

COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)
ABN: 11 273 875 514

FINANCIAL REPORT
AS AT 31 MARCH 2019

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)**

**FINANCIAL REPORT
AS AT 31 MARCH 2019**

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**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)
s.268 Fair Work (Registered Organisations) Act 2009**

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 31 March 2019

I NICHOLAS TOWNSEND being the Branch Secretary of the Communications Electrical Plumbing Union, Communication Division Branch (SA/NT), certify:

- that the documents lodged herewith are copies of the full report for the Communications Electrical Plumbing Union, Communication Division Branch (SA/NT), for the period ended 31 March 2019 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the reporting unit on _____; and
- that the full report was presented to the Committee of members of Communications Electrical Plumbing Union, Communications Division Branch (SA/NT) on ----- in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer

Name of prescribed designated officer **NICHOLAS TOWNSEND**

Title of prescribed designated officer **BRANCH SECRETARY**

Dated

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)**

**INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)**

**INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)**


**INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)**

**REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 31 MARCH 2019**

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 31 March 2019.

Categories of expenditures	2019	2018
	\$	\$
Remuneration and other employment-related costs and expenses – employees	351,736	347,473
Advertising	-	-
Operating costs	159,700	184,399
Donations to political parties	3,000	3,000
Legal costs	28,300	32,291

Signature of designated officer 

Name of prescribed designated officer **NICHOLAS TOWNSEND**

Title of prescribed designated officer **BRANCH SECRETARY**

Dated 28/8/19

COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)

OPERATING REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The committee presents its report on the reporting unit for the year ended 31 March 2019.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The principal activity of the Branch is to uphold the rights of organisation of labour and to improve, protect and foster the best interests of its members and to subscribe to and/or co-operate with policy of improving the cultural and living standards of its members. The Branch maintains living standards of its members through enterprise bargaining and Industrial representation on behalf of its members when needed. There were no significant changes to the activities of the Branch during the year.

Significant changes in financial affairs

There were no significant changes to the financial affairs of the Branch.

Right of members to resign

All Branch members have the right to resign from the Branch in accordance with Rule 32 of the Communications Division Rules (and Fair Work (Registered Organisations) Act 2009), namely by providing written notice addressed and delivered to the Branch Secretary via post, facsimile, e-mail or in person.

Officers or Members who are Superannuation Fund Trustee/Director of a company that is a Superannuation Fund Trustee

Those who hold a position of trustee or director of an entity, scheme or company as described in s.254(2)(d) of the Fair Work (Registered Organisations) Act 2009, where a criterion of such entity for the officer or member being the trustee or director is that the holder of such position must be an officer or member of a registered organisation, are as follows:

<i>Name</i>	<i>Position</i>	<i>Superannuation Fund</i>
<i>Graham Lorrain</i>	<i>Branch President</i>	<i>Telstra Superannuation Scheme</i>

Number of members

There were 1,578 members of the branch as at 31st March 2019.

Number of employees

As at 31st March 2019, the Branch employed 2 elected full time officials and 0.7 full time employee.

Names of Committee of Management members and period positions held during the financial year

The following persons were a member of the Committee of Management of the Branch, namely the Branch Executive, during the year ending 31 March 2019.

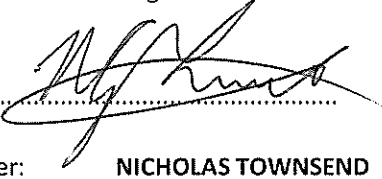
<u>Name</u>	<u>Position</u>	<u>Period</u>
Graham LORRAIN	Branch President	01/04/2018 – 31/03/2019
Nicholas TOWNSEND	Branch Secretary	01/04/2018 – 31/03/2019
Frank QUAIAT	Branch Vice President	01/04/2018 – 31/03/2019
Doug BARNWELL	Branch Assistant Secretary	01/04/2018 – 31/03/2019

COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)

OPERATING REPORT
FOR THE YEAR ENDED 31 MARCH 2019

Names of Committee of Management members and period positions held during the financial year (cont.)

<u>Name</u>	<u>Position</u>	<u>Period</u>
Paul GRIFFIN	Committee of Management	01/04/2018 – 31/03/2019
Glen McDONALD	Committee of Management	01/04/2018 – 31/03/2019
Blayne LAGRUTTA	Committee of Management	01/04/2018 – 31/03/2019
Nick BENTLEY	Committee of Management	01/04/2018 – 31/03/2019
Jim SCOTT	Committee of Management	01/04/2018 – 31/03/2019

Signature of designated officer 

Name and title of designated officer: **NICHOLAS TOWNSEND**

Dated: 28/8/19

COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)

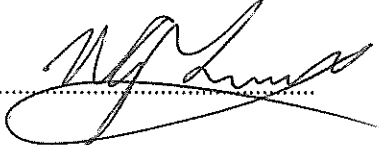
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

On the 28/8/19, the Committee of Management of the Communications Electrical Plumbing Union, Communication Division Branch (SA/NT) passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 March 2019:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisations including the rules of the branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the union consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, has been provided to the member or the Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

Signature of designated officer 

Name and title of designated officer: **NICHOLAS TOWNSEND**

Dated: 28/08/19
←

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 \$	2018 \$
Revenue			
Membership subscriptions	3A	532,286	547,444
Capitation fees	3B	-	-
Levies	3C	-	-
Investment Income	3D	99,622	102,245
Other revenue	3E	73,466	67,409
Total revenue		<u>705,374</u>	<u>717,098</u>
Other Income			
Grants and donations	3F	-	-
Revenue from recovery of wages activity	3G	-	-
Total Other Income		<u>-</u>	<u>-</u>
Total income		<u>705,374</u>	<u>717,098</u>
Expenses			
Employee expenses	4A, 16B	351,736	347,473
Capitation fees	4B	102,192	120,989
Affiliation fees	4C	15,000	13,237
Administration expenses	4D	94,772	128,761
Grants or donations	4E	3,678	3,668
Depreciation	4F	17,327	23,185
Finance cost	4G	1,985	3,414
Legal costs	4H	28,300	32,291
Other fees	4I, 16B	45,928	35,138
Auditor's Fees	13	19,000	20,500
Total expenses		<u>679,918</u>	<u>728,656</u>
Surplus/(deficit)for the year		<u>25,456</u>	<u>(11,558)</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>25,456</u>	<u>(11,558)</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019**

	Notes	2019 \$	2018 \$	1/04/2017 \$
ASSETS				
Current Assets				
Cash and cash equivalents	5A	143,293	113,413	46,540
Trade and other receivables	5B	-	-	12,033
Other current assets	5C	6,709	5,582	6,018
Total current assets		150,002	118,995	64,591
Non-Current Assets				
Property Improvements, plant and equipment	6A	91,446	108,775	131,960
Other financial assets	6B	3,838,217	3,837,996	3,837,808
Total non-current assets		3,929,663	3,946,771	3,969,768
Total Assets		4,079,665	4,065,766	4,034,359
LIABILITIES				
Current Liabilities				
Trade payables	7A	14,753	20,286	19,709
Other payables	7B	21,855	20,649	11,370
Employee provisions	8A	226,662	233,892	200,784
Total current liabilities		263,270	274,827	231,863
Non-Current Liabilities				
Employee provisions	8A	-	-	-
Total non-current liabilities		-	-	-
Total Liabilities		263,270	274,827	231,863
Net assets		3,816,395	3,790,939	3,802,497
EQUITY				
Reserves	16A	345,845	345,845	345,845
Retained Earnings	16A	3,470,550	3,445,093	3,456,652
Total Equity		3,816,395	3,790,939	3,802,497

The above statement of financial position should be read in conjunction with the accompanying notes

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	Asset Revaluation Reserve \$	Special Fund \$	Death Benefit Reserve \$	Retained earnings \$	Total equity \$
Opening balance as at 1 April 2017		750,822	304,998	40,847	2,705,830	3,802,497
Correction for prior period error	16A	(750,822)	-	-	750,822	-
Restated opening balance as at 1 April 2017		-	304,998	40,847	3,456,652	3,802,497
Surplus/(deficit)		-	-	-	(11,558)	(11,558)
Closing balance as at 31 March 2018		-	304,998	40,847	3,445,094	3,790,939
Surplus/(deficit)		-	-	-	25,456	25,456
Closing balance as at 31 March 2019		-	304,998	40,847	3,470,550	3,816,395

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

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received			
Receipts from members		585,515	602,188
Interest		98,560	102,245
Receipts from other reporting entities	10B	-	-
Other		80,813	79,442
Cash Used			
Employees		(357,772)	(307,755)
Suppliers		(223,489)	(210,435)
Payments to other reporting entities	10B	(153,529)	(198,813)
Net cash from (used by) operating activities	10A	<u>30,098</u>	<u>66,872</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Received			
		-	-
Cash Used			
Movement in term deposits		217	-
Net cash from (used by) investing activities		<u>217</u>	<u>-</u>
FINANCING ACTIVITIES			
Cash Received			
		-	-
Cash Used			
		-	-
Net cash from (used by) financing activities		<u>-</u>	<u>-</u>
Net increase (decrease) in cash held		<u>29,881</u>	<u>66,872</u>
Cash & cash equivalents at the beginning of the reporting period		<u>113,412</u>	<u>46,540</u>
Cash & cash equivalents at the end of the reporting	5A	<u>143,293</u>	<u>113,412</u>

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

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)**

**INDEX TO THE NOTES OF THE FINANCIAL STATEMENTS
AS AT 31 MARCH 2019**

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**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

Note 1. Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, CEPU - Communication Division Branch (SA/NT) is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- AASB 9 Financial Instruments and relevant amending standards, which replaces AASB 139 Financial Instruments: Recognition and Measurement.

Impact on adoption of AASB 9

(a) Initial application

AASB 9 Financial Instruments (AASB 9) replaces AASB139 Financial Instruments: Recognition and Measurement (AASB 139) for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

CEPU - Communication Division Branch (SA/NT) has applied AASB 9 retrospectively, with an initial application date of 1 April 2018. CEPU - Communication Division Branch (SA/NT) has not restated the comparative information, which continues to be reported under AASB 139. There were no differences arising from the adoption of AASB 9 resulting in no changes to the opening retained earnings and other components of equity as at 1 April 2018.

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

Note 1. Summary of significant accounting policies (cont.)

(i) Classification and measurement

Under AASB 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: CEPU - Communication Division Branch (SA/NT)'s business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of CEPU - Communication Division Branch (SA/NT)'s business model was made as of the date of initial application, 1 April 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact to CEPU - Communication Division Branch (SA/NT).

- Trade receivables and other non-current financial assets previously classified as receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as debt instruments at amortised cost.
- Term deposits and cash and cash equivalents previously held at cost are now classified and measured at amortised cost.

CEPU - Communication Division Branch (SA/NT) has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for CEPU - Communication Division Branch (SA/NT)'s financial liabilities.

In summary, upon adoption of AASB 9, CEPU - Communication Division Branch (SA/NT) applied the following required or elected reclassifications:

1 April 2018

	AASB 9 measurement category			
	Carrying Amount	Fair value through profit or loss	Amortised cost	Fair value through OCI
	\$	\$	\$	\$
AASB 139 measurement category				
Loans and receivables				
Cash and cash equivalents	143,293	-	143,293	-
Term Deposits	3,838,217	-	3,838,217	-
	3,981,510	-	3,981,510	-

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

Note 1. Summary of significant accounting policies (cont.)

(ii) Impairment loss

The adoption of AASB 9 has fundamentally changed CEPU - Communication Division Branch (SA/NT)'s accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking ECL approach. AASB 9 requires CEPU - Communication Division Branch (SA/NT) to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets, i.e. those held at amortised cost and at FVTOCI.

Upon adoption of AASB 9, no adjustment was required in respect of impairment allowances.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on CEPU - Communication Division Branch (SA/NT) include:

AASB 16 Leases (AASB 16)

AASB 16 was issued in January 2016 and it replaces AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation-115 Operating Leases-Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

For NFP entities, AASB 16 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 16. CEPU - Communication Division Branch (SA/NT) plans to adopt AASB 16 on the required effective date 1 April 2019 of using modified retrospective method.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under AASB 16 is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

During the financial year ended 31 March 2019, CEPU - Communication Division Branch (SA/NT) did not perform a preliminary assessment of AASB 16, as there are no leases.

COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Note 1. Summary of significant accounting policies (cont.)

AASB 1058 Income of Not-for-Profit Entities (AASB 1058) and AASB 15 Revenue from Contracts with Customers (AASB 15)

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities in conjunction with AASB 15. AASB 1058 and AASB 15 supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.

For NFP entities, both AASB 1058 and 15 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 15. CEPU - Communication Division Branch (SA/NT) plans to adopt AASB 15 on the required effective date 1 April 2019 of using modified retrospective method.

During the financial year ended 30 June 2019, CEPU - Communication Division Branch (SA/NT) did not perform a preliminary assessment of AASB 1058 and 15.

CEPU - Communication Division Branch (SA/NT)'s primary business activity is to uphold the rights of the organisation of labour and to improve, protect and foster the best interests of its members and to subscribe to and/or co-operate with policy of improving the cultural and living standards of its members. Revenue is primarily generated from the receipt of member subscriptions. Other revenue received is interest from investments and fees paid to the union for office holder representation on a company board.

AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation

The amendments to AASB 9 clarify that a financial asset passes the solely payments of principal and interest criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments apply retrospectively and are effective from 1 January 2019, with earlier application permitted.

These amendments have no impact on the financial statements of CEPU - Communication Division Branch (SA/NT).

AASB 2017-7 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation

The amendments clarify that an entity applies AASB 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in AASB 9 applies to such long-term interests.

The amendments apply retrospectively and are effective from 1 January 2019, with early application permitted.

Since CEPU - Communication Division Branch (SA/NT) does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its financial statements.

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

Note 1. Summary of significant accounting policies (cont.)

1.5 Revenue

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

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

Donation income is recognised when it is received.

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

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

1.6 Capitation fees and levies

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

1.7 Employee benefits

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

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

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

Financial assets and financial liabilities are recognised when CEPU - Communication Division Branch (SA/NT) becomes a party to the contractual provisions of the instrument.

COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Note 1. Summary of significant accounting policies (cont.)

1.10 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and CEPU - Communication Division Branch (SA/NT)'s business model for managing them. With the exception of trade receivables that do not contain a significant financing component, CEPU - Communication Division Branch (SA/NT) initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

CEPU - Communication Division Branch (SA/NT)'s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that CEPU - Communication Division Branch (SA/NT) commits to purchase or sell the asset.

Subsequent

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

CEPU - Communication Division Branch (SA/NT)'s Financial Assets are all measured at amortised cost

Financial assets at amortised cost

CEPU - Communication Division Branch (SA/NT) measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

CEPU - Communication Division Branch (SA/NT)'s financial assets at amortised cost includes trade receivables, cash and cash equivalents and term deposits.

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

Note 1. Summary of significant accounting policies (cont.)

1.10 Financial assets (cont.)

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- CEPU - Communication Division Branch (SA/NT) has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- a) CEPU - Communication Division Branch (SA/NT) has transferred substantially all the risks and rewards of the asset, or
- b) CEPU - Communication Division Branch (SA/NT) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When CEPU - Communication Division Branch (SA/NT) has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, CEPU - Communication Division Branch (SA/NT) continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Note 1. Summary of significant accounting policies (cont.)

1.11 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

CEPU - Communication Division Branch (SA/NT)'s financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

1.12 Contingent liabilities and contingent assets

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

1.13 Property Improvements, plant and equipment

Asset recognition Threshold

Purchases of Property Improvements, plant and equipment are recognised initially at cost in the statement of financial position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

Note 1. Summary of significant accounting policies (cont.)

1.13 Property Improvements, plant and equipment (cont.)

Depreciation

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

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

	2019	2018
Property Improvements	2.50%	2.50%
Motor Vehicle	25%	25%
Office equipment & Furniture	10% to 50%	10% to 50%

Derecognition

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

1.14 Impairment of non-financial assets

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

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

1.15 Taxation

The CEPU - Communication Division Branch (SA/NT) is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

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

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

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

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

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

Note 1 Summary of significant accounting policies (cont.)

1.16 Fair value measurement

CEPU - Communication Division Branch (SA/NT) measures financial instruments, such as, financial assets as at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 15A.

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

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

The principal or the most advantageous market must be accessible by CEPU - Communication Division Branch (SA/NT). The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

CEPU - Communication Division Branch (SA/NT) uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

1.17 Going concern

The CEPU - Communication Division Branch (SA/NT) is reliant on the agreed financial support from its members to continue on a going concern basis. This agreed financial support is to continue until they cease to be a member.

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

Note 2 Events after the reporting period

There were no events that occurred after 31 Mar 2019, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of CEPU - Communication Division Branch (SA/NT).

	2019	2018
	\$	\$

Note 3 Income

Note 3A: Membership subscription

Membership subscription comprises of contributions from members during the year giving an average of \$336 p.a from each member; Members are charged at different rates depending upon their employment status and category in which they fall.

Membership subscriptions	(532,286)	(547,444)
Total Membership subscriptions	(532,286)	(547,444)

Note 3B: Capitation fees revenue

Capitation Revenue	-	-
Total capitation fees	-	-

Note 3C: Levies

Levies	-	-
Total levies	-	-

Note 3D: Investment Income

Interest income	99,622	102,245
Total Investment Income	99,622	102,245

Note 3E: Other revenue

Board fees	66,772	65,231
Other sundry items	6,694	2,178
Total other revenue	73,466	67,409

Note 3F: Grants or donations

Grants	-	-
Donations	-	-
Total Grants or donations	-	-

Note 3G: Revenue from recovery of wages activity

Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
Total revenue from recovery of wages activity	-	-

COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2019 2018
\$ \$

Note 4 Expenses

Note 4A: Employee expenses

Holders of office:

Wages and salaries	253,883	253,023
Superannuation	44,014	48,031
Leave and other entitlements	(9,666)	12,837
Separation and redundancies	-	-
Other employee expenses	-	-
	288,231	313,890
Subtotal employee expenses holders of office	288,231	313,890

Employees other than office holders:

Wages and salaries	52,868	11,811
Superannuation	8,200	1,501
Leave and other entitlements	2,437	20,271
Separation and redundancies	-	-
Other employee expenses	-	-
	63,505	33,584

Total employee expenses

351,736 **347,473**

Note 4B: Capitation fees

Capitation fees - National office	102,192	120,989
Total capitation fees	102,192	120,989

Note 4C: Affiliation fees

National Council Fund	4,562	4,435
Australian Labour Party	7,458	5,877
SA Unions	2,980	2,925
Total affiliation fees/subscriptions	15,000	13,237

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 \$	2018 \$
Note 4D: Administration expenses			
Total paid to employers for payroll deductions of membership subscriptions		-	-
Compulsory levies		-	-
Fees/allowances - meeting and conferences		-	-
Conference and meeting expenses		-	-
Contractors/consultants		8,221	41,756
Property expenses	4D (i)	15,835	19,805
Office expenses		12,426	15,389
Information communications technology		12,280	12,815
Insurance	4D (ii)	31,913	34,904
Other		14,097	4,091
Total administration expense		<u>94,772</u>	<u>128,761</u>

4D (i) This includes repair & maintenance, power expenses, land and council taxes.

4D (ii) This includes business, personal accident and death disability insurances.

Note 4E: Grants and donations

Grants:

Total expensed that were \$1,000 or less		-	-
Total paid that exceeded \$1,000		-	-

Donations:

Total expensed that were \$1,000 or less		678	668
Total expensed that exceeded \$1,000		3,000	3,000

Total grants and donations

		<u>3,678</u>	<u>3,668</u>
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Note 4F: Depreciation

Property Improvements		959	959
Office equipment & furniture		3,455	5,007
Motor vehicle		12,913	17,219
Total depreciation		<u>17,327</u>	<u>23,185</u>

Note 4G: Finance costs

Finance costs		1,985	3,414
Total finance costs		<u>1,985</u>	<u>3,414</u>

Note 4H: Legal costs

Litigation		-	-
Legal expenses	4H (i)	28,300	32,291
Total legal costs		<u>28,300</u>	<u>32,291</u>

4H (i) This also includes member's medical claims.

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 \$	2018 \$
Note 4I: Other fees			
Payroll Tax		-	1,547
Fringe Benefits Tax		-	-
Work cover		3,925	3,886
Motor Vehicle Expenses		12,043	10,399
Training		3,598	36
Travel		26,362	19,271
Penalties - via RO Act or the <i>Fair Work Act 2009</i>		-	-
		45,928	35,138
Note 5 Current Assets			
Note 5A: Cash and cash equivalents			
Cash at bank	5A (i)	142,583	112,639
Cash on hand		710	774
		143,293	113,413
5A (i) Cash at bank earns interest at floating rates based on daily deposit rates.			
Note 5B: Trade and other receivables			
Receivables from other reporting units			
CEPU-National Office		-	-
Electrical Trade Union (ETU)		-	-
		-	-
Total receivables from other reporting units		-	-
Less allowance for expected credit losses			
None		-	-
		-	-
Total allowance for expected credit losses		-	-
Receivable from other reporting units (net)		-	-
Total trade and other receivables (net)		-	-
Note 5C: Other current assets			
Accrued Interest		1,114	53
Prepayments		5,595	5,529
		6,709	5,582

COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 \$	2018 \$
Note 6 Non-current assets			
Note 6A: Property improvements, plant and equipment			
Cost	6A (i), 6A (ii) & 6A (iii)	286,323	286,323
Accumulated depreciation		(194,877)	(177,550)
Total property improvements, plant and equipment		91,446	108,773
6A (i) Property Improvements:			
Cost		38,360	38,360
Accumulated depreciation		(4,420)	(3,461)
Total property improvements		33,940	34,899
Reconciliation of opening and closing balances of property improvements			
As at 1 April			
Gross book value		38,360	38,360
Accumulated depreciation and impairment		(3,461)	(2,502)
Net book value 1 April		34,899	35,858
Additions		-	-
Revaluations		-	-
Impairments		-	-
Depreciation expense		(959)	(959)
Other movement		-	-
Disposals		-	-
Net book value 31 March		33,940	34,899

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

	2019	2018
	\$	\$
Note 6 Non-current assets (cont)		
6A (ii) Office equipment & furniture		
At cost	140,975	140,975
Accumulated depreciation	(122,205)	(118,750)
Total office equipment & furniture	18,770	22,225

Reconciliation of the opening and closing balances of office equipment & furniture

As at 1 April		
Gross book value	140,975	140,975
Accumulated depreciation and impairment	(118,750)	(113,743)
Net book value 1 April	22,225	27,232
Additions	-	-
Depreciation expense	(3,455)	(5,007)
Disposals	-	-
Other movement (adjustment)	-	-
Net book value 31 March	18,770	22,225

6A (iii) Motor Vehicle

Cost	106,988	106,988
Accumulated depreciation	(68,252)	(55,339)
Total Motor vehicle	38,736	51,649

Reconciliation of the opening and closing balances of Motor Vehicles

As at 1 April		
Gross book value	106,988	106,988
Accumulated depreciation and impairment	(55,339)	(38,120)
Net book value 1 April	51,649	68,868
Additions	-	-
Revaluations	-	-
Impairments	-	-
Depreciation expense	(12,913)	(17,219)
Other adjustment	-	-
Disposals	-	-
Net book value 31 March	38,736	51,649

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

		2019	2018
		\$	\$
Note 6B: Other financial assets			
Term deposits	6B (i)	3,838,217	3,837,996
Total other financial assets		3,838,217	3,837,996

6B (i) Term deposits have a maturity date no later than 27 July 2019 and earn interest ranging from 2.4% to 2.60% per annum.

Note 7 Current Liabilities

Note 7A: Trade payables

Payables to other reporting units

CEPU - National office		14,752	20,286
Subtotal payables to other reporting units		14,752	20,286
Total trade payables	7A (i)	14,753	20,286

7A (i) Settlement is usually made within 30 days.

Note 7B: Other payables

Wages and salaries		6,402	7,171
Superannuation		7,188	5,226
Payable to employers for making payroll deductions of membership subscriptions		-	-
Legal costs		-	-
GST payable		8,265	8,253
Total other payables	7B (i)	21,855	20,649

7B (i) Total other payables are expected to be settled within 12 months.

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

	2019	2018
	\$	\$
Note 8 Provisions		
Note 8A: Employee provisions		
Office Holders:		
Annual leave	91,589	99,112
Separations and redundancies	-	-
Long service leave	112,366	114,509
Other	-	-
Subtotal employee provisions—office holders	203,955	213,621
Employees other than office holders:		
Annual leave	22,707	20,271
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
Subtotal—employees other than office holders	22,707	20,271
Total employee provisions	226,662	233,892
Current	226,662	233,892
Non Current	-	-
Total employee provisions	226,662	233,892
Note 9 Equity		
Note 9A: Other specific disclosures - funds		
Compulsory levy/voluntary contribution fund – if invested in assets		
None	-	-
Other fund(s) required by rules		
None	-	-
Balance as at start of year		
None	-	-
Balance as at end of year	-	-

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

	2019	2018
	\$	\$
Note 10 Cash flow		
Note 10A: Cash flow reconciliation		
Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement:		
Cash and cash equivalents as per:		
Cash flow statement	143,293	113,412
Balance sheet	143,293	113,412
Difference	<u>-</u>	<u>-</u>
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	25,456	(11,558)
Adjustments for non-cash items		
Depreciation	17,327	23,185
Gain on disposal of motor vehicles	-	-
	<u>42,783</u>	<u>11,627</u>
Changes in assets/liabilities		
(Increase)/decrease in net receivables	(1,062)	12,033
(Increase)/decrease in other current assets	(64)	436
Increase/(decrease) in payables	(4,329)	9,856
Increase/(decrease) in employee provisions	(7,230)	32,919
Net cash from (used by) operating activities	<u>30,098</u>	<u>66,872</u>
Note 10B: Cash flow information		
Cash inflows		
CEPU - National Office	-	-
Total cash inflows	<u>-</u>	<u>-</u>
Cash outflows		
CEPU - National Office	(128,496)	(133,260)
CEPU - Electrical	(24,895)	(66,131)
CEPU - NSW T&S Branch	(138)	-
Total cash outflows	<u>(153,529)</u>	<u>(199,391)</u>
Note 11 Contingent liabilities, assets and commitments		
Note 11A: Commitments and contingencies		
Operating lease commitments—as lessee	-	-
	<u>-</u>	<u>-</u>

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

Note 11A: Commitments and contingencies (cont.)

Operating lease commitments—as lessor

	-	-
	-	-

Capital commitments

At 31 March 2019, CEPU - Communications division branch (SA/NT) does not have any capital commitments.

Finance lease commitments—as lessee

	-	-
	-	-

Finance leases—lessor

	-	-
	-	-

Note 12 Related party disclosures

Note 12A: Related party transactions for the reporting period

CEPU - Communication Division Branch (SA/NT) does not have any related party transaction other than key management personnel remuneration noted below.

Note 12B: Key management personnel remuneration for the reporting period

Short-term employee benefits

Salary	253,883	253,023
Leave and other entitlements	(7,522)	(5,659)
Total short-term employee benefits	246,361	247,364

Post-employment benefits:

Superannuation	43,714	48,031
Total post-employment benefits	43,714	48,031

Other long-term benefits:

Long-service leave	(2,144)	18,496
Total other long-term benefits	(2,144)	18,496

Termination benefits

Total	287,931	313,890
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**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)**

**NOTES TO THE FINANCIAL STATEMENTS
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	2019	2018
	\$	\$
Note 13 Remuneration of Auditors		
Value of the services provided		
Financial Statement audit service	14,000	14,000
Other services by related entity	5,000	6,500
Total remuneration of auditors	19,000	20,500

Other services provided by a related entity of the audit company was assistance with the preparation of the financial statements

Note 14 Financial instruments

CEPU - Communication Division Branch (SA/NT)'s financial instruments comprise cash and cash equivalents, held to maturity financial investments and liabilities. In addition, amounts receivable and amounts payable to trade and other creditors.

The main risks arising from the financial instruments are credit risk and market price risk and no liquidity risk. The union does not use derivative instruments to manage risks associated with its financial instruments.

The members of committee have overall responsibility for risk management, including risks associated with financial instruments. Risk management policies are established to identify and analyse the risks associated with the union's financial instruments, to set appropriate risk limits and controls and to monitor the risks and adherence to limits. The Board's audit and finance committee is responsible for monitoring the effectiveness of the union's risk management policies and processes and to regularly review risk management policies and systems, taking into account changes in market conditions and the union's activities. The committee is also responsible for developing and monitoring investment policies.

Note 14A: Categories of Financial Instruments

Financial assets

At amortised cost:

Cash & cash equivalents	143,293	113,413
Other current assets	1,114	52
Other investments	3,838,217	3,837,996
Total	3,982,624	3,951,461
Carrying amount of financial assets	3,982,624	3,951,461

Financial liabilities

Other financial liabilities:

Payments to other reporting entities	14,753	20,286
Other payables	21,855	20,649
Total	36,608	40,935
Carrying amount of financial liabilities	36,608	40,935

Note 14B: Net income and expense from financial assets

Held-to-maturity

Interest income	99,622	102,245
Net gain/(loss)	99,622	102,245

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

Note 14C: Credit Risk	2019	2018
	\$	\$

Credit risk is the risk of financial loss to the union if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of the union's financial assets best represents its maximum credit risk exposure. The union's maximum exposure to credit risk at the reporting date was:

Financial Assets

Cash & cash equivalents	143,293	113,413
Trade debtors and other receivables	-	-
Other current assets	1,114	52
Other investments	3,838,217	3,837,996
	3,982,624	3,951,461

Trade debtors and other current assets primarily comprise of overpayment of super contributions and prepaid insurance.

Note 14D - Liquidity risk

Liquidity risk is the risk that the union will not be able to fund its obligations as they fall due.

The following are the contractual maturities of financial assets and liabilities including estimated interest payments:

Contractual maturities for financial liabilities 2019

	On Demand	< 1 year	1– 2 years	2– 5 years	> 5 years	Total
		\$	\$	\$	\$	\$
Trade creditors & accruals		-	-	-	-	-
Employee related	13,590	13,590	-	-	-	13,590
Payable to National Office	14,753	14,753	-	-	-	14,753
Other payables	8,265	8,265	-	-	-	8,265
Total	36,608	36,608	-	-	-	36,608

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Note 14D - Liquidity risk (cont.)

Contractual maturities for financial liabilities 2018

	Carrying amount	< 1 year \$	1– 2 years \$	2– 5 years \$	> 5 years \$	Total \$
Trade creditors & payable		-	-	-	-	-
Employee related	12,396	12,396	-	-	-	12,396
Payable to National Office	20,286	20,286	-	-	-	20,286
Other payables	8,253	8,253	-	-	-	8,253
Total	40,935	40,935	-	-	-	40,935

Note 14E - Market risk

Market price risk is the risk that changes in market prices such interest rates will affect the union's income or the value of its holdings of financial instruments.

Interest rate risk

Interest rate risk refers to the risk that the value of financial instruments or cash flow associated with the instrument will fluctuate due to changes in market interest rates.

The union is exposed to interest rate fluctuations on its cash at bank and cash on deposits. The union actively monitors interest rates for cash at bank and on deposit to maximise interest income.

The following table summarises the interest rate profile of the union's interest bearing financial instruments.

		2019 \$	2018 \$
Fixed-rate instruments			
Other investments (12 months)	6B	3,838,217	3,837,996
Variable-rate instruments			
Cash at bank	5A	143,293	113,413
		<u>3,981,510</u>	<u>3,951,409</u>

Sensitivity analysis

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

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

	Profit \$	Equity \$
Year ended 31 March 2019		
+/- .5% in interest rates	+/- 19,191	+/- (19,191)
Year ended 31 March 2018		
+/- .5% in interest rates	+/- 19,190	+/- (19,190)

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

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Note 15 Fair Value Measurement

Note 15A: Financial assets and liabilities

Management of the reporting unit assessed that [cash, trade receivables, trade payables, and other current liabilities] approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by CEPU - Communications Division Branch (SA/NT) based on parameters such as interest rates and individual credit worthiness of the

The following table contains the carrying amounts and related fair values for CEPU - Communications Division Branch (SA/NT)s financial assets and liabilities:

	Carrying amount 2019	Fair value 2019	Carrying amount 2018	Fair value 2018
Financial assets	\$	\$	\$	\$
Cash & cash equivalents	143,293	143,293	113,413	113,413
Other current assets	1,114	1,114	52	52
Other investments	3,838,217	3,838,217	3,837,996	3,837,996
Total	3,982,624	3,982,624	3,951,461	3,951,461
Financial liabilities				
Payments to other reporting entities	14,753	14,753	20,286	20,286
Other payables	21,855	21,855	20,649	20,649
Total	36,608	36,608	40,935	40,935

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Note 15B: Financial and non-financial assets and liabilities fair value hierarchy

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

Fair value hierarchy – 30 June 2019

	Date of valuation	Level 1	Level 2	Level 3
		\$	\$	\$
Assets measured at fair value				
Cash & cash equivalents	-	143,293	-	-
Other current assets	-	1,114	-	-
Other investments	-	3,838,217	-	-
Total	-	<u>3,982,624</u>	-	-
Liabilities measured at fair value				
Payments to other reporting entities	-	14,753	-	-
Other payables	-	21,855	-	-
Total	-	<u>36,608</u>	-	-

Fair value hierarchy – 30 June 2018

	Date of valuation	Level 1	Level 2	Level 3
		\$	\$	\$
Assets measured at fair value				
Cash & cash equivalents	-	113,413	-	-
Other current assets	-	52	-	-
Other investments	-	3,837,996	-	-
Total	-	<u>3,951,461</u>	-	-
Liabilities measured at fair value				
Payments to other reporting entities	-	20,286	-	-
Other payables	-	20,649	-	-
Total	-	<u>40,935</u>	-	-

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Note 16 Correction of prior period error

Note 16A: Asset revaluation reserve

The Union's land and buildings assets were sold during the year ended 31 March 2016.

Prior to the sale of the land and buildings the Union records included a balance of \$750,822 in the asset revaluation reserve account, in respect of the land and buildings sold.

The sale price of the land and buildings exceeded the carrying amount thereof and resulted in a profit on sale of \$2,109,610, which was reported in the Statement of Comprehensive Income for the year ended 31 March 2016.

An unintentional error was made in that the asset revaluation reserve of \$750,822 was not transferred to Retained earnings (paragraph 41 of AASB 116 :Property Plant and Equipment) on the sale/disposal of the land and buildings.

The impact to the financial report for each of the years ending 31 March 2016, 2017 and 2018 is that the Reserves balance and Retained earnings balance in the Statement of Financial Position and Statement of Changes in Equity were \$750,822 over stated and understated respectively.

In accordance with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors this prior period error is corrected retrospectively and the affected balances in the comparative amounts have been restated

The table below provides a summary of the amounts of the adjustments for each financial statement line item affected by correction for the prior period error for the annual reporting period ending 31 March 2018, as well as the comparative periods ending 31 March 2017 and 31 March 2016.

Effects of the Correction of a prior period error

	Previously Stated Balance	Effect of correction of prior period error	Revised Balance
As at 31 March 18	\$	\$	\$
Statement of financial position			
EQUITY			
Reserves	1,096,667	(750,822)	345,845
Retained earnings	2,694,271	750,822	3,445,093
TOTAL EQUITY	<u>3,790,938</u>	-	<u>3,790,939</u>
As at 31 March 17			
Statement of financial position			
EQUITY			
Reserves	1,096,667	(750,822)	345,845
Retained earnings	2,705,830	750,822	3,456,652
TOTAL EQUITY	<u>3,802,497</u>	-	<u>3,802,497</u>
As at 1 April 2016			
Statement of financial position			
EQUITY			
Reserves	1,096,667	(750,822)	345,845
Retained earnings	2,706,470	750,822	3,457,292
TOTAL EQUITY	<u>3,803,137</u>	-	<u>3,803,137</u>

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Note 16B: Employee expenses overstated

Historically expenses incurred in the training of employees, payment of statutory insurance and travel related costs to undertake the matters of the Union have been included in the Employee expenses under the sub heading of "Other employee expenses". These expenses are not employment related costs for which benefits are paid, provided or accrued to the employees but rather general operating costs of the Union.

These expenses have been reclassified as "Other expenses" in the "Statement of Comprehensive Income" and are now disclosed in note 4I Other expenses and not included as "Other employee expenses" in note 4A. The comparative balances in the Statement of Comprehensive income have been adjusted.

There is no change to the statement of financial position and no change in the deficit reported in the prior year financial report.

Adjustment made to the prior year Statement of Comprehensive income.

		As at 31 March 2018		
		Previously	Reallocation	As Presented
		Stated	Adjustment	
Notes		\$	\$	\$
Revenue				
Membership subscriptions	3A	547,444	-	547,444
Capitation fees	3B	-	-	-
Levies	3C	-	-	-
Investment Income	3D	102,245	-	102,245
Other revenue	3E	67,409	-	67,409
Total revenue		717,098	-	717,098
Other Income				
Grants and donations	3F	-	-	-
Revenue from recovery of wages activity	3G	-	-	-
Total Other Income		-	-	-
Total income		717,098	-	717,098
Expenses				
Employee expenses	4A	382,611	(35,138)	347,473
Capitation fees	4B	120,989	-	120,989
Affiliation fees	4C	13,237	-	13,237
Administration expenses	4D	128,761	-	128,761
Grants or donations	4E	3,668	-	3,668
Depreciation	4F	23,185	-	23,185
Finance cost	4G	3,414	-	3,414
Legal costs	4H	32,291	-	32,291
Other fees	4I	-	35,138	35,138
Auditor's Fees	13	20,500	-	20,500
Total expenses		728,656	-	728,656
Surplus/(deficit)for the year		(11,558)	-	(11,558)
Other comprehensive income		-	-	-
Total comprehensive income for the year		(11,558)	-	(11,558)

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Note 17 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or General Manager:

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

Note 18 Additional information

The registered office of the union and its principal place of business is:

312 South Road
Richmond
South Australia 5033

COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
COMMUNICATIONS DIVISION BRANCH (SA/NT)


OFFICER DECLARATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

Officer declaration statement

I, NICHOLAS TOWNSEND, being the Branch Secretary of the CEPU - Communications Division Branch (SA/NT), declare that the following activities did not occur during the reporting period ending 31 March 2019.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay separation and redundancy to holders of office
- pay other employee expenses to holders of office
- pay separation and redundancy to employees (other than holders of office)
- pay other employee expenses to employees (other than holders of office)
- pay legal costs relating to litigation
- have a receivable with other reporting unit(s)
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have other employee provisions in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting units and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signature of officer 

Name of officer NICHOLAS TOWNSEND

Title of officer BRANCH SECRETARY

Dated 28/3/19