

QUEENSLAND CHAMBER OF
COMMERCE AND INDUSTRY LIMITED
Trading As Commerce Queensland

ABN 55 009 662 060

ANNUAL REPORT

YEAR ENDED 30 JUNE 2005

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DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2005

Your directors present their report on the company consisting of Queensland Chamber of Commerce and Industry Limited trading as Commerce Queensland (the company) and the entities it controlled at the end of, or during the year ended 30 June 2005.

REGISTERED OFFICE & PRINCIPAL BUSINESS ADDRESS

The registered office and principal place of business for Queensland Chamber of Commerce and Industry Limited trading as Commerce Queensland (the company) is:

Industry House
375 Wickham Terrace
Spring Hill
QLD 4000

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the year ended 30 June 2005 were service delivery and representation of the interests of members across a broad range of commercial and industrial activities and apprenticeship management. There was no change in the principal activities during the year.

OPERATING RESULTS

The operations of the consolidated entity for the year ended 30 June 2005 have resulted in a consolidated net profit of \$2,172 (2004 - net loss of \$522,233).

DIVIDENDS

Under the company's Constitution, no dividend is payable to members.

REVIEW OF OPERATIONS

The year saw a turnaround in performance for the company with results improving substantially on those of the previous year. At the beginning of the year, performance was affected by the recruitment of suitably qualified staff to meet the changing business direction of Commerce Queensland. The second half of the year saw benefits from the planned cultural changes, with a greater focus on revenue generation and cost control producing satisfactory financial results.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year under review not otherwise disclosed in this report or the financial report.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

In the opinion of the directors, in the interval between the end of the financial year and the date of this report no matters including any item, transaction or event of a material and unusual nature likely to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the company in subsequent financial years has arisen.

DIRECTORS' REPORT (continued)

YEAR ENDED 30 JUNE 2005

LIKELY DEVELOPMENTS

The directors are not aware of any likely developments in the operations of the consolidated entity which may adversely affect the expected results of operations.

ENVIRONMENTAL REGULATIONS

The consolidated entity has assessed whether there are any particular or significant environmental regulations which apply to it and has determined that there are none.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the company has received or become entitled to receive a benefit, other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial report, by reason of a contract entered into by the consolidated entity, its predecessor organisations or a related entity with a director, a firm of which a director is a member, or with an entity in which a director has a substantial financial interest.

Any transactions with directors or entities with which directors are related are on normal commercial terms and conditions.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the consolidated entity paid a premium of \$7,062 in respect of a contract insuring current directors and officers of the company against certain liabilities.

The premiums paid cover directors, executive officers and the company secretary.

The insurance policies outlined above do not contain details of the premiums paid in respect of individual officers of the consolidated entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

DIRECTORS' REPORT (continued)

YEAR ENDED 30 JUNE 2005

DIRECTORS' MEETINGS

The number of Board meetings and Finance and Audit Committee meetings held and number of meetings attended by each of the directors of the company during the financial year are:

Board

Director	Meetings Held*	Meetings Attended	Director	Meetings Held*	Meetings Attended
Mr M Brannelly	11	9	Ms A McGregor-Lowndes	4	2
Mr T Dodd	4	4	Mr K Murphy	11	11
Mrs B Booth	11	11	Ms R Routledge	11	6
Mr P Dowler	3	1	Mr E Scott	11	10
Mr G Heilbronn	11	11	Mr D Thomas	3	2
Mr R Hutchinson	11	9	Mr J Witheriff	11	10
Mr K Christie	8	8	Mr J Forsyth	9	7
Mr S Hawker	4	2	Mr P Callaghan	11	9
Mr T Kendall	11	10	Mr T Connolly	-	-

*reflects the number of meetings held during the time the director held office during the year

Finance and Audit Committee

Director	Meetings Held*	Meetings Attended
Mr G Heilbronn	12	9
Mr T Dodd	4	4
Mr T Kendall	12	11
Mrs B Booth	7	5

* reflects the number of meetings held during the time the director held office during the year

DIRECTORS' REPORT (continued)

YEAR ENDED 30 JUNE 2005

DIRECTORS:

The following persons were directors of Queensland Chamber of Commerce and Industry Limited trading as Commerce Queensland at any time during the year and up to the date of the signing of this report.

President: Mr G Heilbronn - Chairman of the Board of the Heilbronn group of companies, former Director of Stanwell Corporation. Age 61.

Vice President: Mrs B Booth - Principal of Beatrice Booth Consulting. Age 58.

Chairman Audit & Finance Committee: Mr T Kendall - Chartered Accountant & Partner with BDO Kendalls. Age 42.

Other Directors:

Mr T Connolly – Managing Director of the Heilbronn group of companies. Age 45. Appointed 27 June 2005.

Mr M Brannelly - Managing Director of the Brannelly Group of Companies. Age 44.

Mr P Callaghan - Group General Manager of Community Employment Options Inc. Age 48.

Mr R Hutchinson – Manager of Davco Construction Materials Pty Ltd. Age 50.

Mr K Murphy - Business & Marketing Manager of Farr Evrat Engineers Pty Ltd. Age 44.

Ms R Routledge - Founder & Managing Director of Flair Colour and Design. Age 37.

Mr E Scott - Director of Human Factor Australia Pty Ltd, former CEO of Stanwell Corporation Limited. Age 59.

Mr J Witheriff - Partner in law firm, Minter Ellison. Age 46.

Mr J Forsyth - Consultant, Business Manager Mackay Medical Centre. Age 75. Appointed 10 November 2004.

Mr K Christie - Partner in law firm Griffith Parry Lawyers. Age 52. Appointed 25 October 2004.

Mr S Hawker - Political Advisor, Peter Lindsay. Age 54. Appointed 20 February 2005.

Mr D Thomas was a director from the beginning of the financial year until his resignation on 20 October 2004.

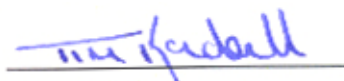
Ms A McGregor-Lowndes was a director from the beginning of the financial year until her resignation on 26 October 2004.

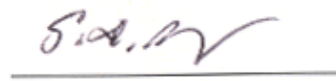
Mr P Dowler was a director from the beginning of the financial year until his resignation on 20 October 2004.

Mr T Dodd was a director from the beginning of the financial year until his resignation on 26 October 2004.

Company Secretary - Mr P J Barnewall - CEO of Queensland Chamber of Commerce & Industry Limited. Age 41

Signed on 25 October 2005, in accordance with a resolution of the directors.


Mr T Kendall


Mr G Heilbronn

QUEENSLAND CHAMBER OF COMMERCE AND INDUSTRY LIMITED

INDUSTRIAL ORGANISATION OF EMPLOYERS

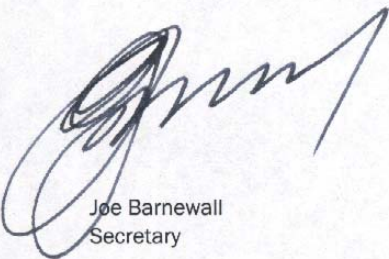
STATEMENT BY ACCOUNTING OFFICER

YEAR ENDED 30 JUNE 2005

I hereby state that in accordance with the Industrial Relations Act 1999 and Regulations made there under:

- (a) the number of members at 30 June 2005 was 3,508;
- (b) a record has been kept of all monies paid by or collected from members of the company and all monies so paid or collected have been credited to the bank account or accounts to which those monies are to be credited, in accordance with the rules of the company;
- (c) before any expenditure was incurred by the company approval for the incurring of the expenditure was obtained in accordance with the rules of the company;
- (d) no funds of the type referred to in Schedule 5 Part 1 Section 5 of the Industrial Relations Regulation 2000 were opened or operated;
- (e) no loans or other financial benefits were granted to persons holding office in the company;
- (f) a register of members of the company was maintained in accordance with the Act;

and in my opinion the financial report shows a true and fair view of transactions for the financial year ended 30 June 2005 and the financial position of the company as at the conclusion of that financial year.



Joe Barnewall
Secretary

24 October 2005.

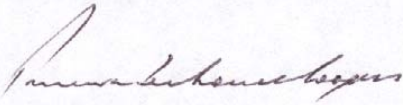
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Auditors' Independence Declaration

As lead auditor for the audit of Queensland Chamber of Commerce and Industry Limited for the year ended 30 June 2005, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.



PricewaterhouseCoopers

PricewaterhouseCoopers



P J Clarke
Partner

P J Clarke
Partner

Brisbane
24 October 2005

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2005

	Note	Consolidated		Parent Entity	
		2005 \$	2004 \$	2005 \$	2004 \$
Revenue from ordinary activities	2	26,109,942	24,025,472	13,617,501	12,794,954
Borrowing Costs		-	(62,298)	-	-
Building Expenses		(366,644)	(322,658)	(264,329)	(243,054)
Depreciation & Amortisation Expenses	3(b)	(1,043,616)	(1,161,857)	(749,225)	(784,015)
Minor Assets Expensed		(196,853)	(280,554)	(57,630)	(132,568)
Employee Benefits Expenses		(15,187,651)	(14,570,131)	(6,637,211)	(6,810,475)
External Trainers		(570,873)	(463,993)	(570,873)	(463,993)
Carrying Amount of Fixed Assets Sold		(212,491)	(122,778)	(190,981)	(106,760)
Grants Expenditure		(745,522)	(577,289)	(568,632)	(502,333)
Insurance		(281,031)	(155,070)	(97,557)	(87,408)
Motor Vehicle Expenses		(424,926)	(416,845)	(109,818)	(101,188)
Office Expenses		(1,048,025)	(1,079,373)	(485,413)	(605,225)
Operating Lease Rentals		(1,423,895)	(1,313,752)	(547,102)	(429,228)
Outside Contractors		(1,140,280)	(1,033,257)	(992,769)	(939,122)
Promotions & Sponsorships		(309,343)	(310,544)	(225,189)	(169,999)
Subscriptions & Publications		(491,775)	(442,667)	(460,576)	(398,286)
Telecommunications		(846,392)	(836,441)	(509,209)	(460,507)
Travel		(455,353)	(393,005)	(299,094)	(246,922)
Other Expenses from Ordinary Activities		(1,363,100)	(1,005,193)	(849,721)	(836,621)
NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES		2,172	(522,233)	2,172	(522,750)
Net Increase in Asset Revaluation Reserve	13	371,250	1,374,787	371,250	1,374,787
Total Changes in members funds		373,422	852,554	373,422	852,037

The statements of financial performance should be read in conjunction with the accompanying notes.

QUEENSLAND CHAMBER OF COMMERCE AND INDUSTRY LIMITED & CONTROLLED ENTITIES

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2005

	Note	Consolidated		Parent Entity	
		2005 \$	2004 \$	2005 \$	2004 \$
CURRENT ASSETS					
Cash Assets	4	5,716,808	5,346,805	4,812,947	4,235,538
Receivables	5	1,870,443	1,672,521	2,123,723	1,886,378
Other	6	2,468,121	2,137,696	2,176,323	2,291,928
TOTAL CURRENT ASSETS		10,055,372	9,157,022	9,112,993	8,413,844
NON CURRENT ASSETS					
Receivables	7	-	35,147	-	35,147
Property, Plant and Equipment	8	5,653,211	5,790,498	4,991,977	5,188,217
TOTAL NON CURRENT ASSETS		5,653,211	5,825,645	4,991,977	5,223,364
TOTAL ASSETS		15,708,583	14,982,667	14,104,970	13,637,208
CURRENT LIABILITIES					
Payables	9	1,653,132	1,952,248	963,520	1,171,101
Provisions	10	1,153,068	822,771	522,709	476,413
Other	11	2,863,002	2,591,043	2,785,099	2,526,653
		5,669,202	5,366,062	4,271,328	4,174,167
NON CURRENT LIABILITIES					
Provisions	12	225,640	176,286	54,896	57,717
TOTAL NON CURRENT LIABILITIES		225,640	176,286	54,896	57,717
TOTAL LIABILITIES		5,894,842	5,542,348	4,326,224	4,231,884
NET ASSETS		9,813,741	9,440,319	9,778,746	9,405,324
MEMBERS' FUNDS					
Reserves	13	3,303,564	2,932,314	3,303,564	2,932,314
Accumulated Funds	14(a)	6,510,177	6,508,005	6,475,182	6,473,010
TOTAL MEMBERS' FUNDS	14(b)	9,813,741	9,440,319	9,778,746	9,405,324

The statements of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2005

	Notes	Consolidated		Parent Entity	
		2005 \$	2004 \$	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers (inclusive of goods and service tax)		25,426,174	26,442,126	11,733,554	11,510,547
Payment to suppliers and employees (inclusive of goods and service tax)		(24,919,698)	(25,367,257)	(13,375,344)	(13,074,716)
Grant funds received		679,895	502,333	568,632	502,333
Grant funds expended		(746,758)	(538,034)	(569,868)	(463,078)
Trust distribution received		-	-	1,687,690	1,924,003
Interest received		285,929	316,493	302,152	265,905
Interest and other costs of finance paid		-	(805)	-	-
Rent received		141,680	167,007	326,956	315,939
Net cash inflow from operating activities	24	867,222	1,521,863	673,772	980,933
Cash flows from investing activities					
Acquisition of property, plant and equipment		(747,570)	(1,451,258)	(372,715)	(997,225)
Proceeds from sale of property, plant and equipment	2	250,351	28,801	228,394	18,967
Loans with associated entities		-	-	47,958	-
Net cash (outflow)/inflow from investing activities		(497,219)	(1,422,457)	(96,363)	(978,258)
Cash flows from financing activities					
Proceeds from borrowings		-	-	-	-
Repayment of borrowings		-	-	-	(100,144)
Finance lease principal		-	(112,379)	-	-
Net cash outflow from financing activities		-	(112,379)	-	(100,144)
Net increase in cash held		370,003	(12,973)	577,409	(97,469)
Cash at the beginning of the financial year		5,346,805	5,359,778	4,235,538	4,333,007
Cash at the end of the financial year	4	5,716,808	5,346,805	4,812,947	4,235,538

The statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views, the Corporations Act 2001 and the Industrial Relations Act and Regulations.

It has been prepared in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year.

(a) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Queensland Chamber of Commerce and Industry Limited trading as Commerce Queensland as at 30 June 2005 and the results of all controlled entities for the year then ended. Queensland Chamber of Commerce and Industry Limited and its controlled entities are referred to in this financial report as the consolidated entity. The effects of all transactions between entities in the company are eliminated in full. Details of the controlled entities are contained in note 21 (c).

(b) Revenue recognition

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised for the major business activities as follows:

- (i) Membership Subscriptions – Revenue is recognised over the 12 month period to which the membership subscription relates. The deferred membership income is shown as subscriptions received in advance in note 11.
- (ii) Contract Income – Contract income from training and apprenticeship agreements is recognised over the period of those contracts.
- (iii) Other Revenue – Other operating revenue is recognised on an accruals basis.

(c) Receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition for income.

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists and in any event when the debt is more than 90 days overdue.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Recoverable amount of non-current assets

The recoverable amount of an asset is the net amount expected to be recovered through the cash inflows and outflows arising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount. The decrement in the carrying amount is recognised as an expense in net profit or loss in the reporting period in which the recoverable amount write-down occurs.

(e) Revaluations of non-current assets

Subsequent to initial recognition as assets, land and buildings are measured at fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction. Revaluations are made with sufficient regularity to ensure that the carrying amount of each piece of land and each building does not differ materially from its fair value at the reporting date. Annual assessments will be made by the directors, supplemented by independent assessments at least every three years.

Revaluation increments are credited directly to the asset revaluation reserve.

(f) Depreciation of property plant and equipment

Depreciation is calculated on a straight line basis to write off the net cost or revalued amount of each item of property, plant and equipment (excluding land) over its expected useful life to the consolidated entity. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives are as follows:

- Freehold buildings 20 years
- Computer equipment 3 years
- Office furniture & equipment 7 to 8 years
- Motor Vehicles 7 years

(g) Leasehold Improvements

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the consolidated entity, whichever is shorter.

(h) Leased non-current assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incident to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Other operating lease payments are charged to the statement of financial performance in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Trade and other creditors

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Web site costs

Costs in relation to web sites controlled by a controlled entity are charged as expenses in the period in which they are incurred unless they relate to the acquisition of an asset, in which case they are capitalised and amortised over their period of expected benefit. Generally, costs in relation to feasibility studies during the planning phase of a web site, and ongoing costs of maintenance during the operating phase are considered to be expenses. Costs incurred in building or enhancing a web site, to the extent that they represent probable future economic benefits controlled by the controlled entity that can be reliably measured, are capitalised as an asset and amortised over the period of the expected benefits.

(k) Employee benefits

- (i) Wages and salaries, annual leave and sick leave - Liabilities for wages and salaries, including non-monetary benefits, annual leave, and accumulating sick leave to be settled within twelve months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled, plus, related on costs. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.
- (ii) Long service leave - The liability for long service leave expected to be settled within twelve months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled more than twelve months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.
- (iii) Superannuation fund - The consolidated entity contributes to an employee superannuation fund in accordance with the Superannuation Guarantee Legislation and the Occupational Superannuation requirements. Contributions are recognised as an expense as they fall due.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Cash

For the purposes of the statement of cash flows, cash includes deposits at call with financial institutions and other highly liquid investments with short periods to maturity, which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

(m) Members' liability

The company is incorporated under the Corporations Act 2001 as a company limited by guarantee. In the event of the company being wound up, each member's liability is limited to one year's subscription.

(n) Grants

Where grant income remains unexpended at year end, the balance is shown as a liability. Over-expenditure is recognised as an expense in the accounts, unless recoupment of the over-run is assured.

(o) Income tax

No liability exists for income tax as "associations of employers" are exempt under Section 50 - 15 of the Income Tax Assessment Act.

(p) International Financial Reporting Standards (IFRS)

The Australian Accounting Standards Board (AASB) is adopting International Financial Reporting Standards (IFRS) for application to reporting periods beginning on or after 1 January 2005. The AASB has issued Australian equivalents to IFRS, and the Urgent Issues Group has issued interpretations corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. These Australian equivalents to IFRS are referred to hereafter as AIFRS. The adoption of AIFRS will be first reflected in the consolidated entity's financial statements for the year ending 30 June 2006.

Entities complying with AIFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of AIFRS to that comparative period. Most adjustments required on transition to AIFRS will be made, retrospectively, against opening retained earnings as at 1 July 2004.

The Consolidated entity's transition to Australian equivalents to IFRS is being managed by a project team lead by the Chief Financial Officer. To date the project team has identified some of the accounting policy changes that will be required. In some cases choices of accounting policies are available, including elective exemptions under Accounting Standard AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards. These choices are still being analysed to determine the most appropriate accounting policy for the consolidated entity.

The consolidated entity has not yet completed their assessment of the impacts of AIFRS and subsequent quantification of these impacts on the financial report for the year ended 30 June 2005. The impacts of the transition to AIFRS on the Company's financial position and reported results have not been quantified. Being a not for profit entity the project team does not believe there will be significant

changes to the consolidated entity's existing accounting policies.

QUEENSLAND CHAMBER OF COMMERCE AND INDUSTRY LIMITED & CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

To date the major changes identified, that will be required to the consolidated entity's existing accounting policies include the following:

i) Grant income

Under AASB 120 Accounting for Government Grants, grants will now be recognised as income over the periods necessary to match them with the related costs for which they are intended to compensate.

ii) Financial instruments

The consolidated entity will be taking advantage of the exemption available under AASB 1 to apply AASB 132 Financial Instrument: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement only from 1 July 2005. This allows the consolidated entity to apply previous Australian Generally Accepted Accounting Principles (Australian GAAP) to the comparative information of financial instruments within the scope of AASB 132 and AASB 139 for the 30 June 2006 financial report.

Under the new AASB 132 Financial Instruments: Disclosure and Presentation the current classification of financial instruments issued by entities in the Company would not change. Under the new AASB 139 Financial instruments the method of determining the provision for doubtful debts (i.e. the impairment of that class of receivables) will be based upon historical loss rates.

The above should not be regarded as a complete list of changes in accounting policies that will result from the transition to AIFRS, as not all standards have been analysed as yet, and some decisions have not yet been made where choices of accounting policies are available.

(q) Assets under \$2,000

The company's policy is to expend any items of property, plant and equipment with a cost of less than \$2,000.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

	Consolidated		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
2. REVENUE FROM ORDINARY ACTIVITIES				
Membership Subscriptions	3,084,066	3,120,469	3,084,066	3,120,469
Consulting Services	2,110,584	1,909,341	2,129,269	1,895,272
Training Services	2,875,125	2,453,348	2,875,793	2,453,436
Document Certification & Carnets	420,556	335,823	420,556	335,823
Award Services	177,763	181,676	177,763	181,676
Contract Income	14,751,710	14,017,449	-	-
Secretarial Services	147,783	148,837	168,437	174,561
Functions & Seminars	502,716	453,326	519,309	463,641
Grants Received	745,522	510,927	568,632	502,333
	24,815,825	23,131,196	9,943,825	9,127,211
Revenue from Outside Operating Activities				
Rental Income	141,680	167,007	326,955	313,539
Project Management Fees	45,903	70,607	41,853	70,607
Trust Distribution Received (QAS Trust)	-	-	1,316,555	1,892,428
Interest Received	285,929	316,493	302,152	265,905
Proceeds On Sale of Fixed Assets	250,351	28,801	228,394	18,967
Other Income	570,254	311,368	1,457,767	1,106,297
	1,294,117	894,276	3,673,676	3,667,743
Total Revenue	26,109,942	24,025,472	13,617,501	12,794,954

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

	Consolidated		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
3. PROFIT FROM ORDINARY ACTIVITIES				
(a) Net gains:				
Net (gain)/loss on disposal of non-current assets	(37,860)	107,145	(37,413)	100,959
(b) Expenses:				
Depreciation				
- Buildings	47,372	64,899	47,372	64,899
- Motor Vehicles	51,580	89,980	50,683	89,980
- Plant & Equipment	895,611	923,024	626,065	593,866
Amortisation - Leasehold Improvements	49,053	83,954	25,105	35,270
	1,043,616	1,161,857	749,225	784,015
Other charges against assets:				
- Bad and doubtful debts - trade debtors	7,790	(58,324)	7,790	(74,495)
- Borrowing costs	280	3,545	280	2,396
- Rental - operating leases (minimum lease payments)	1,423,894	1,313,752	547,102	429,228
- Employee entitlements expenses	243,330	119,749	49,855	36,039
4. CASH ASSETS				
Cash at Bank	3,574,226	3,018,240	2,672,965	1,909,073
Short Term Deposits	2,043,667	2,232,680	2,043,667	2,232,680
Grant Funds	94,015	92,285	94,015	92,285
Petty Cash	4,900	3,600	2,300	1,500
	5,716,808	5,346,805	4,812,947	4,235,538
5. CURRENT ASSETS - RECEIVABLES				
Trade Debtors	1,953,598	1,808,521	2,205,878	2,021,378
Less Provision for Doubtful Debts	(83,155)	(136,000)	(82,155)	(135,000)
	1,870,443	1,672,521	2,123,723	1,886,378

QUEENSLAND CHAMBER OF COMMERCE AND INDUSTRY LIMITED & CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

	Consolidated		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
6. CURRENT ASSETS - OTHER				
Prepayments	307,895	283,304	161,040	131,268
Accrued Income	2,099,699	1,851,691	167,928	-
Amounts due from controlled entity	-	-	1,789,525	2,160,660
Other	60,527	2,701	57,830	-
	2,468,121	2,137,696	2,176,323	2,291,928
7. NON-CURRENT ASSETS - RECEIVABLES				
Sunfuel Receivable	-	45,147	-	45,147
Less Provision for Doubtful Debts	-	(10,000)	-	(10,000)
	-	35,147	-	35,147

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

	Consolidated		Parent Entity	
	2005 \$	2004 \$	2005 \$	2004 \$
8. PROPERTY, PLANT & EQUIPMENT				
Freehold Land – at independent valuation 2005	3,025,000	2,725,000	3,025,000	2,725,000
	3,025,000	2,725,000	3,025,000	2,725,000
Buildings – at independent valuation 2005	950,000	925,000	950,000	925,000
Less accumulated depreciation	-	-	-	-
	950,000	925,000	950,000	925,000
Buildings – at cost	-	22,443	-	22,443
Less accumulated depreciation	-	(2,148)	-	(2,148)
	-	20,295	-	20,295
Total Land & Buildings	3,975,000	3,670,295	3,975,000	3,670,295
Leasehold Improvements - at cost	491,308	468,866	147,969	125,526
Less accumulated depreciation	(372,966)	(320,644)	(58,862)	(30,487)
Total Leasehold Improvements	118,342	148,222	89,107	95,039
Plant and Equipment - at cost	4,774,345	5,074,073	2,682,091	3,261,100
Less accumulated depreciation	(3,387,685)	(3,445,970)	(1,772,070)	(2,099,905)
Total Plant & Equipment	1,386,660	1,628,103	910,021	1,161,195
Motor Vehicles - at cost	28,375	519,955	17,961	497,988
Less accumulated depreciation	(577)	(281,637)	(112)	(281,610)
Total Motor Vehicles	27,798	238,318	17,849	216,378
Assets Under Construction	145,411	105,560	-	45,310
Total Property, Plant & Equipment	5,653,211	5,790,498	4,991,977	5,188,217

Valuation of Land & Buildings:

The basis of valuation of land and buildings is fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. The 2005 revaluations were based on independent assessments by Mr. Paul Ellis, registered member of the Australian Property Institute (Registered Valuer 2242).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

8. PROPERTY, PLANT & EQUIPMENT (continued)

(a) Movements in Carrying Amounts

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below

Consolidated	Freehold Land \$	Buildings \$	Leasehold Improvements \$	Plant & Equipment \$
Carrying amount at 1 July 2004	2,725,000	945,295	148,222	1,628,103
Additions	-	-	-	609,412
Revaluation	300,000	71,250	-	-
Disposals	-	-	-	(554)
Depreciation/amortisation expense (note 3)	-	(47,372)	(49,053)	(895,611)
Transfers in/out	-	(19,173)	19,173	45,310
Carrying amount at 30 June 2005	3,025,000	950,000	118,342	1,386,660

Consolidated (continued)	Motor Vehicles \$	Assets Under Construction \$	Total \$
Carrying amount at 1 July 2004	238,318	105,560	5,790,498
Additions	52,997	85,161	747,570
Revaluation	-	-	371,250
Disposals	(211,937)	-	(212,491)
Depreciation/amortisation expense (note 3)	(51,580)	-	(1,043,616)
Transfers in/out	-	(45,310)	-
Carrying amount at 30 June 2005	27,798	145,411	5,653,211

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

8. PROPERTY, PLANT & EQUIPMENT (continued)

Parent Entity	Freehold Land		Buildings	Leasehold Improvements	Plant & Equipment
	\$	\$	\$		\$
	Carrying amount at 1 July 2004	2,725,000		945,295	95,039
Additions		-	-	-	330,132
Revaluation	300,000		71,250	-	-
Disposals		-	-	-	(551)
Depreciation/amortisation expense (note 3)		-	(47,372)	(25,105)	(626,065)
Transfers in/(out)		-	(19,173)	19,173	45,310
Carrying amount at 30 June 2005	3,025,000		950,000	89,107	910,021

Parent Entity (continued)	Motor Vehicles	Assets under Construction	Total
	\$	\$	\$
	Carrying amount at 1 July 2004	216,378	45,310
Additions	42,583	-	372,715
Revaluation	-	-	371,250
Disposals	(190,429)	-	(190,980)
Depreciation/amortisation expense (note 3)	(50,683)	-	(749,225)
Transfers in/(out)	-	(45,310)	-
Carrying amount at 30 June 2005	17,849	-	4,991,977

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

	Consolidated		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
9. CURRENT LIABILITIES - PAYABLES				
Trade Creditors	848,572	712,772	516,506	579,894
Carnet Deposits	31,092	194,169	31,092	194,169
Accrued Expenses	773,468	1,045,307	415,922	397,038
	<u>1,653,132</u>	<u>1,952,248</u>	<u>963,520</u>	<u>1,171,101</u>
10. CURRENT LIABILITIES - PROVISIONS				
Provision for employee benefits (note 20)	1,019,881	822,771	522,709	476,413
Other provisions	133,187	-	-	-
	<u>1,153,068</u>	<u>822,771</u>	<u>522,709</u>	<u>476,413</u>
11. CURRENT LIABILITIES - OTHER				
Unexpended Grant Funds	120,833	186,460	120,833	122,070
Subscriptions Received in Advance	1,889,432	1,950,727	1,889,432	1,950,727
Other Revenue Received in Advance	726,252	453,124	726,252	453,124
Other Creditors	125,860	-	47,957	-
Amounts held on behalf of trade associations	625	732	625	732
	<u>2,863,002</u>	<u>2,591,043</u>	<u>2,785,099</u>	<u>2,526,653</u>
12. NON-CURRENT LIABILITIES - PROVISIONS				
Provision for employee benefits (note 20)	225,640	176,286	54,896	57,717

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

	Consolidated		Parent Entity	
	2005 \$	2004 \$	2005 \$	2004 \$
13. RESERVES				
Asset Revaluation Reserve	3,303,564	2,932,314	3,303,564	2,932,314
Movements				
Asset Revaluation Reserve				
Balance at 1 July 2004	2,932,314	1,557,527	2,932,314	1,557,527
Increment on revaluation of freehold land & buildings	371,250	1,374,787	371,250	1,374,787
Balance at 30 June 2005	3,303,564	2,932,314	3,303,564	2,932,314
The asset revaluation reserve is used to record increments on the revaluation of non-current assets as described in accounting policy note 1(e)				
14. ACCUMULATED FUNDS				
(a) Accumulated Funds				
Accumulated funds at 1 July 2004	6,508,005	7,030,238	6,473,010	6,995,760
Profit from ordinary activities	2,172	(522,233)	2,172	(522,750)
Accumulated funds at 30 June 2005	6,510,177	6,508,005	6,475,182	6,473,010
(b) Members Funds				
Total members funds at 1 July 2004	9,440,319	8,587,765	9,405,324	8,553,287
Total changes in members funds recognised in the statement of financial performance	373,422	852,554	373,422	852,037
Members funds at 30 June 2005	9,813,741	9,440,319	9,778,746	9,405,324

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

15. FINANCIAL INSTRUMENTS

(a) Credit risk exposures

The credit risk of financial assets of the consolidated entity which have been recognised on the Statement of Financial Position is generally the carrying amount, net of any provision for doubtful debts.

(b) Interest rate risk exposures

The consolidated entity's exposure to interest rate risk and effective weighted average interest rate by maturity period is set out below. Exposures arise predominantly from assets and liabilities bearing variable interest rates as the company intends to hold fixed rate assets and liabilities to maturity.

2005	Note	Floating Interest	Fixed interest maturing in		Non-interest bearing	Total
			1 year or less	1 to 5 years		
Financial assets						
Cash at Bank	4	3,574,226	-	-	-	3,574,226
Grant funds	4	94,015	-	-	-	94,015
Short Term Deposits	4	2,043,667	-	-	-	2,043,667
Receivables	5	-	-	-	1,870,443	1,870,443
		5,711,908	-	-	1,870,443	7,582,351
Weighted average interest rate		5.76%	-	-	-	
Financial liabilities						
	Note	Floating Interest	Fixed interest maturing in		Non-interest bearing	Total
			1 year or less	1 to 5 years		
Trade & other creditors	9	-	-	-	1,653,132	1,653,132
Grant funds payable	11	-	-	-	120,833	120,833
		-	-	-	1,773,965	1,773,965
Weighted average interest rate		-	-	-	-	
Net financial assets		5,711,908	-	-	96,478	5,808,386

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

15. FINANCIAL INSTRUMENTS (continued)

2004	Note	Floating Interest	Fixed interest maturing in		Non-interest bearing	Total
			1 year or less	1 to 5 years		
Financial assets						
Cash at Bank	4	3,018,240	-	-	-	3,018,240
Grant funds	4	92,285	-	-	-	92,285
Short Term Deposits	4	2,232,680	-	-	-	2,232,680
Receivables	5	-	-	-	1,672,521	1,672,521
		<u>5,343,205</u>	<u>-</u>	<u>-</u>	<u>1,672,521</u>	<u>7,015,726</u>
Weighted average interest rate		5.41%	-	-	-	
	Note	Floating Interest	Fixed interest maturing in		Non-interest bearing	Total
			1 year or less	1 to 5 years		
Financial liabilities						
Trade & other creditors	9	-	-	-	1,952,248	1,952,248
Grant funds payable	11	-	-	-	186,460	186,460
		<u>-</u>	<u>-</u>	<u>-</u>	<u>2,138,708</u>	<u>2,138,708</u>
Weighted average interest rate		-	-	-	-	
Net financial assets/(liabilities)		<u>5,343,205</u>	<u>-</u>	<u>-</u>	<u>(466,187)</u>	<u>4,877,018</u>

(c) Net Fair Value of Financial Assets and Liabilities

On balance sheet

The net fair values of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the economic entity approximate their carrying amounts.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

16. DIRECTORS AND EXECUTIVES DISCLOSURES

Directors

The following persons were directors of Queensland Chamber Of Commerce And Industry Limited during the financial year:

President: Mr G Heilbronn

Vice President: Mrs B Booth

Chairman Audit & Finance Committee: Mr T Kendall

Other Directors:

Mr M Brannelly, Mr P Callaghan, Mr R Hutchinson, Mr K Murphy, Ms R Routledge, Mr E Scott, Mr J Witheriff, Mr J Forysth, Mr K Christie, Mr S Hawker, Mr D Thomas, Ms A McGregor-Lowndes, Mr P Dowler, Mr T Connolly & Mr T Dodd

Remuneration of directors

No director has received or become entitled to receive any remuneration from the Company or any related bodies corporate during the year, with the exception of Ms R Routledge as noted below. Directors' remuneration does not include insurance premiums paid by the Chamber or related bodies corporate in respect of directors' and officers' liabilities and legal expenses insurance contracts, as the insurance policies do not specify premiums paid in respect of individual officers of the consolidated entity. Directors Remuneration is set out in the following table:

	Consolidated		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
Directors of Parent Entity	-	-	-	-
Directors of Controlled Entity	46,195	60,000	-	-
Total Directors Remuneration	46,195	60,000	-	-

The above remuneration relates to Mr D Vann, Ms R Routledge & Mr G Drummond.

Other transactions with directors and director-related entities

Mr T Kendall is a Partner of BDO Kendalls. BDO Kendalls provided services to the company with fees totalling \$58,966. Commerce Queensland charged BDO Kendalls \$4,275 for membership, events and functions.

Mr E Scott is a director of Human Factor Australia. Human Factor Australia provided consulting services to the company with fees totalling \$72,353. Commerce Queensland charged Human Factor Australia \$586 for membership, events and functions.

Mr G Heilbronn is Chairman of the Board of The Heilbronn Group. The Heilbronn Group provided commercial property consultancy services to the company totalling \$5,000. Commerce Queensland charged The Heilbronn Group \$22,441 for membership, events and functions.

All of the above services were provided on normal commercial terms.

QUEENSLAND CHAMBER OF COMMERCE AND INDUSTRY LIMITED & CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

	Consolidated		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
17. AUDITORS' REMUNERATION				
During the year the auditor of the consolidated entity earned the following remuneration:				
PricewaterhouseCoopers – Australian firm				
Amounts received or due and receivable by the auditors for:				
- auditing the financial statements	45,000	42,654	30,000	32,554
- other services	14,000	8,400	11,000	8,400
Total	59,000	51,054	41,000	40,954

18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The parent entity and consolidated entity had contingent liabilities at 30 June 2005 in respect of:

Claims

A claim for unspecified damages was lodged during the year in relation to an employee dismissal. The company has disclaimed liability, is defending the action and has initiated a counter-claim. It is not practical to estimate the potential effect of this claim but legal advice indicates that any liability that may arise in the unlikely event the claim is successful will not be significant. A provision has been made in the financial statements in the sum of \$133,187 to cover legal costs. In the event that the counter-claim is successful, a proportion of the expenditure incurred may be recoverable.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

	Consolidated		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$

19. COMMITMENTS

(a) Capital Commitments

Acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities payable:

- not later than one year

	-	-	-	-
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(b) Operating leases (non-cancellable)

- not later than one year	1,659,654	1,123,869	643,707	642,227
- later than one year but not later than five years	877,979	1,348,944	799,420	973,787
- later than five years	261,000	-	261,000	-
	2,798,633	2,472,813	1,704,127	1,616,014

Details of Operating Leases

Office rental leases relating to regional offices up to 10 years, various motor vehicle leases up to 5 years, photocopiers leases up to 5 years and water cooler leases up to 2 years

20. EMPLOYEE ENTITLEMENTS

The aggregate employee entitlement liability is comprised:

Annual leave entitlements included in current provisions	891,683	753,474	394,511	407,116
Training entitlements included in current provisions	8,477	-	8,477	-
Long service leave entitlements included in current provisions	119,721	69,297	119,721	69,297
Long service leave entitlements included in non-current provisions	225,640	176,286	54,896	57,717
Aggregate employee entitlements liability	1,245,521	999,057	577,605	534,130

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

21. RELATED PARTY INFORMATION

(a) Directors

The names of each person holding the position of director at any time during the financial year along with details of related party transactions are set out in note 16.

(b) Remuneration

Information on remuneration of directors is disclosed in note 16.

(c) Controlled entities

The consolidated group consists of Queensland Chamber of Commerce and Industry Limited and its controlled entities, Queensland Small Business Training Company Ltd, QCCI-GAP Pty Ltd, Queensland Apprenticeship Services Pty Ltd and Queensland Apprenticeship Services (QAS) Trust, which are all fully owned by Commerce Queensland. The ultimate parent entity in the group is Queensland Chamber of Commerce and Industry Limited trading as Commerce Queensland. All of the aforementioned companies are incorporated in Australia, domiciled in Queensland.

During the financial year the following transactions occurred between Queensland Chamber Of Commerce And Industry Limited and Queensland Apprenticeship Services Pty Ltd:

Queensland Chamber of Commerce and Industry Limited charged Queensland Apprenticeship Services Pty Ltd;

- \$888,488 for shared overhead costs
- \$74,124 interest on intercompany account
- \$223,457 for rent and secretarial assistance
- \$47,190 for other services

In addition Commerce Queensland received a trust distribution in the year ended 30 June 2005 from Queensland Apprenticeship Services (QAS) Trust in the sum of \$1,316,555.

All transactions were carried out within normal commercial terms.

22. ECONOMIC DEPENDENCY

A controlled entity, Queensland Apprenticeship Services Pty Ltd, depends for a significant volume of revenue on the Department of Education, Science & Training. During the year ended 30 June 2005, approximately 98% (2004 - 98%) of the controlled entity's revenue as an apprenticeship management facilitator was sourced from this entity. Alternative sources of revenue are being sought to reduce future dependency on any particular entity.

Queensland Apprenticeship Services Pty Ltd is currently preparing a tender for the renewal of the contract which ends on 30 June 2006. As one of the top performing New Apprenticeship Centre's in Australia, the board is confident that in the open tender process, contracts throughout Queensland will be secured.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

23. INFORMATION TO BE PROVIDED TO MEMBERS OF THE QUEENSLAND CHAMBER OF COMMERCE AND INDUSTRY LIMITED, INDUSTRIAL ORGANISATION OF EMPLOYERS

The accounts have been prepared under section 555 of the Industrial Relations Act 1999. Under Section 556 of the Industrial Relations Act 1999:

- (i) Application may be made to the company by a member or by the Industrial Registrar at the request of a member for such prescribed information in relation to the company as is specified in the application.
- (ii) On application under (i) above, the company is to make available to the applicant such prescribed information as is specified in the application in such manner and within such time as is prescribed.
- (i) If the Industrial Registrar is an applicant, the Registrar is to provide to the member at whose request the application was made, all information made available to the Registrar pursuant to the application.

	Consolidated		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
24. RECONCILIATION OF NET PROFIT FROM ORDINARY ACTIVITIES TO NET CASH FLOW FROM OPERATIONS				
Profit from ordinary activities	2,172	(522,233)	2,172	(522,750)
Provisions:				
- Depreciation & Amortisation	1,043,616	1,161,857	749,225	784,015
- Non cash write off of assets less than \$2,000	-	95,815	-	95,815
Net loss/(profit) on sale of property, plant and equipment	(37,860)	385	(37,413)	(5,801)
Changes in assets and liabilities:				
Receivables	21,539	693,966	(59,035)	583,348
Other Current Assets	(223,850)	80,034	(27,558)	(43,323)
Accounts Payable	165,998	(13,668)	(63,390)	90,768
Other Current Liabilities	(38,766)	(4,954)	111,007	(40,394)
Grant Funds Unexpended	(65,627)	30,661	(1,236)	39,255
Net cash flow from operating activities	867,222	1,521,863	673,772	980,933

DIRECTORS' DECLARATION

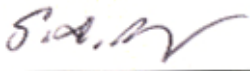
YEAR ENDED 30 JUNE 2005

In the directors' opinion:

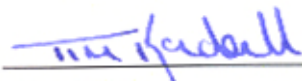
- (a) the financial statements and notes set out on pages 8 to 30 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2005 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (c) during the year, meetings of the directors were held in accordance with the Constitution and Rules of the company; and
- (d) during the year, there have been no instances where records of the company or other documents (not being documents containing information made available to a member under Section 556 of the Industrial Relations Act 1999), or copies of those records or other documents, or copies of the Rules of the company, have not been furnished, or made available, to members of the company in accordance with the Industrial Relations Act 1999, the Workplace Relations Regulations or the Constitution of the company as the case may be; and
- (e) a copy of the financial statements of the company for the year ended 30 June 2005, and auditor's report thereon was provided free of charge to members and presented to a general meeting of members of the company within the time required by Section 565 of the Industrial Relations Act 1999.

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

On behalf of the Board



Mr G Heilbronn



Mr T Kendall

Independent audit report to the members of Queensland Chamber of Commerce and Industry Limited

Matters relating to the electronic presentation of the audited financial report

This audit report relates to the financial report of Queensland Chamber of Commerce and Industry Limited (the Company) and the Queensland Chamber of Commerce and Industry Group (defined below) for the financial year ended 30 June 2005 included on Queensland Chamber of Commerce and Industry Limited web site. The Company's directors are responsible for the integrity of the Queensland Chamber of Commerce and Industry Limited web site. We have not been engaged to report on the integrity of this web site. The audit report refers only to the financial report identified below. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Audit opinion

In our opinion:

the financial report of Queensland Chamber of Commerce and Industry Limited:

- gives a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of Queensland Chamber of Commerce and Industry Limited and the Queensland Chamber of Commerce and Industry Group (defined below) as at 30 June 2005, and of their performance for the year ended on that date,
- is presented in accordance with the *Corporations Act 2001*, Accounting Standards and other mandatory financial reporting requirements in Australia, and the *Corporations Regulations 2001*.

This opinion must be read in conjunction with the rest of our audit report.

Scope

The financial report, and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for both Queensland Chamber of Commerce and Industry Limited (the company) and the Queensland Chamber of Commerce and Industry Group (the consolidated entity), for the year ended 30 June 2005. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of

persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected. For further explanation of an audit, visit our website <http://www.pwc.com/au/financialstatementaudit>.

Independent audit report to the members of Queensland Chamber of Commerce and Industry Limited

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

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

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

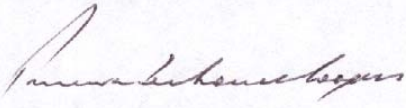
Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

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

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.



PricewaterhouseCoopers

PricewaterhouseCoopers



P J Clarke
Partner

P J Clarke

Brisbane

QUEENSLAND CHAMBER OF COMMERCE AND INDUSTRY LIMITED & CONTROLLED ENTITIES
STATEMENT OF INCOME AND EXPENDITURE
YEAR ENDED 30 JUNE 2005

	Consolidated		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
INCOME				
Award Services & Sales	177,763	181,676	177,763	181,676
Commissions Received	82,113	39,876	82,113	39,876
Consulting Services	2,110,584	1,909,341	2,129,269	1,895,272
Document Certification & Carnets	420,556	335,823	420,556	335,823
Enterprise Advertising	23,742	23,446	23,742	23,746
Functions & Seminars	502,716	453,326	519,309	463,641
Grants Received	745,522	510,927	568,632	502,333
Trust Distributions Received	-	-	1,316,555	1,892,428
Interest Earned	285,929	316,494	302,152	265,905
Membership Subscriptions	3,084,066	3,120,469	3,084,066	3,120,469
Contract Income	14,751,710	14,017,449	-	-
Proceeds from Disposals of Fixed Assets	250,351	5,801	228,394	5,801
Project Management Fees	45,903	70,607	41,853	70,607
Rental Income	141,679	163,841	326,955	314,643
Secretarial Services	147,783	148,837	168,437	174,561
Training Services	2,875,125	2,453,348	2,875,793	2,453,436
Intercompany Overhead allocation	-	-	888,488	793,000
Other Income	464,400	274,211	463,424	261,737
Total Income	26,109,942	24,025,472	13,617,501	12,794,954
EXPENSES				
Advertising	52,110	132,488	35,813	111,793
Australian Chamber of Commerce & Industry Subscriptions	376,324	341,902	364,960	317,357
Bad & Doubtful Debts	7,790	(58,324)	7,790	(74,495)
Cleaning	103,578	97,648	67,534	67,721
Computer Maintenance & Software	237,108	235,303	74,582	109,110
Depreciation & Amortisation	1,043,616	1,161,857	749,225	784,015
Minor Assets Expensed	196,852	280,554	57,630	132,568
Electricity	110,345	109,617	64,050	66,361
Enterprise Magazine	108,198	94,264	101,330	94,264
External Trainers	570,873	463,993	570,873	463,993
Grants Expenditure	745,522	577,289	568,632	502,333
Interest	280	3,545	280	2,396
Insurance	281,031	155,070	97,557	87,408
Legal	282,033	156,541	79,970	147,167
Motor Vehicle Expenses	424,926	416,844	109,818	101,188
Written Down Value of Fixed Assets Disposed	212,491	112,946	190,981	106,760
Training Materials	260,013	186,378	260,013	186,378
Donations	86,082	84,658	86,082	84,658
Operating Lease Rentals	1,423,894	1,313,752	547,102	429,228
Outside Contractors	1,140,279	1,013,054	992,769	939,122
Photocopying	111,504	165,954	84,172	120,172
Postage	212,463	212,603	74,192	81,573
Printing & Stationery	363,144	401,188	128,659	184,957
Promotions	213,291	225,887	129,136	85,341
Provision for Employee Entitlements	243,330	119,749	49,855	36,039
Rates & Land Tax	83,486	68,934	83,486	68,934
Remuneration of Employees	13,611,283	13,016,243	6,011,267	6,079,013
Repairs & Maintenance	50,160	49,415	30,183	23,352
Staff Training & Recruitment	255,451	324,290	131,729	214,939
Superannuation Contributions	1,077,588	1,064,156	444,361	480,484
Subscriptions & Publications	115,452	100,765	95,616	80,931
Telecommunications	846,392	836,442	509,209	460,507
Travel	455,353	393,006	299,095	246,922
Other Expenses	805,528	689,694	517,378	495,215
Total Expenses	26,107,770	24,547,705	13,615,329	13,317,704

Operating Surplus/(Deficit) before Abnormal Items

	2,172	(522,233)	2,172
			(522,750)