

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES,  
QUEENSLAND UNION OF EMPLOYEES**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD 1 JULY 2016 TO 1 MAY 2017**

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**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**COMMITTEE OF MANAGEMENT'S OPERATING REPORT**

**FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Operating Report**

In accordance with section 764 of the *Industrial Relations Act 2016* ("Act") the Committee of Management ("the Committee") presents its Operating Report on the Australian Federated Union of Locomotive Employees, Queensland Union of Employees ("the Union"), for the period 1 July 2016 to 1 May 2017.

**Principal Activities**

The principal activity of the Australian Federated Union of Locomotive Employees, Queensland Union of Employees is operating as a registered organisation of employees, comprising persons employed in the training running grade in Queensland.

The Union gives this effect to this principal activity by:

- (a) Advising members regarding their conditions of employment, rights and entitlements pursuant to the governing industrial relations regulation.
- (b) Advising members regarding their entitlements and obligations pursuant to the applicable occupational health and safety legislation and applicable workers' compensation legislation.
- (c) Representing members during bargaining for union collective agreements
- (d) Advocating for improvements to industrial legislation and legislation pertaining specifically to train running.
- (e) Representing members during workplace investigations and disciplinary hearings.
- (f) Representing members and the Union before industrial tribunals.
- (g) Having carriage of, and protecting the rules of the Union.
- (h) Having carriage of the records and accounts of the Union

**Operating Results**

The deficit for the financial year amounted to \$9,375 (2016: \$10,969). No provision for tax was necessary as the Union is considered exempt.

**Significant Changes in Financial Affairs**

There was no significant change in the nature of the Union's operations during the period 1 July 2016 to 1 May 2017.

On 2 May 2017 the Queensland Industrial Relations Commission approved the rule changes to the Electrical Trades Union of Employees, allowing the Union to merge its operations with the Electrical Trades Union and thus forming the Electrical Trades Union of Employees (AFULE Division).

As a result, the financial statements have been prepared on a liquidated basis (i.e. all assets and liabilities have been valued at their fair value), given the merger of operations.

**After Balance Date Events**

No matters or circumstances have arisen since the 1 May 2017 which significantly affected or may significantly affect the operations of the Union, the results of those operations or the state of affairs of the Union in future financial years.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)**

**FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Future Developments**

Likely developments in the operations of the Union 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 Union.

**Environmental Issues**

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

**Members Right to Resign**

All members have the right to resign from the Union in accordance with Rule 6 - Resignation of Membership (and Section 174 of the Act); namely, by providing written notice addressed and delivered to the Secretary of the Union.

**Membership of the Union**

Total number of members as at 1 May 2017: 1,117.

**Employees of the Union**

The number of persons who were, at the end of the period to which the report relates, employees of the Union, where the number of employees includes both full-time and part-time employees measured on a full-time equivalent basis is 0.0 (2016: 0.0).

**Members of the Committee of Management**

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

<b>Name</b>	<b>Period of Appointment</b>	<b>Position</b>
Greg Smith	1/7/16 – 1/5/17	State Secretary
Warren Hinds	1/7/16 – 1/5/17	State President
Glen McGaw	1/7/16 – 1/5/17	State Vice-President
Glenn Ford	1/7/16 – 31/12/16	No. 1 Divisional Councillor
Patrick Lord	1/1/17 – 1/5/17	No. 1 Divisional Councillor
Ian Martin	1/1/17 – 1/5/17	No. 2 Divisional Councillor
Stewart Rach	1/7/16 – 1/5/17	No. 3 Divisional Councillor
John Pedersen	1/7/16 – 1/5/17	No. 4 Divisional Councillor
Ian Casey	1/7/16 – 1/5/17	No. 5 Divisional Councillor
James Melgert	1/7/16 – 31/12/16	No. 6 Divisional Councillor
	24/3/17 – 1/5/17	
Kevin Voll	1/7/16 – 1/5/17	No. 7 Divisional Councillor



**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)**

**FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Indemnifying Officers or Auditors**

The Union has not, during or since 1 May 2017, in respect of any person who is or has been an officer or auditor:

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

**Wages Recovery Activity**

The Union has not undertaken any recovery of wages activity for the period 1 July 2016 to 1 May 2017.

**Officers or Members who are Superannuation Fund Trustees/ Directors of a Company that is a Superannuation Fund Trustee**

No officer or member of the Union hold a position of trustee or director of an entity, scheme or company as described in s.764 of the *Industrial Relations Act 2016*, where a criterion of such entity is that the holder of such position must be a member or official of a registered organisation are as follows:

**Remuneration Register**

Register of the highest paid officers of the Union during the year comprise of:

Officeholder	Remuneration \$	Superannuation \$	Allowances \$	Other Benefits \$	Description of Allowance and other Benefits
Nil					

**Register of Loans, Grants and Donations**

Register of loans, grants and donations during the year comprise of:

Amount	Reason for payment	Name and address of recipient	Arrangements for repayments (if a loan)
Nil			

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration is set out on page 6.

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



Greg Smith  
State Secretary

23 November 2017  
South Brisbane

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**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE COMMITTEE OF MANAGEMENT OF THE**

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF  
EMPLOYEES**

As lead auditor for the audit of the Australia Federated Union of Locomotive Employees, Queensland Union of Employees for the period 1 July 2016 to 1 May 2017; 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 Pty Ltd**



**G I Kent**

Director – Audit & Assurance

South Brisbane

23 November 2017

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**COMMITTEE OF MANAGEMENT STATEMENT**

**FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

On 23 November 2017, the Committee of Management of the Electrical Trades Union of Employees, Queensland (AFULE Division), being the successor governing body of the Australian Federated Union of Locomotive Employees, Queensland Union of Employees passed the following resolution to the General Purpose Financial statements (GPFR) of the reporting unit for the period 1 July 2016 to 1 May 2017:

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - i. meetings of the Committee of Management were held in accordance with the rules of the organisation and the rules of the Union concerned; and
  - ii. the financial affairs of the Union have been managed in accordance with the rules of the organisation;
  - iii. the financial records of the Union have been kept and maintained in accordance with the Act;
  - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation;
  - v. where information has been sought in any request of a member of the reporting unit or Registrar duly made under section 787 of the Act, that information has been provided to the member or Registrar; and
  - vi. there have been no orders for inspection of financial records made by the Queensland Industrial Relations Commission under section 788 of the Act during the year.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting year.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**COMMITTEE OF MANAGEMENT STATEMENT**

**FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

- (g) The Union has complied with Section 741 of the Act – Financial Management Training, and in doing so confirm the following members have attended the necessary training:

<b>Name</b>	<b>Training Package Completed</b>	<b>Date last Completed</b>
Greg Smith	ACTU Governance Training	23/03/17
Warren Hinds	ACTU Governance Training	23/03/17
Glen McGaw	ACTU Governance Training	23/03/17
Renny Eyars	ACTU Governance Training	26/11/15
Patrick Lord	ACTU Governance Training	23/03/17
Ian Martin	ACTU Governance Training	23/03/17
Stewart Rach	ACTU Governance Training	23/03/17
John Pedersen	ACTU Governance Training	23/03/17
Ian Casey	ACTU Governance Training	23/03/17
Jim Melgert	ACTU Governance Training	23/03/17
Kevin Voll	ACTU Governance Training	23/03/17

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

**Name of Designated Officer:** Greg Smith

**Title of Designated Officer:** State Secretary (Electrical Trades Union of Employees  
Queensland (AFULE Division)

**Signature:**

  
.....

**Date:**

23 November 2017

## **Independent Audit Report to the Members of the Australian Federated Union of Locomotive Employees, Queensland Union of Employees**

### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the financial report of the Australian Federated Union of Locomotive Employees, Queensland Union of Employees (the Union), which comprises the statement of financial position as at 1 May 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period 1 July 2016 to 1 May 2017, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Australian Federated Union of Locomotive Employees, Queensland Union of Employees as at 1 May 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 11 of Chapter 12 of the *Industrial Relations Act 2016* (the Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Union is appropriate.

#### **Basis for Opinion**

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

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

#### **Inherent Uncertainty Regarding Continuation as a Going Concern**

Without qualification to the opinion expressed above, we draw attention to Note 20 in the financial report which indicates that on 1 May 2017, the Queensland Industrial Relations Commission approved the alteration of the Electrical Trades Union of Employees Queensland rules. Under the rule change, it has allowed the Australian Federated Union of Locomotive Employees, Queensland Union of Employees to merge its operations (and therefore transfer its assets and liabilities) to the Electrical Trades Union of Employees Queensland (AFULE Division). As a result, these financial statements have been prepared on a liquidated basis (i.e. all assets and liabilities have been valued at their fair value).

### **Information Other than the Financial Report and Auditor's Report Thereon**

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Committee of Management 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 in accordance with Australian Accounting Standards and the Act, and for such internal control as the Committee of Management determine 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.

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

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.



- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Union to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Union's audit. We remain solely responsible for our audit opinion.

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

#### **Declaration**

I declare that I am an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

#### **Opinion on the recovery of wages activity financial report**

The scope of our work extended to the recovery of wages activity and we have audited the recovery of wages activity financial report for the period 1 July 2016 to 1 May 2017.

In our opinion, the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the Registrar, including:

- a) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- b) any donations or other contributions deducted from recovered money.

#### **Responsibilities**

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the Registrar. Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards.

*M.G.I*

**MGI Audit Pty Ltd**

  
**G I Kent**

Director – Audit & Assurance

South Brisbane

23 November 2017

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

	Notes	1 July 2016 to 1 May 2017 \$	1 July 2015 to 30 June 2016 \$
<b>Revenue</b>			
Membership subscription		-	-
Capitation fees	4A	-	-
Levies	4B	-	-
Interest	4C	-	-
Grants or donations	4D	-	-
Other revenue	4E	-	-
<b>Total revenue</b>		-	-
<b>Expenses</b>			
Employee expenses	5A	-	-
Capitation fees	5B	-	-
Affiliations	5C	-	-
Administration expenses	5D	-	-
Grants or donations	5E	-	-
Finance costs		-	-
Depreciation and amortisation	5F	(9,375)	(10,969)
Legal costs	5G	-	-
Other expenses	5H	-	-
<b>Total expenses</b>		(9,375)	(10,969)
<b>Deficit for the period</b>		(9,375)	(10,969)
<b>Other comprehensive income</b>			
Other comprehensive income (net of income tax)		(88,659)	-
Revaluation of Buildings		-	-
<b>Total comprehensive income for the period</b>		(98,034)	(10,969)

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



**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**STATEMENT OF FINANCIAL POSITION  
AS AT 1 MAY 2017**

	Notes	1 May 2017 \$	30 June 2016 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6A	-	-
Trade and other receivables	6B	-	-
Non-current assets held for sale	6C	329,747	-
<b>Total current assets</b>		<b>329,747</b>	
<b>Non-Current Assets</b>			
Buildings	7A	-	427,781
<b>Total non-current assets</b>		<b>-</b>	<b>427,781</b>
<b>Total assets</b>		<b>329,747</b>	<b>427,781</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	8A	-	-
Other payables	8B	-	-
Employee provisions	9A	-	-
<b>Total current liabilities</b>		<b>-</b>	<b>-</b>
<b>Non-Current Liabilities</b>			
Employee provisions	9A	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>-</b>	<b>-</b>
<b>Net assets</b>			
<b>EQUITY</b>			
Reserves	10	208,384	297,043
Retained earnings		121,363	130,738
<b>Total equity</b>		<b>329,747</b>	<b>427,781</b>

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

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

	Notes	Reserves \$	Retained earnings \$	Total equity \$
<b>Balance as at 1 July 2015</b>		297,043	141,707	438,750
Deficit for the year		-	(10,969)	(10,969)
Other comprehensive income		-	-	-
<b>Closing balance as at 30 June 2016</b>		297,043	130,738	427,781
Deficit for the year		-	(9,375)	(9,375)
Other comprehensive income		(88,659)	-	(88,659)
<b>Closing balance as at 1 May 2017</b>		208,384	121,363	329,747

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

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**STATEMENT OF CASH FLOWS**

**FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

	Notes	1 July 2016 to 1 May 2017 \$	1 July 2015 to 30 June 2016 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from other reporting units	11B	-	-
Receipts from members and other customers		-	-
Interest		-	-
		-	-
<b>Cash used</b>			
Employees and suppliers		-	-
Payment to other reporting units	11B	-	-
		-	-
		-	-
<b>Net cash used in operating activities</b>		-	-
<b>INVESTING ACTIVITIES</b>			
Proceeds from of investments		-	-
Proceeds from sale of property, plant and equipment		-	-
Payments for property, plant and equipment		-	-
<b>Net cash provided by investing activities</b>		-	-
<b>FINANCING ACTIVITIES</b>			
		-	-
<b>Net increase in cash held</b>		-	-
Cash & cash equivalents at the beginning of the reporting period		-	-
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	11A	-	-

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

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**RECOVERY OF WAGES ACTIVITY**

**FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

	<b>1 July 2016 to 1 May 2017</b>	<b>1 July 2015 to 30 June 2016</b>
	<b>\$</b>	<b>\$</b>
<b>Cash assets in respect of recovered money at beginning of year</b>	-	-
<b>Receipts</b>		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
<b>Total receipts</b>	-	-
<b>Payments</b>		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
<b>Total payments</b>	-	-
<b>Cash assets in respect of recovered money at end of year</b>	-	-
Number of workers to which the monies recovered relates	-	-
<b>Aggregate payables to workers attributable to recovered monies but not yet distributed</b>		
Payable balance	-	-
Number of workers the payable relates to	-	-
<b>Fund or account operated for recovery of wages</b>	-	-

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

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

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**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 1      Summary of significant accounting policies**

**1.1    Basis of preparation of the financial statements**

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Industrial Relations Act 2016*. For the purpose of preparing the general purpose financial statements, the Australian Federated Union of Locomotive Employees, Queensland Union of Employees (the Union) is a not-for-profit entity.

The financial statements have been prepared on a liquidated basis (refer Note 21), resulting in all assets and liabilities being measured on a fair value basis. The financial statements are presented in Australian dollars.

**1.2    Comparative amounts**

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

**1.3    Significant accounting judgements and estimates**

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Key Estimates

*Impairment – general*

The Union assesses impairment at each reporting period by evaluation of conditions and events specific to the Union that may be indicative of impairment triggers. Recoverable amounts of relevant assets are assessed using value-in-use calculations which incorporate various key assumptions.

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

Key Judgements

*Useful lives of plant and equipment*

Plant and equipment are depreciated over the useful life of the asset and the depreciation rates are assessed when the asset are acquired or when there is a significant change that affects the remaining useful life of the asset.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 1      Summary of significant accounting policies (Continued)**

**1.4    New Australian Accounting Standards**

***Adoption of New Australian Accounting Standard requirements***

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

***Future Australian Accounting Standards Requirements***

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on the Union include:

- AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

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

The key changes that may affect the Union on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, 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 this Standard, the application of such accounting would be largely prospective.

The Committee of Management does not believe the effects of AASB 9 will significant affect the Union.

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 1 Summary of significant accounting policies (Continued)**

**1.4 New Australian Accounting Standards (Continued)**

***Future Australian Accounting Standards Requirements (continued)***

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

The Committee of Management does not believe the effects of AASB 15 will significant affect the Union.

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019)

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The Committee of Management does not believe the effects of AASB 9 will significant affect the Union.



**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 1      Summary of significant accounting policies (Continued)**

**1.5    Revenue**

Revenue is measured at the fair value of the consideration received or receivable.

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

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

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

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

**1.6    Gains**

***Sale of assets***

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

**1.7    Capitation fees and levies**

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

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 1      Summary of significant accounting policies (Continued)**

**1.8    Employee benefits**

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

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

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

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

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

**1.9    Leases**

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**1.10   Cash**

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

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 1      Summary of significant accounting policies (Continued)**

**1.11 Financial instruments**

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**1.12 Financial assets**

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

***Fair value through profit or loss***

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 1      Summary of significant accounting policies (Continued)**

**1.12 Financial assets (continued)**

***Held-to-maturity investments***

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

***Available-for-sale***

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

***Loan and receivables***

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

***Effective interest method***

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 1      Summary of significant accounting policies (Continued)**

**1.12 Financial assets (continued)**

***Impairment of financial assets***

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 1      Summary of significant accounting policies (Continued)**

**1.12 Financial assets (continued)**

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

***Derecognition of financial assets***

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

**1.13 Financial Liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

***Fair value through profit or loss***

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 1      Summary of significant accounting policies (Continued)**

**1.13 Financial Liabilities (continued)**

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

***Other financial liabilities***

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

***Derecognition of financial liabilities***

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

**1.14 Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.



**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 1      Summary of significant accounting policies (Continued)**

**1.15 Plant and Equipment**

***Asset Recognition Threshold***

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

***Revaluations—Land and Buildings***

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

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

***Depreciation***

Depreciable plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	<b>2017</b>	<b>2016</b>
Buildings	40 years	40 years

***Derecognition***

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



**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 1      Summary of significant accounting policies (Continued)**

**1.16   Impairment of non-financial assets**

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Union were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**1.17   Taxation**

The Union is exempt from income tax under section 50.1 of the *Income Tax Assessment Act 1997* however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

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

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

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

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

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 1      Summary of significant accounting policies (Continued)**

**1.18 Fair value measurement**

The Union measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 15.

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

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

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

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

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

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

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF  
EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**1.19 Going concern**

On 1 May 2017 the Union has agreed to merge its operations with the Electrical Trades Union of Employees Queensland (AFULE Division). As a result, these financial statements have been prepared on a liquidated basis, with all of the Union's assets and liabilities being recorded at their fair value.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 2 Prior Period Error**

A prior period error has been identified in the 2016 financial statements in respect to the accounting for property, plant and equipment. During the year the Committee of Management conducted a title search on the building located at Level 8, Suite 45, 269 Wickham Street, Fortitude Valley, which revealed that title of the asset is that of the Australian Federated Union of Locomotive Employees, Queensland Union of Employees. Given that the asset has incorrectly been recorded in the financial statements of the Australian Federated Union of Locomotive Employees – an entity registered under the *Fair Work (Registered Organisations) Act 2009*, the asset, associated asset revaluation reserve and annual depreciation charge has incorrectly been reflected in the financial statements.

The impact on the financial statements is as follows:

Statement of Comprehensive Income	Note	Previously Audited (30 June 2016)	Adjustments	Revised (30 June 2016)
<b>Revenue</b>				
Membership subscription		-	-	-
Capitation fees		-	-	-
Levies		-	-	-
Interest		-	-	-
Grants or donations		-	-	-
Other revenue		-	-	-
<b>Total Revenue</b>		-	-	-
<b>Expenses</b>				
Employee expenses		-	-	-
Capitation fees		-	-	-
Affiliation fees		-	-	-
Administration expenses		-	-	-
Grants or donations		-	-	-
Finance costs		-	-	-
Depreciation and amortisation	i	-	(10,969)	(10,969)
Legal costs		-	-	-
Other expenses		-	-	-
<b>Total expenses</b>		-	(10,969)	(10,969)
<b>Surplus for the year</b>		-	(10,969)	(10,969)
<b>Other comprehensive income</b>				
Other comprehensive income (net of income tax)		-	-	-
<b>Total comprehensive income for the year</b>		-	(10,969)	(10,969)

**Notes**

- i. Previous audited accounts did not include buildings that are owned by the Union (they were incorrectly accounted of the federally registered Australian Federated Union of Employees) As a result, these building has been correctly reallocated to the Union and depreciated in accordance with Australian Accounting Standards.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 2 Prior Period Error (Continued)**

Statement of Financial Position	Note	Previously Audited (30 June 2015)	Adjustments	Revised (30 June 2015)	Previously Audited (30 June 2016)	Adjustments	Revised (30 June 2016)
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and cash equivalents		-	-	-	-	-	-
Trade and other receivables		-	-	-	-	-	-
Other current assets		-	-	-	-	-	-
<b>Total current assets</b>		-	-	-	-	-	-
<b>Non-Current Assets</b>							
Buildings		-	438,750	438,750	-	427,781	427,781
<b>Total Non-current assets</b>		-	438,750	438,750	-	427,781	427,781
<b>Total assets</b>		-	438,750	438,750	-	427,781	427,781
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Trade Payables		-	-	-	-	-	-
Other Payables		-	-	-	-	-	-
Employee Provisions		-	-	-	-	-	-
<b>Total current liabilities</b>		-	-	-	-	-	-
<b>Non-Current Liabilities</b>							
Employee Provisions		-	-	-	-	-	-
<b>Total non-current liabilities</b>		-	-	-	-	-	-
<b>Total liabilities</b>		-	-	-	-	-	-
<b>Net Assets</b>		-	438,750	438,750	-	427,781	427,781
<b>EQUITY</b>							
Asset revaluation reserve		-	297,063	297,063	-	297,043	297,043
Retained earnings		-	141,687	141,687	-	130,738	130,738
<b>Total equity</b>		-	438,750	438,750	-	427,781	427,781

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 2 Prior Period Error (Continued)**

Notes:

- i. Buildings have been incorrectly recorded and disclosed in the Australian Federated Union of Locomotive Employees (Federally registered trade union under the *Fair Work (Registered Organisations) Act 2009*. The title deed states that the building located at Level 8, Suite 45269 Wickham Street, Fortitude Valley is registered in the Union's name and therefore has been reflected in these accounts.
- ii. The asset revaluation reserve recognised increase in fair value of the building located at Level 8, Suite 45, 269 Wickham Street, Fortitude Valley. As the building is owned by the Union, this balance has been reversed.
- iii. The retained earnings balance reflected the net assets of the Union at reporting date.

**Statement of Cash Flows**

The prior period error did not impact the statement of cash flows.

**Note 3 Events after the reporting period**

In September 2017, the Union entered into a sales contract for the building located at Suite 45, 269 Wickham Street, Fortitude Value. The value agreed by the Union was \$341,000 + GST.

	1 July 2016 to 1 May 2017	1 July 2015 to 30 June 2016
	\$	\$
<b>Note 4 Income</b>		
<b>Note 4A: Capitation fees</b>		
<b>Total capitation fees</b>	-	-
<b>Note 4B: Levies</b>		
<b>Total levies</b>	-	-
<b>Note 4C: Interest</b>		
Deposits	-	-
<b>Total interest</b>	-	-
<b>Note 4D: Grants or donations</b>		
Grants	-	-
Donations	-	-
<b>Total grants or donations</b>	-	-
<b>Note 4E: Other revenue</b>		
Financial Support from another reporting unit	-	-
	-	-

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

	1 July 2016 to 1 May 2017	1 July 2015 to 30 June 2016
	\$	\$
<b>Note 5 Expenses</b>		
<b>Note 5A: Employee expenses</b>		
<b>Holders of office:</b>		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	-	-
<b>Employees other than office holders:</b>		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses employees other than office holders</b>	-	-
<b>Total employee expenses</b>	-	-
<b>Note 5B: Capitation fees</b>	-	-
<b>Total capitation fees</b>	-	-
<b>Note 5C: Affiliation fees</b>	-	-
<b>Total affiliation fees</b>	-	-
<b>Note 5D: Administration expenses</b>		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/ allowances – meeting and conferences	-	-
Conference and meeting expenses	-	-
<b>Total administration and other operating expense</b>	-	-

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

	<b>1 July 2016 to 1 May 2017</b>	<b>1 July 2015 to 30 June 2016</b>
	<b>\$</b>	<b>\$</b>
<b>Note 5E: Grants or donations</b>		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>
<b>Note 5F: Depreciation and amortisation</b>		
Depreciation		
Buildings	<b>9,375</b>	10,969
<b>Total depreciation</b>	<b>9,375</b>	10,969
Amortisation	-	-
<b>Total depreciation and amortisation</b>	<b>9,375</b>	10,969
<b>Note 5G: Legal costs</b>		
Litigation	-	-
Other legal matters	-	-
<b>Total legal costs</b>	<b>-</b>	<b>-</b>



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	<b>1 July 2016 to 1 May 2017</b>	<b>1 July 2015 to 30 June 2016</b>
	<b>\$</b>	<b>\$</b>
<b>Note 5H: Other expenses</b>		
Penalties - via Act or Regulations	-	-
<b>Total other expenses</b>	-	-
<b>Note 6 Current Assets</b>		
<b>Note 6A: Cash and Cash Equivalents</b>		
Cash at bank	-	-
Cash on hand	-	-
<b>Total cash and cash equivalents</b>	-	-
<b>Note 6B: Trade and Other Receivables</b>		
Receivables from other reporting units	-	-
Less provision for doubtful debts (reporting units)	-	-
<b>Receivable from other reporting units (net)</b>	-	-
<b>Other receivables</b>	-	-
<b>Total trade and other receivables (net)</b>	-	-
<b>Note 6C: Non-current assets held for sale</b>		
Buildings	<b>329,747</b>	-
<b>Total Non-current assets held for sale</b>	<b>329,747</b>	-

The Committee of Management committed to the sale of its building located at Fortitude Valley. The Union Secretary was requested to engage a suitable qualified property agent to establish a marketing plan and sales processes.

Subsequent to 1 May 2017, the Union has entered into a contract to sell the building for a value of \$341,000 + GST. The value listed in the financial statements reflects the fair value of the building less applicable cost to sell, as required by Australian Accounting Standard AASB 5.

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		<b>1 May 2017</b>	<b>30 June 2016</b>
		<b>\$</b>	<b>\$</b>
<b>Note 7</b>	<b>Non-current Assets</b>		
<b>Note 7A: Buildings</b>			
Buildings:			
	at fair value	-	450,000
	accumulated depreciation	-	(22,219)
<b>Total computers</b>		-	427,781
<b>Reconciliation of Opening and Closing Balances of Buildings</b>			
<b>As at 1 July</b>			
	Gross book value	<b>450,000</b>	450,000
	Accumulated depreciation and impairment	<b>(22,219)</b>	(11,250)
	<b>Net book value 1 July</b>	<b>427,781</b>	(438,750)
Additions:			
	By purchase	-	-
	Depreciation expense	<b>(9,375)</b>	(10,969)
Disposals:			
	By revaluation	<b>(88,659)</b>	-
	By transfer to non-current assets held for sale	<b>(329,747)</b>	-
	By sale	-	-
	<b>Net book value 30 June</b>	-	427,781
<b>Net book value as of 30 June represented by:</b>			
	Gross book value	-	450,000
	Accumulated depreciation and impairment	-	(22,219)
	<b>Net book value 30 June</b>	-	427,781

Valuation Details

On 17 February 2017, the building located at Level 8, 269 Wickham Street, Fortitude Valley was valued by Mr Philip Lewis – AAPI CPV (Registered Valuers Number: 3061) of Australian Valuation Group Pty Ltd.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
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	1 May 2017	30 June 2016
	\$	\$
<b>Note 8      Current Liabilities</b>		
<b>Note 8A: Trade payables</b>		
Trade creditors and accruals	-	-
<b>Subtotal trade creditors</b>	-	-
 Payables to other reporting units	-	-
<b>Subtotal payables to other reporting units</b>	-	-
 <b>Total trade payables</b>	-	-
 Settlement is usually made within 30 days.		
<b>Note 8B: Other payables</b>		
Consideration to employers for payroll deductions	-	-
Legal costs		
Litigation	-	-
Other legal matters	-	-
Other	-	-
<b>Total other payables</b>	-	-
 Total other payables are expected to be settled in:		
No more than 12 months	-	-
More than 12 months	-	-
<b>Total other payables</b>	-	-

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

	1 May 2017	30 June 2016
	\$	\$
<b>Note 9 Provisions</b>		
<b>Note 9A: Employee Provisions</b>		
<b>Office Holders:</b>		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—office holders</b>	-	-
<b>Employees other than office holders:</b>		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—employees other than office holders</b>	-	-
<b>Total employee provisions</b>	-	-
<b>Current</b>	-	-
<b>Non-Current</b>	-	-
<b>Total employee provisions</b>	-	-

**Note 10 Reserves**

**Note 10A: Asset Revaluation Reserve**

The asset revaluation reserve records revaluation of the Union's buildings.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

	<b>1 July 2016 to 1 May 2017</b>	<b>1 July 2015 to 30 June 2016</b>
	<b>\$</b>	<b>\$</b>
<b>Note 11 Cash Flow</b>		
<b>Note 11A: Cash Flow Reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:</b>		
<b>Cash and cash equivalents as per:</b>		
Cash flow statement	-	-
Statement of financial position	-	-
<b>Difference</b>	-	-
<b>Reconciliation of deficit to net cash from operating activities:</b>		
Deficit for the year	<b>(9,375)</b>	<b>(10,969)</b>
<b>Adjustments for non-cash items</b>		
Depreciation/ amortisation	<b>9,375</b>	<b>10,969</b>
(Gain)/ loss on disposal of property, plant and equipment	-	-
<b>Changes in assets/liabilities</b>		
(Increase)/ decrease in net receivables and prepayments	-	-
Increase/ (decrease) in trade creditors	-	-
Increase/ (decrease) in other payables	-	-
Increase/ (decrease) in employee provisions	-	-
<b>Net cash used in operating activities</b>	-	-
<b>Note 11B: Cash flow information</b>		
Cash inflows from other reporting units	-	-
<b>Total cash inflows</b>	-	-
Cash outflows to other reporting units	-	-
<b>Total cash outflows</b>	-	-

Note: Cash flow information to/ from other reporting units disclosed include 10% GST on applicable transactions.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 11C: Credit standby arrangements and loan facilities**

The Union does not hold any credit standby arrangements or loan facilities at 30 June 2017 (2016: Nil).

**Note 11D: Non-cash transactions**

There have been no non-cash financing or investing activities during the year (2016: Nil).

**Note 12      Contingent Liabilities, Assets and Commitments**

**Note 12A: Commitments and Contingencies**

**Capital commitments**

At 30 June 2017 the Union did not have any capital commitments (2016: Nil).

**Other contingent assets or liabilities (i.e. legal claims)**

Committee of Management is not aware of any contingent assets or liabilities that are likely to have a material effect on the results of the Union (2016: Nil).

**Leasing Commitments**

The Union does not have any leasing commitments at 30 June 2017 (2016: Nil).

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 13      Related Party Disclosures**

**Note 13A: Related Party Transactions for the Reporting Period  
Holders of office and related reporting units**

For financial reporting purposes, the Australian Federated Union of Locomotive Employees, Queensland Union of Employees has consistent key management personnel as that of the Australian Federated Union of Locomotive Employees (a federally registered trade Union under the *Fair Work (Registered Organisations) Act 2009*). As a result, the Union is related (for the purposes of financial reporting) to its federal counterpart.

No transactions have occurred between the Union and its federally registered counterpart during the period 1 July 2016 to 1 May 2017 (2016: Nil)

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period 1 July 2016 to 1 May 2017, the Union has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2016: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 13 Related Party Disclosures (Continued)**

Key management personnel comprise those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Union. The Union has determined key management personnel comprise of:

- Greg Smith (State Secretary)
- All remaining members of the Committee of Management.

During the year, key management personnel of the Union were remunerated as follows:

**1 July 2016 to 1 May 2017**      **1 July 2015 to 30 June 2016**

	\$	\$
<b>Note 13B: Key Management Personnel Remuneration for the Reporting Period</b>		
<b>Short-term employee benefits</b>		
Salary (including annual leave taken)	-	-
Other	-	-
<b>Total short-term employee benefits</b>	-	-
<b>Post-employment benefits:</b>		
Superannuation	-	-
<b>Total post-employment benefits</b>	-	-
<b>Other long-term benefits:</b>		
Long-service leave	-	-
<b>Total other long-term benefits</b>	-	-
<b>Termination benefits</b>	-	-
<b>Total</b>	-	-

No other transactions occurred during the year with elected officers, close family members or other related parties than those related to their membership or employment and on terms no more favourable than those applicable to any other member of employee.

**Note 14 Remuneration of Auditors**

**Value of the services provided**

Financial statement audit services	-	-
Other services	-	-
<b>Total remuneration of auditors</b>	-	-



**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 15 Financial Instruments**

**Financial Risk Management Policy**

The Union's Committee of Management monitors the Union's financial risk management policies and exposure and approves financial transactions entered into. It also reviews the effectiveness of internal controls relating to the counterparty credit risk, liquidity risk, market risk and interest rate risk. The Union Committee of Management meets on a regular basis to review the financial exposure of the Union.

**(a) Credit Risk**

Exposure to credit risk relating to financial assets arise from the potential non-performance by counterparties of contract obligations that could lead to a financial loss of the Union. The Union does not have any material credit risk exposures as its major source of revenue is the receipt of membership fees.

The maximum exposures to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of provisions) as presented in the statement of financial position.

The Union has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Union.

On a geographical basis, the Union's trade and other receivables are all based in Australia.

The following table details the Union's trade and other receivables exposed to credit risk. Amounts are considered 'past due' when the debt has not been settled, within the terms and conditions agreed between the Union and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Union.

The balance of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 15 Financial Instruments (Continued)**

**Ageing of financial assets that were past due but not impaired for 1 May 2017**

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	-	-	-	-	-
Receivables from other reporting units	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**Ageing of financial assets that were past due but not impaired for 30 June 2016**

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	-	-	-	-	-
Receivables from other reporting units	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

The Union has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved policy. Such policy requires that surplus funds are only invested with counterparties with a strong reputation and backed by the Commonwealth Government's bank guarantee. At 30 June 2017, all funds were held by financial institutions backed by the Commonwealth Government's bank guarantee.

***Collateral held as security***

The Union does not hold collateral with respect to its receivables at 30 June 2017 (2016: Nil).

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 15 Financial Instruments (Continued)**

**(b) Liquidity Risk**

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Union manages this risk through the following mechanisms:

- preparing forward looking cash flow estimates;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Union does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates

**Financial Instrument Composition and Maturity Analysis**

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Trade payables	2,000	2,000	2,000	-	2,000	2,000	2,000	-
Other payables	2,000	2,000	2,000	-	-	2,000	2,000	-
<b>Total expected outflows</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>1,000</b>	<b>2,000</b>	<b>4,000</b>	<b>4,000</b>	<b>1,000</b>
<b>Financial assets – cash flow receivable</b>								
Cash and cash equivalents	2,000	2,000	2,000	2,000	2,000	-	2,000	2,000
Trade and other receivables	-	-	-	-	-	-	-	2,000
<b>Total anticipated inflows</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>4,000</b>
<b>Net (outflow) / inflow on financial instruments</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>1,000</b>	<b>0</b>	<b>2,000</b>	<b>2,000</b>	<b>3,000</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 15 Financial Instruments (Continued)**

**(c) Market Risk**

- i. **Interest rate risk**  
Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Union is also exposed to earnings volatility on floating rate instruments.  
  
The financial instruments which expose the Union to interest rate risk are limited to its cash reserves.
- ii. **Foreign exchange risk**  
The Union is not exposed to direct fluctuations in foreign currencies.
- iii. **Price risk**  
The Union is not exposed to any material commodity price risk.
- iv. **Interest rate risk**  
The Union has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.
- v. **Sensitivity Analysis**

The following table illustrates sensitivities to the Union's exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	<b>Profit</b>	<b>Equity</b>
	<b>\$</b>	<b>\$</b>
<b>Period 1 July 2016 – 31 May 2017</b>		
+2% in interest rates	-	-
-2% in interest rates	-	-
<b>Year ended 30 June 2016</b>		
+2% in interest rates	-	-
-2% in interest rates	-	-

No sensitivity analysis has been performed on foreign exchange risk as the Union has no material direct exposures to currency risk. There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 16 Fair Value Measurement**

**Fair Values**

*Fair value estimation*

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded.

In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Union. Most of these instruments, which are carried at amortised cost (i.e. accounts receivable), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Union.

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

	Footnote	2017		2016	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	(i)	-	-	-	-
Trade and other receivables	(i)	-	-	-	-
<b>Total financial assets</b>		-	-	-	-
<b>Financial liabilities</b>					
Trade payables	(i)	-	-	-	-
Other payables	(i)	-	-	-	-
<b>Total financial liabilities</b>		-	-	-	-

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, accounts receivable, investments and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 16 Fair Value Measurement (Continued)**

**Fair Value Hierarchy**

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categories fair value measurement into one of the three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

**Level 1**

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 16 Fair Value Measurement (Continued)**

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

*Fair value hierarchy – 1 May 2017*

	<b>Note</b>	<b>Date of Valuation</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
			<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets measured at fair value</b>					
Non-current assets held for sale (building located at Level 8, 269 Wickham Street, Fortitude Valley)	<b>6C</b>	<b>1 May 2017</b>	-	<b>341,000</b>	-
<b>Total</b>			-	<b>341,000</b>	-

The Union does not have any other assets or liabilities that are recorded using a fair value technique.

*Fair value hierarchy – 30 June 2016*

	<b>Note</b>	<b>Date of Valuation</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
			<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets measured at fair value</b>					
Building located at Level 8, 269 Wickham Street, Fortitude Valley	<b>7A</b>	<b>17 February 2015</b>	-	<b>450,000</b>	-
<b>Total</b>			-	<b>450,000</b>	-

The Branch does not have any other assets or liabilities that are recorded using a fair value technique.

**Note 17 Section 787 Industrial Relations Act 2016**

In accordance with the requirements of the *Industrial Relations Act 2016*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 787, which reads as follows:

Information to be provided to members or Registrar:

- (1) A member of a reporting unit, or the Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

**AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES, QUEENSLAND UNION OF EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD 1 JULY 2016 to 1 MAY 2017**

**Note 18 Union Details**

The registered office of the Union is:

Level 1, 41 Peel Street  
SOUTH BRISBANE QLD 4101

**Note 19 Segment Information**

The Union operates solely in one reporting segment, being the provision of industrial services in Queensland.

**Note 20 Other Acquisitions of Assets or Liabilities**

During the financial year the Union has not acquired an asset or liability as a result of:

- (a) An amalgamation under Part 14 of Chapter 12 of the *Industrial Relations Act 2016*.
- (b) A restructure of Branches of the organisation.
- (c) A determine by the Registrar under section 755 of the *Industrial Relations Act 2016* of an alternative reporting structure for the organisation.
- (d) A revocation by the Registrar under subsection 759 of the *Industrial Relations Act 2016* of a certificate issued to the organisation under section 755.
- (e) A business combination.

**Note 21 Merger with the Electrical Trades Union of Employees Queensland (AFULE Division)**

On 1 May 2017, the Queensland Industrial Relations Commission approved the alteration of the Rules of the Electrical Trades Union of Employees Queensland. Under the rule changes, it allowed the creation of the AFULE Division.

As a result, on 1 May 2017, all assets and liabilities of the Union were transferred to the newly created Electrical Trades Union of Employees Queensland (AFULE Division).

Given the above material event after reporting date, it has resulted in the following:

- i. The financial statements being prepared on a liquidated basis
- ii. All assets and liabilities of the Union have been measured at their fair value
- iii. All assets and liabilities have been classified as current at the reporting date.
- iv. The Union has been deregistered after merging with the Electrical Trades Union of Employees Queensland.