

QUEENSLAND CHAMBER OF  
COMMERCE AND INDUSTRY LIMITED  
Trading As Commerce Queensland

ABN 55 009 662 060

**ANNUAL REPORT**  
**YEAR ENDED 30 JUNE 2007**

**Contents:**

Directors' Report	1
Auditors' Independence Declaration	4
Financial Report:	
Statement by Accounting Officer	5
Income Statement	6
Balance Sheet	7
Cash Flow Statement	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10
Directors' Declaration	31
Independent Audit Report	32
Statement of Income and Expenditure	34

**DIRECTORS' REPORT**

**YEAR ENDED 30 JUNE 2007**

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 2007.

**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: Mrs B Booth**

**Vice President: Mr R Hutchinson**

**Chairman Finance & Audit Committee: Mr T Kendall**

**Other Directors:**

**Mr T Connolly**

**Mr P Callaghan**

**Mr K Murphy**

**Ms R Routledge**

**Company Secretary – Mr M P Forness** – General Manager Operations of Queensland Chamber of Commerce & Industry Limited. Resigned 13 July 2007.

**Company Secretary – Ms S Crawford** - General Manager Internal Operations of Queensland Chamber of Commerce & Industry Limited (commenced 18 June 2007).

**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 2007 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 2007 have resulted in a consolidated net profit of \$1,036,108 (2006 – loss of \$1,245,876).

**DIVIDENDS**

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

**DIRECTORS' REPORT (continued)**

**YEAR ENDED 30 JUNE 2007**

**REVIEW OF OPERATIONS**

This year saw another improvement in the underlying financial performance of the organisation. Our increased focus on revenue generating initiatives and cost control measures impacted positively on the financial results of the parent entity.

After the loss of a major portion of the Australian Government apprenticeship services in 2005-06, Queensland Apprenticeship Services regrouped in 2006-07 consolidating its operations and containing its costs. These measures resulted in a profit from these activities, contributing \$1.4 million to the consolidated result for the year.

**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 consolidated entity in subsequent financial years has arisen.

**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.

**INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS**

During the financial year, the consolidated entity paid a premium of \$11,625 in respect of a contract insuring current directors and officers of the company against certain liabilities.

The premiums paid cover directors, executive officers and general managers.

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.

QUEENSLAND CHAMBER OF COMMERCE AND INDUSTRY LIMITED & CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

YEAR ENDED 30 JUNE 2007

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
Mrs B Booth	11	11	Mr K Murphy	11	11
Mr R Hutchinson	11	10	Ms R Routledge	11	9
Mr T Kendall	11	9	Mr T Connolly	11	10
Mr P Callaghan	11	11			

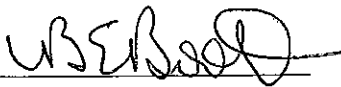
Finance and Audit Committee

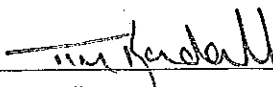
Director	Meetings Held	Meetings Attended
Mr R Hutchinson	11	8
Mr T Kendall	11	11
Mrs B Booth	11	10

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

Signed on 29 October 2007, in accordance with a resolution of the directors.

  
Mrs B Booth

  
Mr T Kendall

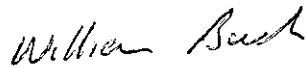
## Auditor's Independence Declaration

### Under Section 307C of the Corporations Act 2001

To the Directors of Commerce Queensland

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2007 there has been:

- ▣ no contraventions of the auditor independence requirements as set out in the Corporations Act 2001; and
- ▣ no contraventions of any applicable code of professional conduct in relation to the audit.



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William Buck  
Chartered Accountants



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Russell Cole  
Partner

Dated this 31st day of October 2007.

Brisbane, Australia.

INDUSTRIAL ORGANISATION OF EMPLOYERS

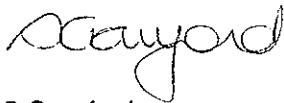
STATEMENT BY ACCOUNTING OFFICER

YEAR ENDED 30 JUNE 2007

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 2007 was 3,698;
- (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 2007 and the financial position of the company as at the conclusion of that financial year.



S Crawford  
Secretary

29 October 2007

**INCOME STATEMENT**

FOR THE YEAR ENDED 30 JUNE 2007

	Note	Consolidated		Parent Entity	
		2007 \$	2006 \$	2007 \$	2006 \$
<b>Revenue</b>	2	20,477,524	27,646,855	17,657,182	13,531,063
Building Expenses		(292,825)	(443,524)	(283,155)	(261,291)
Depreciation & Amortisation Expenses	3(b)	(489,160)	(770,972)	(448,780)	(465,370)
Minor Assets Expensed		(109,200)	(138,061)	(95,878)	(62,338)
Employee Benefits Expenses		(10,125,891)	(16,379,067)	(8,246,362)	(7,133,488)
External Trainers		(1,137,105)	(776,520)	(1,137,105)	(776,520)
Loss on Sale of Fixed Assets	3(a)	-	-	-	(1,134)
Grants Expenditure		(471,659)	(1,119,570)	(471,659)	(1,119,570)
Impairment of property, plant and equipment		-	(665,328)	-	-
Insurance		(171,003)	(204,609)	(87,522)	(71,522)
Motor Vehicle Expenses		(216,103)	(524,590)	(136,681)	(126,634)
Office Expenses		(783,037)	(1,057,057)	(655,397)	(538,718)
Operating Lease Rentals		(1,053,651)	(1,868,395)	(891,383)	(633,707)
Outside Contractors		(1,496,460)	(1,349,653)	(1,483,229)	(1,063,924)
Promotions & Sponsorships		(162,385)	(162,017)	(106,551)	(92,269)
Subscriptions & Publications		(564,268)	(524,252)	(555,706)	(511,009)
Telecommunications		(521,576)	(812,494)	(424,613)	(438,057)
Travel		(544,688)	(522,822)	(408,461)	(342,892)
Other Expenses		(1,302,405)	(1,573,800)	(1,199,069)	(1,128,894)
<b>NET PROFIT/(NET LOSS)</b>		<b>1,036,108</b>	<b>(1,245,876)</b>	<b>1,025,631</b>	<b>(1,236,274)</b>

The income statement should be read in conjunction with the accompanying notes.

**BALANCE SHEET**

AS AT 30 JUNE 2007

	Note	Consolidated		Parent Entity	
		2007 \$	2006 \$	2007 \$	2006 \$
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	4	2,615,350	2,306,429	1,535,611	1,754,875
Financial assets – available for sale	5	3,691,852	2,258,865	3,691,852	2,258,865
Trade and other receivables	6	2,876,121	1,994,339	2,976,439	2,056,714
Other current assets	7	1,482,864	2,634,896	2,027,590	2,164,957
<b>TOTAL CURRENT ASSETS</b>		<b>10,666,187</b>	<b>9,194,529</b>	<b>10,231,492</b>	<b>8,235,411</b>
<b>NON CURRENT ASSETS</b>					
Property, plant and equipment	8	5,449,174	5,515,694	5,357,955	5,440,847
<b>TOTAL NON CURRENT ASSETS</b>		<b>5,449,174</b>	<b>5,515,694</b>	<b>5,357,955</b>	<b>5,440,847</b>
<b>TOTAL ASSETS</b>		<b>16,115,361</b>	<b>14,710,223</b>	<b>15,589,447</b>	<b>13,676,258</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	9	2,007,783	1,946,341	1,730,138	1,345,344
Short term provisions	10	197,969	128,735	175,336	128,735
Other current liabilities	11	3,581,132	3,336,810	3,408,194	2,951,953
<b>TOTAL CURRENT LIABILITES</b>		<b>5,786,884</b>	<b>5,411,886</b>	<b>5,313,668</b>	<b>4,426,032</b>
<b>NON CURRENT LIABILITES</b>					
Long term provisions	12	138,193	144,161	86,370	86,448
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>138,193</b>	<b>144,161</b>	<b>86,370</b>	<b>86,448</b>
<b>TOTAL LIABILITIES</b>		<b>5,925,077</b>	<b>5,556,047</b>	<b>5,400,038</b>	<b>4,512,480</b>
<b>NET ASSETS</b>		<b>10,190,284</b>	<b>9,154,176</b>	<b>10,189,409</b>	<b>9,163,778</b>
<b>MEMBERS' FUNDS</b>					
Reserves		3,924,870	3,924,870	3,924,870	3,924,870
Accumulated funds		6,265,414	5,229,306	6,264,539	5,238,908
<b>TOTAL MEMBERS' FUNDS</b>		<b>10,190,284</b>	<b>9,154,176</b>	<b>10,189,409</b>	<b>9,163,778</b>

The balance sheet should be read in conjunction with the accompanying notes.

**CASH FLOW STATEMENT**

FOR THE YEAR ENDED 30 JUNE 2007

	Note	Consolidated		Parent Entity	
		2007 \$	2006 \$	2007 \$	2006 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers (inclusive of goods and service tax)		20,148,749	25,122,654	15,012,471	11,760,789
Payment to suppliers and employees (inclusive of goods and service tax)		(18,722,254)	(26,503,013)	(15,383,651)	(12,755,589)
Grant funds received		480,159	1,119,570	480,159	1,119,570
Grant funds expended		(501,422)	(1,154,550)	(501,422)	(1,154,550)
Interest received		150,671	370,152	99,474	417,239
Rent received		175,661	132,915	266,081	317,800
<b>Net cash (outflow)/inflow from operating activities</b>	22	1,731,564	(912,272)	(26,888)	(294,741)
<b>Cash flows from investing activities</b>					
Repayment of loans from controlled entities		-	-	1,186,097	-
Acquisition of property, plant and equipment		(422,643)	(708,449)	(365,887)	(323,906)
Acquisition of managed investments		(1,000,000)	-	(1,000,000)	-
Proceeds from sale of property, plant and equipment		-	254,009	-	21,818
Loans with associated entities		-	-	(12,586)	(417,576)
<b>Net cash (outflow)/inflow from investing activities</b>		(1,422,643)	(454,440)	(192,376)	(719,664)
Net increase/(decrease) in cash held		308,921	(1,366,712)	(219,264)	(1,014,405)
Cash at the beginning of the financial year		2,306,429	3,673,141	1,754,875	2,769,280
<b>Cash at the end of the financial year</b>	4	2,615,350	2,306,429	1,535,611	1,754,875

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2007

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
<b>Consolidated Entity</b>			
<b>Balance at 1 July 2005</b>	6,510,177	3,303,564	9,813,741
Distribution attributable to dissolution of QSBTC	(34,995)	-	(34,995)
Revaluation increment (decrement)	-	621,306	621,306
Profit attributable to members of parent entity	(1,245,876)	-	(1,245,876)
<b>Balance at 30 June 2006</b>	<u>5,229,306</u>	<u>3,924,870</u>	<u>9,154,176</u>
Profit attributable to members of parent entity	1,036,108	-	1,036,108
<b>Balance at 30 June 2007</b>	<u>6,265,414</u>	<u>3,924,870</u>	<u>10,190,284</u>
<b>Parent Entity</b>			
<b>Balance at 1 July 2005</b>	6,475,182	3,303,564	9,778,746
Profit attributable to members of parent entity	(1,236,274)	-	(1,236,274)
Revaluation increment	-	621,306	621,306
<b>Balance at 30 June 2006</b>	<u>5,238,908</u>	<u>3,924,870</u>	<u>9,163,778</u>
Profit (loss) attributable to members of parent entity	1,025,631	-	1,025,631
<b>Balance at 30 June 2007</b>	<u>6,264,539</u>	<u>3,924,870</u>	<u>10,189,409</u>

The statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report has been prepared on an accruals basis and is based on 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.

**Basis of Preparation**

Queensland Chamber of Commerce and Industry Limited and controlled entities and the Queensland Chamber of Commerce and Industry Limited as an individual parent entity have prepared financial statements in accordance with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

**(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 2007 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.

**(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) Trade and other receivables**

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

**(d) Property, plant and equipment**

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet.

The cost of fixed assets constructed includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

**(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) 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.

**(g) 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

**(h) 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.

**(i) 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 income statement in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

**(j) Trade and other payables**

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

**(k) 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.

**(l) 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 payables 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 a variety of employee superannuation funds in accordance with the Superannuation Guarantee Legislation and the Occupational Superannuation requirements. Contributions are recognised as an expense as they fall due.

**(m) Cash and cash equivalents**

For the purposes of the cash flow statement, 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.

**(n) 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.

**(o) 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.

**(p) Income tax**

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

**(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.

**(r) Impairment of assets**

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(s) Critical accounting estimates and judgements**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

There were no key adjustments during the year which required accounting estimates or judgements.

**(t) Financial instruments**

**Recognition**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

**Financial assets at fair value through profit and loss**

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

**Held-to-maturity investments**

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

**Available-for-sale financial assets**

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

**QUEENSLAND CHAMBER OF COMMERCE AND INDUSTRY LIMITED & CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

**Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**Impairment**

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

**(u) Asset revaluation reserve**

The asset revaluation reserve records revaluations of non-current assets. Under certain circumstances dividends can be declared from the reserve.

**(v) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

**(w) Comparative figures**

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

The financial report was authorised for issue on 29 October 2007 by the board of directors.

QUEENSLAND CHAMBER OF COMMERCE AND INDUSTRY LIMITED & CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

	Note	Consolidated		Parent Entity	
		2007 \$	2006 \$	2007 \$	2006 \$
<b>2. REVENUE</b>					
<b>From Operating Activities</b>					
Membership Subscriptions		3,285,815	3,113,652	3,285,815	3,113,652
Consulting Services		5,288,623	2,682,130	5,288,623	2,660,699
Training Services		4,347,750	3,713,658	4,351,079	3,718,252
Document Certification & Carnets		538,987	493,912	538,987	493,912
Award Services		113,969	168,126	113,969	168,126
Contract Income		4,639,700	14,341,980	-	-
Secretarial Services		135,264	138,349	135,264	156,349
Functions & Seminars		375,476	415,636	375,476	419,541
Grants Received		480,159	1,119,570	480,159	1,119,570
		19,205,743	26,187,013	14,569,372	11,850,101
<b>From Outside Operating Activities</b>					
Rental Income		175,661	132,915	266,081	317,800
Project Management Fees		32,200	24,000	32,200	24,000
Interest Received		150,671	370,152	99,474	417,239
Net Gain On Sale of Fixed Assets		-	231,857	-	-
Other Income		913,249	700,918	2,690,055	921,923
		1,271,781	1,459,842	3,087,810	1,680,962
<b>Total Revenue</b>		<b>20,477,524</b>	<b>27,646,855</b>	<b>17,657,182</b>	<b>13,531,063</b>

QUEENSLAND CHAMBER OF COMMERCE AND INDUSTRY LIMITED & CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

	Note	Consolidated		Parent Entity	
		2007 \$	2006 \$	2007 \$	2006 \$
<b>3. PROFIT FROM ORDINARY ACTIVITIES</b>					
(a) Net loss on sale of non-current assets		-	-	-	1,134
(b) Expenses:					
Depreciation					
- Buildings		60,000	51,356	60,000	51,356
- Motor Vehicles		1,864	4,055	-	1,569
- Plant & Equipment		379,772	658,563	346,226	381,280
Amortisation - Leasehold Improvements		47,524	56,998	42,554	31,165
		489,160	770,972	448,780	465,370
Impairment of property, plant and equipment		-	665,328	-	-
Bad and doubtful debts - trade receivables		-	131,841	-	131,429
Rental - operating leases		1,053,651	1,868,395	891,383	633,707
Employee benefits expenses		609,982	576,147	590,226	576,147
<b>4. CASH AND CASH EQUIVALENTS</b>					
Cash at Bank		2,572,797	2,289,076	1,493,758	1,738,222
Grant Funds		39,053	14,353	39,053	14,353
Petty Cash		3,500	3,000	2,800	2,300
		2,615,350	2,306,429	1,535,611	1,754,875

QUEENSLAND CHAMBER OF COMMERCE AND INDUSTRY LIMITED & CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

	Note	Consolidated		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
<b>5. FINANCIAL ASSETS – AVAILABLE FOR SALE</b>					
Open Managed Funds – at fair value		3,691,852	2,258,865	3,691,852	2,258,865
		<u>3,691,852</u>	<u>2,258,865</u>	<u>3,691,852</u>	<u>2,258,865</u>
<b>6. TRADE AND OTHER RECEIVABLES</b>					
Trade Receivables		2,963,423	2,081,641	3,063,741	2,144,016
Less: Provision for Impairment of Receivables		(87,302)	(87,302)	(87,302)	(87,302)
		<u>2,876,121</u>	<u>1,994,339</u>	<u>2,976,439</u>	<u>2,056,714</u>
<b>7. OTHER CURRENT ASSETS</b>					
Prepayments		226,939	260,570	196,442	180,662
Accrued Income		1,115,913	2,357,645	134,297	482,610
Amounts due from controlled entity		-	-	1,670,565	1,486,097
Other		140,012	16,681	26,286	15,588
		<u>1,482,864</u>	<u>2,634,896</u>	<u>2,027,590</u>	<u>2,164,957</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

	Note	Consolidated		Parent Entity	
		2007 \$	2006 \$	2007 \$	2006 \$
<b>8. PROPERTY, PLANT &amp; EQUIPMENT</b>					
Freehold Land – at fair value		3,390,000	3,390,000	3,390,000	3,390,000
		3,390,000	3,390,000	3,390,000	3,390,000
Buildings – at fair value		1,200,000	1,200,000	1,200,000	1,200,000
Less accumulated depreciation		(60,000)	-	(60,000)	-
		1,140,000	1,200,000	1,140,000	1,200,000
<b>Total Land &amp; Buildings</b>		4,530,000	4,590,000	4,530,000	4,590,000
Leasehold Improvements - at cost		236,732	147,969	221,082	147,969
Less accumulated depreciation		(137,551)	(90,027)	(132,581)	(90,027)
<b>Total Leasehold Improvements</b>		99,181	57,942	88,501	57,942
Plant and Equipment - at cost		3,281,188	2,813,534	3,162,000	2,729,150
Less accumulated depreciation and impairment losses		(2,473,088)	(2,093,315)	(2,422,546)	(2,076,320)
<b>Total Plant &amp; Equipment</b>		808,100	720,219	739,454	652,830
Motor Vehicles - at cost		10,414	10,414	-	-
Less accumulated depreciation		(4,821)	(2,956)	-	-
<b>Total Motor Vehicles</b>		5,593	7,458	-	-
<b>Assets Under Construction</b>		6,300	140,075	-	140,075
<b>Total Property, Plant &amp; Equipment</b>		5,449,174	5,515,694	5,357,955	5,440,847

**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 most recent independent valuations were made in 2006 on the basis of the capitalisation method of valuation. The direct comparison method was also used to ensure a reasonable comparative value. It has been assumed in this valuation that the property is in ongoing use within a continuing business even though it is owner-occupied. The 2006 revaluations were based on independent assessments by Mr. Col Sorenson, registered member of the Australian Property Institute (Registered Valuer 2651).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

8. PROPERTY, PLANT & EQUIPMENT (cont.)

(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 2006	3,390,000	1,200,000	57,942	720,219
Additions	-	-	88,763	327,578
Depreciation/amortisation expense (note 3)	-	(60,000)	(47,524)	(379,772)
Transfers in/(out)	-	-	-	140,075
Carrying amount at 30 June 2007	3,390,000	1,140,000	99,181	808,100

Consolidated (cont.)	Motor Vehicles \$	Assets Under Construction \$	Total \$
Carrying amount at 1 July 2006	7,457	140,075	5,515,693
Additions	-	6,300	422,641
Depreciation/amortisation expense (note 3)	(1,864)	-	(489,160)
Transfers in/(out)	-	(140,075)	-
Carrying amount at 30 June 2007	5,593	6,300	5,449,174

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

8. PROPERTY, PLANT & EQUIPMENT (cont.)

Parent Entity	Freehold Land \$	Buildings \$	Leasehold Improvements \$	Plant & Equipment \$
Carrying amount at 1 July 2006	3,390,000	1,200,000	57,942	652,830
Additions	-	-	73,113	292,775
Depreciation/amortisation expense (note 3)	-	(60,000)	(42,554)	(346,226)
Transfers in/(out)	-	-	-	140,075
Carrying amount at 30 June 2007	3,390,000	1,140,000	88,501	739,454

Parent Entity (cont.)	Motor Vehicles \$	Assets Under Construction \$	Total \$
Carrying amount at 1 July 2006	-	140,075	5,440,847
Additions	-	-	365,888
Depreciation/amortisation expense (note 3)	-	-	(448,780)
Transfers in/(out)	-	(140,075)	-
Carrying amount at 30 June 2007	-	-	5,357,955

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

	Note	Consolidated		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
<b>9. TRADE AND OTHER PAYABLES</b>					
Trade Payables		806,609	648,387	718,519	613,966
Carnet Deposits		9,296	7,311	9,296	7,311
Accrued Expenses		635,744	756,614	550,074	321,714
Annual Leave	18	556,134	534,029	452,249	402,353
		<u>2,007,783</u>	<u>1,946,341</u>	<u>1,730,138</u>	<u>1,345,344</u>
<b>10. CURRENT LIABILITIES - PROVISIONS</b>					
Provision for Employee Benefits	18	197,969	128,735	175,336	128,735
		<u>197,969</u>	<u>128,735</u>	<u>175,336</u>	<u>128,735</u>
<b>11. OTHER CURRENT LIABILITIES</b>					
Unexpended Grant Funds		56,090	85,853	56,090	85,853
Subscriptions Received in Advance		2,157,596	1,889,591	2,157,596	1,889,591
Other Revenue Received in Advance		987,897	669,234	987,897	669,234
Other Accruals		377,687	691,403	204,749	306,546
Amounts held on behalf of trade associations		1,862	729	1,862	729
		<u>3,581,132</u>	<u>3,336,810</u>	<u>3,408,194</u>	<u>2,951,953</u>
<b>12. NON-CURRENT LIABILITIES - PROVISIONS</b>					
Provision for Employee Benefits	18	138,193	144,161	86,370	86,448

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

13. FINANCIAL INSTRUMENTS

a) Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills and leases.

The group does not have any derivative instruments at 30 June 2007.

i. Treasury Risk Management

A finance committee consisting of senior executives of the group meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

ii. Financial Risks

The main risks the group is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

**Interest rate risk**

The group is not exposed to any significant interest rate risk.

**Foreign currency risk**

The group is not exposed to fluctuations in foreign currencies.

**Liquidity risk**

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

**Credit risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The economic entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the economic entity.

**Price risk**

The group is not exposed to any material commodity price risk.

iii. Interest Rate Risk

The consolidated group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

13. FINANCIAL INSTRUMENTS (cont.)

2007	Note	Floating Interest	Fixed interest maturing in		Non-interest bearing	Total
			1 year or less	1 to 5 years		
<b>Financial assets</b>						
Cash at bank	4	2,572,797	-	-	-	2,572,797
Petty cash	4	-	-	-	3,500	3,500
Grant funds	4	39,053	-	-	-	39,053
Financial assets – available for sale	5	3,691,852	-	-	-	3,691,852
Trade & other receivables	6	-	-	-	2,876,121	2,876,121
		<u>6,303,702</u>	<u>-</u>	<u>-</u>	<u>2,879,621</u>	<u>9,183,323</u>
Weighted average interest rate		10.16%	-	-	-	
<b>Financial liabilities</b>						
Trade & other payables	9	-	-	-	1,351,649	1,351,649
Grant funds payable	11	-	-	-	56,090	56,090
		<u>-</u>	<u>-</u>	<u>-</u>	<u>1,407,739</u>	<u>1,407,739</u>
Weighted average interest rate		-	-	-	-	
Net financial assets		<u>6,303,702</u>	<u>-</u>	<u>-</u>	<u>1,471,882</u>	<u>7,775,584</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

13. FINANCIAL INSTRUMENTS (cont.)

2006	Note	Floating Interest	Fixed interest maturing in		Non-interest bearing	Total
			1 year or less	1 to 5 years		
<b>Financial assets</b>						
Cash at bank	4	2,289,076	-	-	-	2,289,076
Petty cash	4	-	-	-	3,000	3,000
Grant funds	4	14,353	-	-	-	14,353
Financial assets – available for sale	5	2,258,865	-	-	-	2,258,865
Trade & other receivables	6	-	-	-	1,994,339	1,994,339
		4,562,294	-	-	1,997,339	6,559,633
Weighted average interest rate		7.86%	-	-	-	-
	<b>Note</b>	<b>Floating Interest</b>	<b>Fixed interest maturing in</b>		<b>Non-interest bearing</b>	<b>Total</b>
			1 year or less	1 to 5 years		
<b>Financial liabilities</b>						
Trade & other payables	9	-	-	-	1,412,312	1,412,312
Grant funds payable	11	-	-	-	85,853	85,853
		-	-	-	1,498,165	1,498,165
Weighted average interest rate		-	-	-	-	-
Net financial assets/(liabilities)		4,562,294	-	-	499,174	5,061,468

(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 2007

14. KEY MANAGEMENT PERSONNEL COMPENSATION

The following persons were key management personnel of Queensland Chamber of Commerce and Industry Limited during the financial year:

**DIRECTORS**

**President:** Mrs B Booth

**Vice President:** Mr R Hutchinson

**Chairman Finance & Audit Committee:** Mr T Kendall

**Other Directors:**

Mr T Connolly, Mr P Callaghan, Mr K Murphy, and Ms R Routledge.

**EXECUTIVES**

**Chief Executive Officer:** John Vickers (from February 2007); Peter Barnewall (to August 2006)

**Remuneration of key management personnel**

	Short-term benefits			Post employment benefit			
	Salary & Fees	Superannuation	Bonus	Non-Cash Benefits	Other	Long Term Benefits Superannuation	Total
<b>2007</b>							
Directors	162,922	2,063					164,985
Executives	166,349	9,446					175,795
Total compensation	329,271	11,509	-	-	-	-	340,780
<b>2006</b>							
Directors	109,627	1,204					110,831
Executives	185,280	14,720					200,000
Total compensation	294,907	15,924	-	-	-	-	310,831

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

	Note	Consolidated		Parent Entity	
		2007 \$	2006 \$	2007 \$	2006 \$
<b>15. AUDITORS' REMUNERATION</b>					
During the year the auditor of the consolidated entity earned the following remuneration:					
Amounts received or due and receivable by the auditors for:					
- auditing the financial statements		32,500	30,000	25,000	20,000
- other services		11,140	2,000	4,200	-
Total		43,640	32,000	29,200	20,000

**16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The parent entity and consolidated entity had no contingent liabilities or contingent assets at 30 June 2007.

**17. COMMITMENTS**

**(a) Operating leases  
(non-cancellable)**

- not later than one year	1,081,083	714,985	814,399	691,086
- later than one year but not later than five years	1,535,345	682,934	1,311,044	682,934
- later than five years	1,385,592	261,730	1,385,592	261,730
	4,002,020	1,659,649	3,511,035	1,635,750

Details of Operating Leases

Office rental leases relating to regional offices up to 5 years and various motor vehicle leases up to 5 years.

The consolidated entity leases premises under operating leases expiring from 1 to 5 years. Leases in some circumstances provide the right of renewal at which time all leases are renegotiated. Lease payments comprise a base amount, and in some cases, an incremental contingent rental. Contingent rents are normally based on fixed percentage increases or movements in the consumer price index.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

	Note	Consolidated		Parent Entity	
		2007 \$	2006 \$	2007 \$	2006 \$
<b>18. EMPLOYEE ENTITLEMENTS</b>					
The aggregate employee entitlement liability is comprised:					
Annual leave entitlements included in payables		556,134	534,029	452,249	402,353
Long service leave entitlements included in current provisions		197,969	128,735	175,336	128,735
Long service leave entitlements included in non-current provisions		138,193	144,161	86,370	86,448
Aggregate employee entitlements liability		892,296	806,925	713,955	617,536
Total number of employees		171	260	131	104

**19. RELATED PARTY INFORMATION**

**(a) Directors**

The names of each person holding the position of director at any time during the financial year are set out in note 14.

**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 \$7,103 (2006: \$6,132). Commerce Queensland charged BDO Kendalls \$3,205 for membership, events and functions (2006: \$3,165).

Ms R Routledge is the founder and managing director of Flair Colour and Design. Commerce Queensland charged Flair Colour and Design \$645 for membership, events and functions (2006: \$550).

Mr R Hutchinson is a manager of Davco Construction Materials Pty Ltd. Commerce Queensland charged Davco Construction Materials \$2,354 for membership, events and functions (2006: \$2,609).

Mrs B Booth is a principal of Beatrice Booth Consulting. Commerce Queensland charged Beatrice Booth Consulting \$550 for membership (2006: \$550).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

**19. RELATED PARTY INFORMATION (cont.)**

Mr P Callaghan is the group general manager of Community Employment Options Inc. Commerce Queensland charged Community Employment Options Inc. \$13,930 for membership, training, events and functions (2006: \$16,536).

Mr K Murphy is the business and marketing manager of Farr Evrat Engineers Pty Ltd. Commerce Queensland charged Farr Evrat Engineers Pty Ltd \$610 for membership, events and functions (2006: \$550).

Tim Connolly is the managing director of The Heilbronn Group. In 2007, the Heilbronn Group did not provide any commercial property consultancy services to the company (2006: \$15,500). Commerce Queensland charged the Heilbronn Group \$8,350 for membership, events and functions (2006: \$11,800).

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

**(b) Remuneration**

Information on remuneration of directors is disclosed in note 14.

**(c) Controlled entities**

The consolidated group consists of Queensland Chamber of Commerce and Industry Limited and its controlled entities, QCCI-GAP Pty Ltd, Queensland Apprenticeship Services Pty Ltd, Queensland Apprenticeship Services (QAS) Trust and Qinserv 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;

- \$1,792,205 (2006: \$355,577) for shared overhead costs
- \$90,420 (2006: \$227,580) for rent and secretarial services
- \$3,329 (2006: \$12,481) for other services

All transactions were carried out within normal commercial terms.

**20. ECONOMIC DEPENDENCY**

A controlled entity, Queensland Apprenticeship Services Pty Ltd, depends on a significant volume of revenue on the Department of Education, Science & Training. During the year ended 30 June 2007, approximately 99% (2006 – 97%) 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

**21. 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.

(iii) 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	
Note	2007 \$	2006 \$	2007 \$	2006 \$

**22. RECONCILIATION OF NET PROFIT/(NET LOSS) TO NET CASH FLOW FROM OPERATIONS**

Profit/(Loss)	1,036,108	(1,245,876)	1,025,631	(1,236,274)
Provisions:				
Depreciation & Amortisation	489,160	770,972	448,780	465,370
Impairment of property, plant and equipment	-	665,328	-	-
Net loss/(profit) on sale of property, plant and equipment	-	(231,857)	-	1,134
Unrealised gain on financial assets – available for sale	(432,987)	(215,198)	(432,987)	(215,198)
<b>Changes in assets and liabilities:</b>				
Receivables	(881,782)	(428,910)	(582,111)	482,016
Other Current Assets	1,252,032	176,261	(1,386,345)	(13,817)
Accounts Payable	(24,949)	(153,019)	104,553	97,460
Other Current Liabilities	323,745	(214,993)	825,354	159,548
Grant Funds Unexpended	(29,763)	(34,980)	(29,763)	(34,980)
Net cash flow from operating activities	1,731,564	(912,272)	(26,888)	(294,741)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

**23. SEGMENT REPORTING**

The consolidated group operates in one business and geographical segment being the service delivery and representation of the interests of members across a broad range of commercial and industrial activities and apprenticeship management in Australia.

**24. SUBSEQUENT EVENTS**

- (a) No events have occurred subsequent to balance date that require disclosure in these financial statements.
- (b) The financial report was authorised for issue on the 29 October 2007 by the board of directors.

**25. Change In Accounting Policy**

The following Australian Accounting Standards which have been issued or amended and which are applicable to the company but are not yet effective and have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	Standard Affected	Outline of Amendment	Application date of Standard	Application date for Group
AASB 2005–10 Amendments to Australian Accounting Standards	AASB 1	First-time adoption of AIFRS	1 January 2007	1 July 2007
	AASB 4	Insurance Contracts		
	AASB 101	Presentation of Financial Statements		
	AASB 114	Segment Reporting		
	AASB 117	Leases		
	AASB 133	Earnings per Share		
	AASB 139	Financial Instruments: Recognition and Measurement		
	AASB 1023	General Insurance Contracts		
	AASB 1038	Life Insurance Contracts		
AASB 7 Financial Instruments: Disclosures	AASB 132	Financial Instruments: Presentation	1 January 2007	1 July 2007

**DIRECTORS' DECLARATION**

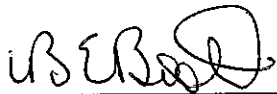
**YEAR ENDED 30 JUNE 2007**

In the directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 30 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001*; and
  - (ii) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their performance and 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 2007, 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.

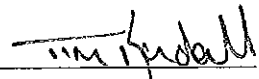
This declaration is made in accordance with a resolution of the directors.

On behalf of the Board



**Mrs B Booth**

29 October 2007



**Mr T Kendall**

29 October 2007

## **INDEPENDENT AUDITOR'S REPORT**

**To the members of COMMERCE QUEENSLAND**

### ***Report on the Financial Report***

We have audited the accompanying financial report of Commerce Queensland, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising Commerce Queensland and the entities it controlled at the year's end or from time to time during the financial year.

### **Directors' Responsibility for the Financial Report**

The directors of Commerce Queensland are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1 the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

### **Auditor's Responsibility**

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

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

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

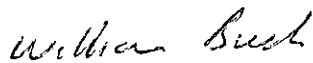
### **Independence**

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

## Auditor's Opinion

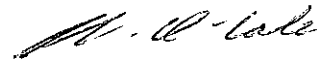
In our opinion:

- a) the financial report of Commerce Queensland is in accordance with the Corporations Act 2001, including:
  - i) giving a true and fair view of Commerce Queensland's and consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date; and
  - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- b) the consolidated and parent financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1



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William Buck  
Chartered Accountants



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Russell Cole  
Partner

Dated this 31st day of October 2007.

Brisbane, Australia.

QUEENSLAND CHAMBER OF COMMERCE AND INDUSTRY LIMITED & CONTROLLED ENTITIES

STATEMENT OF INCOME AND EXPENDITURE

YEAR ENDED 30 JUNE 2007

	Consolidated		Parent Entity	
	2007 \$	2006 \$	2007 \$	2006 \$
<b>INCOME</b>				
Award Services & Sales	113,969	168,126	113,969	168,126
Commissions Received	130,836	79,318	124,540	72,955
Consulting Services	5,288,623	2,682,130	5,288,623	2,660,699
Document Certification & Carnets	538,987	493,912	538,987	493,912
Enterprise Advertising	81,331	29,433	81,331	29,433
Functions & Seminars	375,476	415,636	375,476	419,541
Grants Received	480,159	1,119,570	480,159	1,119,570
Trust Distributions Received	-	-	-	-
Interest Earned	150,671	370,152	99,474	417,239
Membership Subscriptions	3,285,815	3,113,652	3,285,815	3,113,652
Contract Income	4,639,700	14,341,980	-	-
Proceeds from Disposals of Fixed Assets	-	254,009	-	21,818
Project Management Fees	32,200	24,000	32,200	24,000
Rental Income	175,661	132,915	266,081	317,800
Secretarial Services	135,264	138,349	135,264	156,349
Training Services	4,347,750	3,713,658	4,351,079	3,718,252
Intercompany Overhead allocation	-	-	1,789,902	355,577
Other Income	701,082	592,967	694,282	463,958
<b>Total Income</b>	<b>20,477,524</b>	<b>27,669,807</b>	<b>17,657,182</b>	<b>13,552,881</b>
<b>EXPENSES</b>				
Advertising	209,079	85,124	191,601	54,476
Australian Chamber of Commerce & Industry Subscriptions	427,544	374,810	427,544	374,814
Bad & Doubtful Debts	-	131,841	-	131,429
Cleaning	71,137	106,776	68,119	71,548
Computer Maintenance & Software	180,857	249,537	128,630	85,792
Depreciation & Amortisation	489,160	770,972	448,780	465,370
Minor Assets Expensed	109,200	138,061	95,878	62,338
Electricity	85,457	134,358	81,668	77,964
Enterprise Magazine	67,746	81,393	67,746	81,393
External Trainers	1,137,105	776,520	1,137,105	776,520
Grants Expenditure	471,659	1,119,570	471,659	1,119,570
Interest	3,565	-	3,565	-
Insurance	171,003	204,609	87,522	71,522
Legal	72,340	201,328	60,248	85,367
Motor Vehicle Expenses	216,103	524,590	136,681	126,634
Written Down Value of Fixed Assets Disposed	-	688,280	-	22,952
Training Materials	541,240	390,753	541,240	390,753
Donations	57,879	37,836	57,879	37,836
Operating Lease Rentals	1,053,651	1,868,395	891,383	633,707
Outside Contractors	1,496,460	1,349,653	1,483,229	1,063,924
Photocopying	141,945	169,758	136,333	131,193
Postage	127,648	216,592	103,305	93,858
Printing & Stationery	242,837	341,126	197,377	147,830
Promotions	104,506	124,181	48,672	54,433
Provision for Employee Entitlements	609,982	576,147	590,226	576,147
Rates & Land Tax	93,055	87,938	93,055	86,411
Remuneration of Employees	8,699,613	14,389,350	6,995,724	5,939,650
Repairs & Maintenance	43,176	114,452	40,313	25,369
Staff Training & Recruitment	106,033	257,946	86,550	113,268
Superannuation Contributions	710,263	1,155,623	573,863	504,423
Subscriptions & Publications	136,724	149,442	128,162	136,195
Telecommunications	521,576	812,494	424,613	438,057
Travel	544,688	522,822	408,461	342,892
Other Expenses	498,185	763,406	424,420	465,520
<b>Total Expenses</b>	<b>19,441,416</b>	<b>28,915,683</b>	<b>16,631,551</b>	<b>14,789,155</b>
<b>Operating Surplus/(Deficit) before Abnormal Items</b>	<b>1,036,108</b>	<b>(1,245,876)</b>	<b>1,025,631</b>	<b>(1,236,274)</b>