \$	2011 \$
NOTE 15: CAPITAL MANAGEMENT (CONTINUED)			
There have been no changes to the strategy adopted by the Committee of Management to control the capital of the ETU-Q since previous year.			
The gearing ratios for the years ended 31 December 2012 and 31 December 2011 are as follows:			
Interest bearing liabilities	13	3,443,949	3,412,793
Trade and other payables	12	<u>148,419</u>	<u>149,205</u>
		3,592,368	3,561,998
Less: - cash and cash equivalents	7	(606,933)	(387,918)
- financial assets	10	<u>(900,000)</u>	<u>(1,000,000)</u>
Net debt		2,085,435	2,174,080
Total equity (retained earnings)		<u>482,549</u>	<u>610,144</u>
Total capital		<u>2,567,984</u>	<u>2,784,224</u>
Gearing ratio		81%	78%

NOTE 16: UNION DETAILS

Principal place of business of the union is:

41 Peel Street
South Brisbane QLD 4101

NOTE 17: EVENTS AFTER BALANCE DATE

On 31 January 2013 a share sale agreement was signed whereby the Union sold the its interests in NTN Services Pty Ltd and its subsidiary Electro Jobs Pty Ltd. The consideration received for the sale was \$100,000. The investment in subsidiaries was recorded at cost (\$2). The Union has recognised a profit on disposal on its investment of \$99,998. This transaction was recorded in the 2013 financial year and is not reflected in the Financial Statements at 31 December 2012.

NOTE 18: INVESTMENTS IN RELATED ENTITIES

	Country of Incorporation	Percentage Owned (%)*	
		2012	2011
The union has the following subsidiaries at balance sheet date			
NTN Services Pty Ltd	Australia	100	100
Electro Jobs Pty Ltd (Indirect controlling interest)	Australia	100	100

*Percentage of voting power in proportion to ownership

These financial statements do not incorporate the transactions of the above entities as the Union has not adopted AASB 127: *Consolidated and Separate Financial Statements* in preparing these accounts.

**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)

	2012	2011
	\$	\$
REVENUE		
General Fund		
Apprentice Levy	19,201	-
Campaign Levy	676,665	633,952
Coal Levy	36,489	-
Electrical Contracting Levy	108,622	-
Lift Industry Levy	14,637	-
OH & S Levy	26,413	-
QR Levy	31,403	30,346
Supply Industry Levy	117,663	-
Supply TND Levy	175,706	172,721
Supply TNDC Levy	40,918	37,914
Support Levy	429,118	-
Gain on Sale of Property, Plant and Equipment	-	108,048
Interest Income	286	26,370
Lease Income	-	11,990
Meeting Income	9,585	14,798
Refunds and Reimbursements	25,060	75,457
Rental Income	258,679	35,496
Sponsorship Income	60,282	15,000
	<u>2,030,727</u>	<u>1,162,092</u>
EXPENDITURE		
General Fund		
Accounting	11,005	20,700
Administration Fees	396,818	13,636
Advertising	198,133	-
Campaign Expenses	548,921	478,573
Centenary Book Expense	60,000	-
Conference Expenses	206,281	-
Delegates Expenses	22,918	-
Depreciation Expense	133,505	76,110
Electricity	-	77
Industry Expenses	27,783	-
Insurance	20,056	73,964
Interest Expenses	128,112	96,615
Jobs Board Maintenance Expenses	51,277	-
Labour Day Expenses	14,191	-
Labour Hire	46,600	118,540
Legal Costs	63,614	45,354
Motor Vehicle Expenses	10,287	2,440
Office Building Maintenance	-	21,389
Office Equipment Maintenance	-	42,202
Organising Expenses	7,034	-
Printing, Postage & Stationery	11,382	-
Property Expenses	68,734	10,226
Research Expenses	44,200	-
Sponsorship Expenses	26,905	-
Sundry Expenses	35,433	506
Training/ Recruitment	25,133	83,792
	<u>2,158,322</u>	<u>1,084,124</u>
(Loss)/Profit before income tax	<u>(127,595)</u>	<u>77,968</u>