COMMUNICATION, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL DIVISION – NEW SOUTH WALES BRANCH

s.268 *Fair Work (Registered Organisations) Act 2009*
CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
Certificate for the period ended 31 December 2021

I Fred Barbin being the Deputy Branch Secretary of the Communication, Electronical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – New South Wales Branch certify:

- that the documents lodged herewith are copies of the full report for the Communication, Electronical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – New South Wales Branch for the period ended 31 December 2021 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 20 April 2022; and

- that the full report was presented at a meeting of the committee of management of the reporting unit on 10 May 2022 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:	
Name of prescribed designated officer:	Fred Barbin
Title of prescribed designated officer:	Deputy Branch Secretary
Dated:	22 May 2022

SYDNEY
Level 5, 370 Pitt St
Sydney NSW 2000
Ph 02 9267 4844 Fax 02 9267 4877

NEWCASTLE
Ph 02 4968 2488 Fax 02 4968 3466

CANBERRA
Ph 02 9267 4844 Fax 02 6163 6667

etunsw@etunsw.asn.au www.etunsw.com.au ETUnsw @NSW_ETU etunswact

Australian Government
Registered Organisations Commission

25 May 2022

Allan Hicks
Secretary, New South Wales Branch
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Electrical, Energy and Services Division - New South Wales Divisional Branch

Sent via email: admin@etuaustralia.org.au
CC: gkent@mgisq.com.au

Dear Allan Hicks,

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Electrical, Energy and Services Division - New South Wales Divisional Branch Financial Report for the year ended 31 December 2021 – (FR2021/308)

I acknowledge receipt of the financial report for the year ended 31 December 2021 for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Electrical, Energy and Services Division - New South Wales Divisional Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 23 May 2022.

The financial report has now been filed. The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (**RO Act**) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

You are not required to take any further action in respect of the report lodged. Please note that the financial report for the year ending 31 December 2022 may be subject to an advanced compliance review.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via this link.

If you have any queries regarding this letter, please contact me on (02) 6240 9999 or by email at Madeleine.Hurrell@roc.gov.au.

Yours sincerely,

Madeleine Hurrell

Madeleine Hurrell
Registered Organisations Commission

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – NEW SOUTH WALES BRANCH

ABN 46 878 660 276

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

CONTENTS

Page No

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – NEW SOUTH WALES BRANCH

COMMITTEE OF MANAGEMENT'S OPERATING REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Operating Report

The Committee of Management presents its report on the operations of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – New South Wales Branch (the Branch) for the financial year ended 31 December 2021.

Principal Activities

The principal activities of the Branch during the year fell in the following categories:

- Organising existing members and new members
- Bargaining, negotiating and arbitrating for improvements in wages and conditions of employment for members of the Branch.
- Representing members in work related grievances or other matters
- Undertaking training and development for delegates of the Branch.

Over the year the Branch negotiated many Collective Agreements delivering improvements in wages and conditions to CEPU – Electrical, Energy and Services Division – New South Wales Branch members.

There have been no changes in the principal activities of the Branch during the year.

Operating Result

The statutory surplus for the financial year amounted to $439,183. The statutory surplus (as calculated by Australian Accounting Standards) was impacted by the fair value revaluation on the Branch's IFS investment portfolio (as per AASB 9: Financial Instruments). This resulted in an unrealised gain of $302,869.

Excluding this gain, the operating surplus for the year was $136,314 (2020: $147,036).

Significant Changes in Financial Affairs

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

After Balance Date Events

No matters or circumstances other have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Branch, the results of those operations or the state of affairs of the Branch in future financial years.

Members Right to Resign

The right of members to resign from the Branch is set out in the Rules of the CEPU – Electrical Division. A member may resign membership by written notice addressed and delivered to the Branch Secretary.

Number of Employees

The number of persons who were, at the end of the period to which the report relates, employees of the Branch, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis is 0.00.

Number of Members

Total number of members at 31 December 2021: 17,530.

Officer or Members who are superannuation Fund Trustees/ Directors of a Company that is a Superannuation fund Trustee

No officer or member of the Branch 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 is that the holder of such position must be a member or official of a registered organisation.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – NEW SOUTH WALES BRANCH

COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Members of the Committee of Management

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

Name	Position	Period of Office
Glen Potter	Branch President	01/01/21 – 31/12/21
Justin Page	Branch Secretary	01/01/21 – 30/05/21
Allen Hicks	Branch Secretary	31/05/21 – 31/12/21
Malcolm Hoy	Branch Treasurer	01/01/21 – 31/12/21
Phillip Oswald	Branch Vice-President	01/01/21 – 31/12/21
Colin Harris	Committee Member	01/01/21 – 31/12/21
Peter Henne	Committee Member	01/01/21 – 31/12/21
Peter Woods	Committee Member	01/01/21 – 31/12/21
Martin McAuliffe	Committee Member	01/01/21 – 31/12/21
Ellen McNally	Committee Member/ Affirmative Action (Women)	01/01/21 – 31/12/21

Auditor's Independence Declaration

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

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

....
Allen Hicks
Branch Secretary

11 April 2022

Sydney

accountants + auditors
Level 1, 200 Mary Street
GPO Box 1087
Brisbane QLD 4001 Australia
t. +61 7 3002 4800
f. +61 7 3229 5603
Gold Coast
t. +61 7 5591 1661
f. +61 7 5591 1772
e. info@mgisq.com.au
w. www.mgisq.com.au

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

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – NEW SOUTH WALES BRANCH

As lead auditor for the audit of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – New South Wales Branch for the year ended 31 December 2021; I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

M.G.I

MGI Audit Pty Ltd

G I Kent

Director – Audit & Assurance

Sydney
11 April 2022

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – NEW SOUTH WALES BRANCH

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

On 11 April 2022, the Committee of Management of the Branch passed the following resolution to the General Purpose Financial statements (GPFR) of the reporting unit for the financial year ended 31 December 2021.

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

(a) the financial statements and notes comply with the Australian Accounting Standards;

(b) the financial statements and notes comply with 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 and

ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation;

iii. the financial records of the reporting unit have been kept and maintained in accordance with the *RO Act;*

iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation;

v. where information has been sought in any request of a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and

vi. where any order for inspection of financial records made by the Fair Work Commission under section 273 of the RO Act during the year, there has been compliance.

(f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

Name of Designated Officer: Allen Hicks

Title of Designated Officer: Branch Secretary

Signature: ………………………………………

Date: 11 April 2022

accountants + auditors
Level 1, 200 Mary Street
GPO Box 1087
Brisbane QLD 4001 Australia
t. +61 7 3002 4800
f. +61 7 3229 5603
Gold Coast
t. +61 7 5591 1661
f. +61 7 5591 1772
e. info@mgisq.com.au
w. www.mgisq.com.au

Independent Audit Report to the Members of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – New South Wales Branch

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – New South Wales Branch (the Branch), which comprises the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement, the subsection 255(2A) report and the Officers Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – New South Wales Branch as at 31 December 2021, and its financial performance and its cash flows for the year ended on that date in accordance with:

a) the Australian Accounting Standards; and

b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

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

Basis for Opinion

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

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

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

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

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

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

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Branch is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Branch's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Branch to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Branch's audit. We remain solely responsible for our audit opinion.

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

Declaration

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

M.G.I

MGI Audit Pty Ltd

G I Kent

Director – Audit & Assurance

Sydney
11 April 2022

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – NEW SOUTH WALES BRANCH

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 $	2020 $
Revenue from contracts with customers	3		
Membership subscription		**7,163,595**	6,805,484
Levies	3A	**119,365**	124,570
Total revenue from contracts with customers		**7,282,960**	6,930,054
Other income			
Investment income	3B	**236,351**	271,930
Rental income	3C	**9,912**	67,306
Other revenue	3D	**8,181**	19,630
Total other income		**254,444**	358,866
Total revenue		**7,537,404**	7,288,920
Expenses			
Service agreement expense	4A	**(6,060,444)**	(5,880,008)
Sustentation fees	4B	**(915,200)**	(901,280)
Audit and accounting fees	12	**(18,486)**	(20,750)
Legal costs	4C	**(150,945)**	(118,580)
Depreciation	4D	**(37,809)**	(46,544)
Administration expenses	4E	**(98,176)**	(105,622)
Other operating expenses	4F	**(120,030)**	(69,100)
Total expenses		**(7,401,090)**	(7,141,884)
Operating surplus		**136,314**	147,036
Fair value gain/ (loss) on revaluation of investments (shares/ managed investment portfolio)		**302,869**	(88,930)
Fair value gain on revaluation of investment properties		**-**	158,648
Surplus for the year		**439,183**	216,754
Other comprehensive income			
Revaluation of land and buildings (net of income tax)		**-**	-
Total comprehensive income for the year		**439,183**	216,754

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

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – NEW SOUTH WALES BRANCH

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	2021 $	2020 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	**4,348,754**	3,757,354
Non-current assets held for sale	5B	**-**	800,000
Total current assets		**4,348,754**	4,557,354
Non-Current Assets			
Financial assets	6A	**5,985,854**	5,524,597
Land and buildings	6B	**8,549,382**	8,587,191
Investment properties	6C	**-**	-
Office equipment	6D	**-**	-
Total non-current assets		**14,535,236**	14,111,788
Total assets		**18,883,990**	18,669,142
LIABILITIES			
Current Liabilities			
Trade payables	7A	**590,709**	811,613
Other payables	7B	**758,489**	761,920
Total current liabilities		**1,349,198**	1,573,533
Non-Current Liabilities			
Other payables	7B	**-**	-
		-	-
Total liabilities		**1,349,198**	1,573,533
Net assets		**17,534,792**	17,095,609
EQUITY			
Reserves	8	**7,112,630**	7,416,713
Retained earnings		**10,422,162**	9,678,896
Total equity		**17,534,792**	17,095,609

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

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – NEW SOUTH WALES BRANCH

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Asset Revaluation Reserve	Distress & Mortality Fund	Sustenance Assistance Fund	General Fund	Total equity
	$	$	$	$	$
Balance as at 1 January 2020	7,416,713	116,881	406,967	8,938,294	16,878,855
Surplus for the year	-	-	-	216,754	216,754
Other comprehensive income	-	-	-	-	-
Closing balance as at 31 December 2020	7,416,713	116,881	406,967	9,155,048	17,095,609
Surplus for the year	**-**	**-**	**-**	**-**	**-**
Transfer to/ (from) reserves	**(304,083)**	**-**	**-**	**304,083**	**-**
Other comprehensive income	**-**	**-**	**-**	**439,183**	**439,183**
Closing balance as at 31 December 2021	**7,112,630**	**116,881**	**406,967**	**9,898,314**	**17,534,792**

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

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – NEW SOUTH WALES BRANCH

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

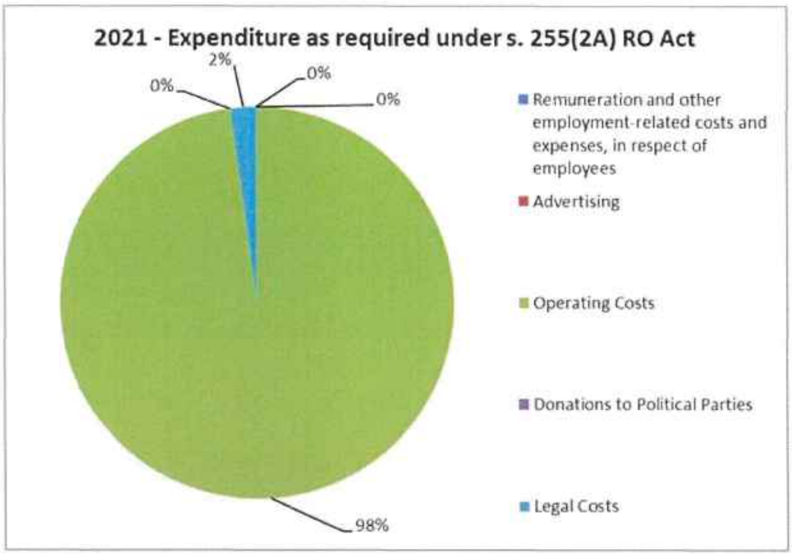
	Notes	2021 $	2020 $
OPERATING ACTIVITIES			
Cash received			
Receipts from customers		**8,028,453**	7,963,077
Investment income received		**236,351**	271,930
Cash used			
Payments to employees and suppliers		**(7,279,835)**	(6,942,395)
Payments to other reporting units	9B	**(1,035,181)**	(1,020,058)
Net cash (used in)/ provided by operating activities		**(50,212)**	272,554
INVESTING ACTIVITIES			
Sale/ (purchase) of financial assets		**(158,388)**	89,061
Proceeds on sale of property, plant and equipment		**800,000**	
Net cash provided by investing activities		**641,612**	89,061
FINANCING ACTIVITIES		**-**	-
Net increase in cash held		**591,400**	361,615
Cash & cash equivalents at the beginning of the reporting period		**3,757,354**	3,395,739
Cash & cash equivalents at the end of the reporting period	9A	**4,348,754**	3,757,354

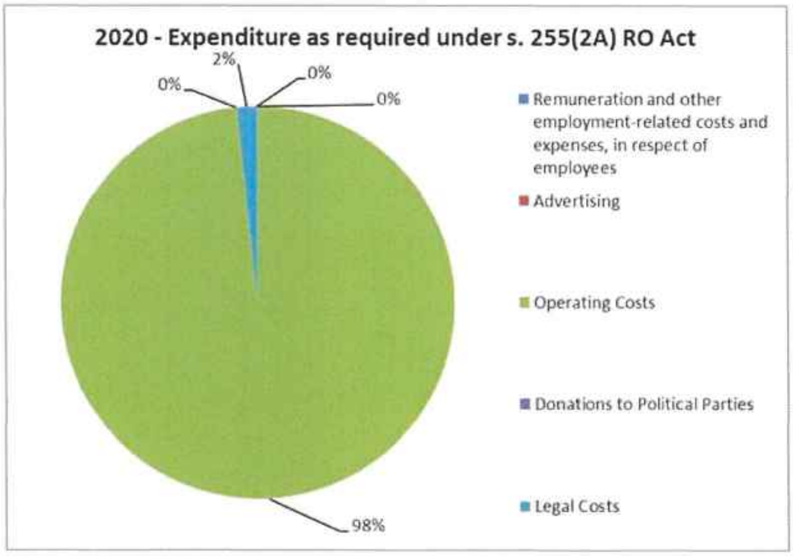
The above statement should be read in conjunction with the notes.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – NEW SOUTH WALES BRANCH

REPORT REQUIRED UNDER SUBSECTION 255(2A) OF THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

FOR THE YEAR ENDED 31 DECEMBER 2021





Allen Hicks
Branch Secretary

11 April 2022

Sydney

Index to the Notes of the Financial Statements

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, the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – New South Wales Branch (the Branch) is a not-for-profit entity.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements are in Australian dollars and have been rounded to the nearest dollar.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

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

<u>Key Estimates</u>

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

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

Note 1 Summary of significant accounting policies (Continued)

1.3 Significant accounting judgements and estimates (Continued)

Key Judgements

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

Provision for impairment of receivables
The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

New accounting standards and amendments applied for the first time for this annual reporting period commencing 1 January 2021 did not have any impact on the amounts recognised in the current or prior periods and are not expected to significantly affect future periods.

Future Australian Accounting Standards Requirements
At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the Australian Accounting Standards Board (AASB). None of these Standards or amendments to existing Standards have been adopted early by the Division.

The Committee of Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Branch's financial statements.

Note 1 Summary of significant accounting policies (Continued)

1.5 Revenue

The Branch enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the Branch has a contract with a customer, the Branch recognises revenue when or as it transfers control of goods or services to the customer. The Branch accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Branch.

If there is only one distinct membership service promised in the arrangement, the Branch recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Branch's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the Branch allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the Branch charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the Branch recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Branch has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

Note 1 Summary of significant accounting policies (Continued)

1.5 Revenue (Continued)

When a member subsequently purchases additional goods or services from the Branch at their standalone selling price, the Branch accounts for those sales as a separate contract with a customer.

Income of the Branch as a Not-for-Profit Entity

Consideration is received by the Branch to enable the entity to further its objectives. The Branch recognises each of these amounts of consideration as income when the consideration is received (which is when the Branch obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the Branch's recognition of the cash contribution does not give to any related liabilities.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Interest income

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

1.6 Capitation fees and levies

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

Note 1 Summary of significant accounting policies (Continued)

1.7 Leases

For any leases entered into, the Branch considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Branch assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Branch;
- The Branch has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- The Branch has the right to direct the use of the identified asset throughout the period of use.
- The Branch assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use

<u>Measurement and recognition of leases as a lessee</u>
At lease commencement date, the Branch recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Branch, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Branch depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Branch also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Branch measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Branch's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Branch has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

Note 1 Summary of significant accounting policies (Continued)

1.8 Cash

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

1.9 Financial instruments

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

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 the Branch's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Branch 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.

The Branch'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 the Branch commits to purchase or sell the asset.

Note 1 Summary of significant accounting policies (Continued)

1.10 Financial assets (Continued)

Subsequent measurement
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.

Financial assets at amortised cost
The reporting unit 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.

The Branch's financial assets at amortised cost includes trade receivables and loans to related parties.

Financial assets at fair value through profit or loss (including designated)
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Note 1 Summary of significant accounting policies (Continued)

1.10 Financial assets (Continued)

Derecognition
A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Branch 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) the Branch has transferred substantially all the risks and rewards of the asset, or
  b) the Branch has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Branch 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, the Branch 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.

Impairment

Expected credit losses
Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

Note 1 Summary of significant accounting policies (Continued)

1.10 Financial assets (Continued)

(i) Trade receivables

For trade receivables that do not have a significant financing component, the Branch applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Branch has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment

(ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Branch recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Branch expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Branch considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Branch may also consider a financial asset to be in default when internal or external information indicates that the Branch is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Note 1 Summary of significant accounting policies (Continued)

1.11 Financial liabilities

Financial liabilities are classified at initial recognition, at amortised cost 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.

Subsequent Measurement

Financial liabilities at fair value through profit or loss (including designated)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

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.

Note 1 Summary of significant accounting policies (Continued)

1.13 Liabilities relating to contracts with customers

Contract liabilities
A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Branch transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the Branch performs under the contract (i.e., transfers control of the related goods or services to the customer).

Refund liabilities
A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Branch refund liabilities arise from customers' right of return. The liability is measured at the amount the Branch ultimately expects it will have to return to the customer. The Branch updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

1.14 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition regarded as only met when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. The Committee of Management must be committed to the sale, which should be expected to quality for recognition as a completed sale within one year from the date of classification.

Note 1 Summary of significant accounting policies (Continued)

1.15 Property, Plant and Equipment

Asset Recognition Threshold

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

Revaluations—Land and Buildings

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

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

Office Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Branch Executive to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

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 that item will flow to the Branch and the costs of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Note 1 Summary of significant accounting policies (Continued)

1.15 Property, Plant and Equipment (Continued)

Depreciation

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

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

	2021	**2020**
Buildings	40 years	40 years
Investment properties	40 years	40 years
Office equipment	4 years	4 years

Derecognition

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

1.16 Impairment of non-financial assets

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

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

Note 1 Summary of significant accounting policies (Continued)

1.17 Taxation

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

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

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

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

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

1.18 Fair value measurement

The Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 14.

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

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

The principal or the most advantageous market must be accessible by the Branch. 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.

Note 1 Summary of significant accounting policies (Continued)

1.18 Fair value measurement (continued)

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

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

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

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

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Branch 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.

1.19 Investment Properties

Investment properties are initially recognised at cost including any acquisition costs and subsequently stated at fair value at each balance date. Fair value is based on the latest independent valuation adjusting for capital expenditure and capitalisation and amortisation of lease incentives since the date of the independent valuation report. Any gain or loss arising from a change in fair value is recognised in the profit or loss in the period. The valuation of investment properties is a key area of accounting estimation and judgement for the Branch.

Subsequent costs

Subsequent costs are recognised in the carrying amount of an investment property if it is probable that the future economic benefits embodied within the item will flow to the Branch and the cost can be measured reliably. All other costs are recognised in the profit or loss as an expense as incurred.

Derecognition of investment properties

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Note 2 Events after the reporting period

There were no events or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Branch, the results of those operations, or the state of affairs of the Branch in subsequent financial periods.

	2021	2020
	$	$
Note 3 Revenue and income		
Disaggregation of revenue from contracts with customers		

A disaggregation of the Branch's revenue by type of arrangements is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

	2021	2020
Type of customer		
Members	**7,282,960**	6,930,054
Total revenue from contracts with customers	**7,282,960**	6,930,054

	2021	2020
	$	$
Note 3 Revenue and income (Continued)		
Note 3A: Levies		
Distress and Morality Fund levy	**119,365**	124,570
Total levies	**119,365**	124,570

Levy Purpose
The CEPU – Electrical Division – NSW Branch maintains a Distress and Mortality Fund for the benefit of members. Payments are made to members from the fund as per the rules of the Branch.

	2021	2020
Note 3B: Investment income		
Interest	**46,506**	60,790
Dividends	**189,845**	211,140
Total investment income	**236,351**	271,930
Note 3C: Rental income		
Rental income	**9,912**	67,306
Total rental income	**9,912**	67,306
Note 3D: Other revenue		
Sundry income	**8,181**	19,630
Total other revenue	**8,181**	19,630

	2021	2020
	$	$
Note 4 Expenses		
Note 4A: Service agreement expense		
Electrical Trades Union of Australia (NSW Branch)	**6,060,444**	5,880,008
Total service agreement expense	**6,060,444**	5,880,008
Note 4B: Sustentation fees		
CEPU – Electrical, Energy and Services Division	**915,200**	901,280
Total Sustentation fees	**915,200**	901,280
Note 4C: Legal costs		
Litigation	**132,322**	118,580
Other legal costs	**18,623**	
Total legal costs	**150,945**	118,580
Note 4D: Depreciation		
Depreciation		
Office equipment	**-**	87
Land and buildings	**37,809**	37,809
Investment properties	**-**	8,648
Total depreciation	**37,809**	46,544
Note 4E: Administration expense		
Compulsory levies – CEPU – National Council	**25,874**	26,046
Bank charges	**37,687**	36,514
Property expenses	**2,321**	13,930
Other administration expenses	**32,294**	29,132
Total administration expense	**98,176**	105,622

Levies

The CEPU National Council issued a levy during the year to assist in funding its day to day operations.

Note 4F: Other operating expenses		
D&M entitlements/ funeral benefits paid	**92,230**	34,500
Penalties - via RO Act or the *Fair Work Act 2009*	**27,800**	34,600
Other operating expenses	**120,030**	69,100

	2021	2020
	$	$
Note 5 Current Assets		
Note 5A: Cash and Cash Equivalents		
Cash at bank	**1,970,460**	1,425,587
Cash on hand	**100**	100
Short-term deposits	**2,378,194**	2,331,667
Total cash and cash equivalents	**4,348,754**	3,757,354
Note 5B: Non-current assets held for sale		
Suite 4, Level 2, 63 Market Street, Wollongong		
Land and buildings	-	800,000
Total non-current assets held for sale	-	800,000

During the 2020 year, the Committee of Management decided to place the property located as Suite 4, Level 2, 63 Market Street, Wollongong on the market for sale. Subsequent to reporting date, a sales contract was entered into between the Branch and the vendor resulting in the property being classified as a non-current asset held for sale. This building was subsequently sold on 14 May 2021 for $800,000.

	2021	2020
	$	$
Note 6 Non-current Assets		
Note 6A: Financial Assets		
IFS managed fund investment	**5,985,854**	5,524,597
Total financial asset	**5,985,854**	5,524,597
Note 6B: Land and Buildings		
Land and buildings:		
at valuation – Level 5, 370 Pitt Street, Sydney	**8,625,000**	8,625,000
accumulated depreciation	**(75,618)**	(37,809)
Total Land and Buildings	**8,549,382**	8,587,191

Reconciliation of Opening and Closing Balances of Land and Buildings

As at 1 January		
Gross book value	**8,250,000**	8,625,000
Accumulated depreciation and impairment	**(37,809)**	-
Net book value 1 January	**8,597,191**	8,625,000
Additions:		
By purchase	**-**	-
By independent valuation	**-**	-
Depreciation expense	**(37,809)**	(37,809)
Disposals:		
By sale	**-**	-
By transfer to investment properties	**-**	-
Net book value 31 December	**8,549,382**	8,587,191
Net book value as of 31 December represented by:		
Gross book value	**8,625,000**	8,625,000
Accumulated depreciation and impairment	**(75,618)**	(37,809)
Net book value 31 December	**8,549,382**	8,587,191

Note 6B: Land and Buildings (Continued)

Valuation Details

Level 5, 370 Pitt Street, Sydney

On 25 March 2021 (effective 31 December 2020), the land and buildings at Level 5, 370 Pitt Street, Sydney was valued by Mr Vincent Romeo AAPI CPV of Romeo Property Valuations. The land and buildings valuation was based on a highest and best use, which was determined as commercial office building (the assets current use).

Fair value is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Fair value is determined by direct reference to recent market transactions on arm's length terms for land and buildings comparable in size and location to those held by the Branch and to market-based yields for comparable properties. Key assumptions utilised in the valuation were:

- Capitalisation Rate 5.50%
- Reflective rate/ lettable m^2 \$8,775 m^2
- Lettable area 983 m^2

	2021	2020
	$	$
Note 6C: Investment Properties		
Investment properties:		
at valuation – Unit 4, 63 Market Street, Wollongong	-	-
accumulated depreciation	-	-
Total Investment properties	-	-

Reconciliation of Opening and Closing Balances of Investment Properties

As at 1 January		
Gross book value	-	650,000
Accumulated depreciation and impairment	-	-
Net book value 1 January	-	650,000
Additions:		
By purchase	-	-
By independent valuation	-	158,648
By transfer from land and buildings[1]	-	-
Depreciation expense	-	(8,648)
Disposals:		
By sale	-	-
By transfer to non-current assets held for sale	-	(800,000)
Net book value 31 December	-	-
Net book value as of 31 December represented by:		
Gross book value	-	-
Accumulated depreciation and impairment	-	-
Net book value 31 December	-	-

[1] The building was assessed during the 2020 financial year to meet the criteria of an investment property under AASB 140 – Investment Property. Therefore the Committee of Management has re-classified the building from property, plant and equipment to investment properties during the year.

	2021	2020
	$	$
Note 6D: Office Equipment		
Office equipment:		
at cost	**-**	366
accumulated depreciation	**-**	(366)
Total Office Equipment	**-**	-

Reconciliation of Opening and Closing Balances of Office Equipment

As at 1 January		
Gross book value	**366**	366
Accumulated depreciation and impairment	**(366)**	(279)
Net book value 1 January	**-**	87
Additions:		
By purchase	**-**	-
Depreciation expense	**-**	(87)
Disposals:		
By sale	**-**	-
Net book value 31 December	**-**	-
Net book value as of 31 December represented by:		
Gross book value	**-**	366
Accumulated depreciation and impairment	**-**	(366)
Net book value 31 December	**-**	-

	2021	2020
	$	$

Note 7 Current Liabilities

Note 7A: Trade payables

Trade creditors and accrued expenses	**110**	10,697
Related party payable (Electrical Trades Union of Australia (NSW Branch))	**590,599**	800,916
Total trade payables	**590,709**	811,613

Settlement is usually made within 30 days.

Note 7B: Other payables

GST payable (net)	**8,495**	6,049
Deposits	**-**	1,950
Income received in advance	**749,994**	753,921
Total other payables	**758,489**	761,920

Total other payables are expected to be settled in:		
No more than 12 months	**758,489**	761,920
More than 12 months	**-**	-
Total other payables	**758,849**	761,920

Note 8 Reserves

Note 8A: Asset Revaluation Reserve

The asset revaluation reserve records revaluation of land and buildings held by the Branch.

Opening balance at beginning of period	**7,416,713**	7,416,713
Fair value gain on revaluation land and buildings	**-**	-
Transfer to retained earnings	**(304,083)**	-
Closing balance at end of period	**7,112,630**	7,416,713

	2021	2020
	$	$

Note 9 Cash Flow

Note 9A: Cash Flow Reconciliation
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:

	2021 $	2020 $
Cash and cash equivalents as per:		
Cash flow statement	**4,348,754**	3,757,354
Statement of financial position	**4,348,754**	3,757,354
Difference	**-**	-

	2021 $	2020 $
Reconciliation of surplus to net cash from operating activities:		
Surplus for the year	**439,183**	216,754
Adjustments for non-cash items		
Depreciation	**37,809**	46,544
Unrealised (gain)/ loss on revaluation of investments	**(302,869)**	88,930
(Gain)/ loss on revaluation of investment properties		(158,648)
Changes in assets/liabilities		
(Increase)/ decrease in net receivables	**-**	16,601
Increase/ (decrease) in trade and other payables	**(224,335)**	62,373
Net cash used in operating activities	**(50,212)**	272,554

Note 9B: Cash flow information

	2021 $	2020 $
Cash outflows to other reporting units		
CEPU – Electrical, Energy and Services Division	**1,006,720**	(991,408)
CEPU – National Council	**28,461**	(28,650)
Total cash outflows	**1,035,181**	(1,020,058)

Note:

1. Cash flow information to/ from other reporting units disclosed include 10% GST on applicable transactions.
2. The above cash flow information only discloses the cash outflows paid by the CEPU – ED (NSW Branch). However, during the year the ETU NSW (a related entity) also paid cash outflows to the CEPU – Electrical, Energy and Service Division of $294,463 (2020: $114,574).

	2021	2020
	$	$

Note 9 Cash Flow (Continued)

Note 9C: Non-cash transactions

There have been no non-cash financing or investing activities during the year (2020: Nil).

Note 9D: Net debt reconciliation

	2021 $	2020 $
Cash and cash equivalents	**4,348,754**	3,757,354
Borrowings – repayable within one year	**-**	-
Borrowings – repayable after one year	**-**	-
Net debt	**4,348,754**	3,757,354

Note 9E: Reconciliation of movements of liabilities to cash flows arising from financing activities

	Other Assets	Liabilities from financing activities		
	Cash assets	**Borrowings – within 1 year**	**Borrowings – due after 1 year**	**Total**
Net debt at 1 January 2020	3,395,739	-	-	3,395,739
Cash flows	361,615	-	-	361,615
Net debt at 31 December 2020	3,757,354	-	-	3,757,354
Cash flows	**591,400**	**-**	**-**	**591,400**
Net debt at 31 December 2021	**4,348,754**	**-**	**-**	**4,348,754**

Note 10 Contingent Liabilities, Assets and Commitments

Note 10A: Commitments and Contingencies

Capital commitments

At 31 December 2021, the Branch did not have any capital commitments (2020: Nil).

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

The Committee of Management of the Branch are not aware of any other contingent assets or liabilities at 31 December 2021.

Commitments

Property leases (as a lessor)

Non-cancellable property leases rentals are receivable as follows.

	2021	2020
	$	$
Receivable – Minimum lease receipts		
not later than 12 months	-	13,817
between 12 months and 5 years	-	-
greater than 5 years	-	-
Minimum lease receipts	-	13,817

The Branch previously leased office space at 63 Market Street, Wollongong under a non-cancellable property leases. As detailed at Note 5B, the Branch sold this asset on 14 May 2021 and therefore the Branch no longer has any other leases under non-cancellable property leases.

Note 11 Related Party Disclosures

Note 11A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units

For financial reporting purposes, under the *Fair Work (Registered Organisations) Act 2009*, the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia is divided into the following separate reporting units (and deemed related parties):

CEPU National Council

Electrical Division
CEPU – Electrical, Energy and Services Division
CEPU – QLD Electrical Branch
CEPU – NSW Electrical Branch
CEPU – VIC Electrical Branch
CEPU – TAS Electrical Branch
CEPU – SA Electrical Branch
CEPU – WA Electrical Branch

Plumbing Division
CEPU – Plumbing Division
CEPU – QLD Plumbing Branch
CEPU – NSW Plumbing Branch
CEPU – VIC Plumbing Branch
CEPU – WA Plumbing Branch

Communications Division
CEPU – Communications Division
CEPU – QLD Communications Branch
CEPU – NSW Communications T&S Branch
CEPU – NSW Communications P&T Branch
CEPU – VIC Communications T&S Branch
CEPU – VIC Communications P&T Branch
CEPU – SA/ NT Communications Branch
CEPU – WA Communications Branch

Other Related Parties
Electrical Trades Union of Australia (NSW Branch)

The Electrical Trades Union of Australia (NSW Branch) (being a state registered trade union) has members on its Committee of Management that each have members in common on their Committee of Management.

Note 11 Related Party Disclosures (Continued)

Note 11A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

	2021 $	2020 $
Expenses paid to CEPU – National Council includes the following:		
Levies	**25,874**	26,046
Expenses paid to CEPU – Electrical, Energy and Services Division includes the following:		
Sustentation fees	**915,200**	901,280
Expenses paid to Electrical Trades Union of Australia (NSW Branch) includes the following:		
Service agreement expenses	**6,060,444**	5,880,008

The Branch has entered into a service agreement with the Electrical Trades Union of Australia (NSW Branch) where is agrees to transfer funds in exchange for the following services:

- Provision of industrial personnel and industrial services
- Access to legal advice
- Provision of workcover advice
- Provision of recruiting services for new joint members
- Provision of all services relating to the Branch's compliance with all relevant legislation
- Provision of financial services
- Provision of membership services for joint members
- Provision of administration services relating to joint members
- Provision of accounting and auditing services
- Provisions of journals
- Provision of notices to members
- Co-ordinate facilities for holding of meetings of the Executive and/ or other bodies of the Branch
- Co-ordinate provisions of office facilities and/ or equipment
- Co-ordinate facilities for the interviewing of members
- Co-ordinate facilities for holding of meetings by and/ or officials and/ or employees and/ or agents of the Branch with members
- Co-ordinate facilities to permit attendance at worksites as necessary by officials and/ or employees and/ or agents of the Branch and
- Provision of necessary equipment, vehicles and other resources to permit the officer and/ or officials and/ or employees and/ or agents of the Branch to perform their duties.

	2021 $	2020 $
Amounts owed by Electrical Trades Union of Australia (NSW Branch) includes the following		
Service agreement expenses	**590,599**	800,916

Note 11 Related Party Disclosures (Continued)

Note 11A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)

Terms and conditions of transactions with related parties
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2021, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2020: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Key Management Personnel

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

- Justin Page (Branch Secretary – 01/01/21 – 30/05/21)
- Allen Hicks (Branch Secretary –31/05/21 – 31/12/21)
- Ben Lister (Assistant Branch Secretary -01/01/21 – 17/12/21)
- Fred Barbin (Assistant Branch Secretary – 18/12/21 – 31/12/21)
- All remaining members of the Committee of Management.

During the year, key management personnel of the Branch were remunerated as follows:	**2021**	2020
	$	$
Note 11B: Key Management Personnel Remuneration for the Reporting Period		
Short-term employee benefits		
Salary (including annual leave taken)	-	-
Other	-	-
Total short-term employee benefits	-	-
Post-employment benefits:		
Superannuation	-	-
Total post-employment benefits	-	-
Other long-term benefits:		
Long-service leave	-	-
Total other long-term benefits	-	-
Termination benefits	-	-
Total	-	-

Note 11 Related Party Disclosures (Continued)

Note 11B: Key Management Personnel Remuneration for the Reporting Period (Continued)

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

	2021	2020
	$	$
Note 12 Remuneration of Auditors and Consultants		
Value of the services provided		
Financial statement audit services	**18,486**	20,750
Other services	**-**	-
Total remuneration of auditors	**18,486**	20,750

Note 13 Financial Instruments

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

(a) Credit Risk
Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss of the Branch. The Branch does not have any material credit risk exposures as its major source of revenue is the receipt of sustentation fees from state branches.

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

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

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

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

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

Note 13 Financial Instruments (Continued)

Ageing of financial assets that were past due but not impaired for 2021

	Within trading terms/ 0 to 30 days	**31 to 60 days**	**61 to 90 days**	**90+ days**	**Total**
	$	**$**	**$**	**$**	**$**
Trade and other receivables	-	-	-	-	-
Receivables from other reporting units	-	-	-	-	-
Total	-	-	-	-	-

Ageing of financial assets that were past due but not impaired for 2020

	Within trading terms/ 0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Trade and other receivables	-	-	-	-	-
Receivables from other reporting units	-	-	-	-	-
Total	-	-	-	-	-

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

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved policy. Such policy requires that surplus funds are only invested with counterparties with a strong reputation and backed by the Commonwealth Government's bank guarantee. At 31 December 2021, all funds were held by financial institutions backed by the Commonwealth Government's bank guarantee.

Collateral held as security

The Branch does not hold collateral with respect to its receivables at 31 December 2021 (2020: Nil).

Note 13 Financial Instruments (Continued)

(b) Liquidity Risk

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

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

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

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

Financial Instrument Composition and Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
	$	$	**$**	$	**$**	$	**$**	$
Financial liabilities due for payment								
Trade payables	**(590,709)**	(811,613)	**-**	-	**-**	-	**(590,709)**	(811,613)
Other payables	**(758,489)**	(761,920)	**-**	-	**-**	-	**(758,489)**	(761,920)
Total expected outflows	**(1,349,198)**	(1,573,533)	**-**	-	**-**	-	**(1,349,198)**	(1,573,533)

Note 13 Financial Instruments (Continued)

Financial Instrument Composition and Maturity Analysis (Continued)

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
	$	$	**$**	$	**$**	$	**$**	**$**
Financial assets – cash flow receivable								
Cash and cash equivalents	**4,348,754**	3,757,354	**-**	-	**-**	-	**4,348,754**	3,757,354
Trade and other receivables	**-**	-	**-**	-	**-**	-		-
Financial assets	**-**	-	**5,985,854**	5,524,597	**-**	-	**5,985,854**	5,524,597
Total anticipated inflows	**4,348,754**	3,757,354	**5,985,854**	5,524,597	**-**	-	**10,334,608**	9,281,951
Net inflow on financial instruments	**2,999,556**	2,183,821	**5,985,854**	5,524,597	**-**	-	**8,985,410**	7,708,418

Note 13 Financial Instruments (Continued)

(c) Market Risk

i. Interest rate risk
Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Branch is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed using a mix of fixed and floating financial instruments. The effective interest rate expenditure to interest rate financial instruments are as follows:

	Weighted Average Effective Interest Rate			
	2021	2020	**2021**	2020
	%	%	**$**	**$**
Floating rate instruments				
Cash and cash equivalents	**0.09**	1.03	**4,348,754**	3,757,354

ii. *Other price risk*

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

The Branch is exposed to other price risk on its investments held within a managed investment fund. Such risk is managed through diversification of investments across industries and geographical locations.

The Branch's investments are held in the following sectors at reporting date:

	2021	2020
	%	%
Cash assets	**7**	4
Fixed interest	**14**	19
International fixed interest	**29**	21
Australian equities	**21**	25
International equities	**14**	17
Property trusts	**13**	11
Other	**2**	3
	100	100

iii. Foreign exchange risk
The Branch is not exposed to direct fluctuations in foreign currencies.

Note 13 Financial Instruments (Continued)

(c) Market Risk (Continued)

iv. Price risk
The Branch is no exposed to any material commodity price risk.

v. Interest rate risk
The Branch has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

vi. Sensitivity Analysis

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

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

	Profit $	Equity $
Year ended 31 December 2021		
+1% in interest rates	**43,488**	**43,488**
-1% in interest rates	**(3,567)**	**(3,567)**
+10% in financial assets	**598,585**	**598,585**
-10% in financial assets	**(598,585)**	**(598,585)**
Year ended 31 December 2020		
+1% in interest rates	37,574	37,574
-1% in interest rates	(37,574)	(37,574)
+10% in financial assets	552,460	552,460
-10% in financial assets	(552,460)	(552,460)

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

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

.

Note 14 Fair Value Measurements

Fair Values

Fair value estimation

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

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

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

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

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

		2021		2020	
	Footnote	**Carrying value**	**Fair value**	Carrying value	Fair value
		$	$	$	$
Financial assets					
Cash and cash equivalents	(i)	**4,348,754**	**4,348,754**	3,757,354	3,757,354
Accounts receivable and other debtors	(i)	**-**	**-**	-	-
Financial assets	(i)	**5,985,854**	**5,985,854**	5,524,597	5,524,597
Total financial assets		**10,334,608**	**10,334,608**	9,281,951	9,281,951
Financial liabilities					
Trade payables	(i)	**590,709**	**590,709**	811,613	811,613
Other payables	(i)	**758,489**	**758,489**	761,920	761,920
Total financial liabilities		**1,349,198**	**1,349,198**	1,573,533	1,573,533

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

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

Note 14 Fair Value Measurements (Continued)

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Note 14 Fair Value Measurements (Continued)

Fair value hierarchy – 31 December 2021

	Note	Date of Valuation	Level 1	Level 2	Level 3
		$	$	$	$
Assets measured at fair value					
Land and Buildings – 370 Pitt Street, Sydney	6B	25 March 2021	-	8,625,000	-
Financial assets	6A	31 Dec 2021	5,985,854	-	-
Total			5,985,854	8,625,000	-

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

Fair value hierarchy – 31 December 2020

	Note	Date of Valuation	Level 1	Level 2	Level 3
		$	$	$	$
Assets measured at fair value					
Land and Buildings – 370 Pitt Street, Sydney	6B	25 March 2021	-	8,625,000	-
Investment Properties – 63 Market Street, Wollongong	5C	31 Dec 2020	800,000	-	-
Financial assets	6A	31 Dec 2020	5,524,597	-	-
Total			6,324,597	8,625,000	-

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

Note 15 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 Commission:

(1) A member of a reporting unit, or the Commissioner, 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 16 Branch Details

The registered office of the Branch is:

CEPU – Electrical Division – New South Wales Branch
Level 5, 370 Pitt Street
SYDNEY NSW 2000

Note 17 Segment Information

The Branch operates solely in one reporting business segment being the provision of trade union services.

The Branch operates from one reportable geographical segment being New South Wales and the Australian Capital Territory.

Note 18 Administration of Financial Affairs by a Third Party

The terms and conditions of the arrangement are that all administrative and operational costs incurred in the day to day running of the Branch and the Electrical Trades Union of Australia (NSW Branch (a trade union registered under the *Industrial Relations Act 1996 (NSW)* (ETU NSW) including affiliation fees to other organisations or associations having objects similar to the ETU NSW, other than sustentation fees to be paid by the Branch to the CEPU – Electrical Division pursuant to the Rules of the CEPU, will be met by the ETU NDSW from its own funds and thereafter reimbursed by the Branch to the ETU NSW from the funds of the Branch.

At the end each financial year, any surplus which may exist between those entrance fees or subscriptions collected from joint members and the said administrative and operations costs will be divided equally between the Branch and the ETU NSW any deficit will be met equally by the Branch and ETU NSW.

Refer to Note 11A for additional information.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – NEW SOUTH WALES BRANCH

OFFICER DECLARATION STATEMENT

I Allen Hicks, being the Branch Secretary of the Communications, Electrical, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – New South Wales Branch, declare that the following did not occur during the reporting period ended 31 December 2021:

The reporting unit did not:

- Agree to receive financial support from another reporting unit to continue as a going concern (refer to agreement regarding financial support not dollar amounts)
- Agree to provide financial support to another reporting unit to ensure they continued as a going concern (refer to agreement regarding financial support not dollar amounts)
- Acquired 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 of revocation by the General Manager, Fair Work Commission
- Receive capitation fees or any other revenue from another reporting unit
- Receive a donation or grants
- Receive revenue from undertaking recovery of wages activity
- Incur fees as consideration for employers making payroll deductions of membership subscriptions
- Pay affiliation fees to other entity
- Pay a grant that was $1,000 or less
- Pay a grant that exceeds $1,000
- Pay a donation that was $1,000 or less
- Pay a donation that exceeded $1,000
- Pay wages and salaries to holders of office
- Pay superannuation to holders of office
- Pay leave and other entitlements to holders of office
- Pay a separation and redundancy to holders of office
- Pay other employee expenses to holders of office
- Pay wages and salaries to holders to employees (other than holders of office)
- Pay superannuation to holders of employees (other than holders of office)
- Pay leave and other entitlements to employees (other than holders of office)
- Pay a separation and redundancy to employees (other than holders of office)
- Pay other employee expenses to employees (other than holders of office)
- Pay a person fees or allowances to attend conferences or meetings as a representative of the reporting unit.
- Incur expenses due to holding a meeting as required under the rules of the organisation
- Have a receivable with other reporting unit(s)
- Have a payable with other reporting unit(s)
- Have a payable to an employer for that employer making payroll deductions of membership subscriptions
- 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 an annual leave provision in respect of holders of office
- Have a long service leave provision in respect of holders of office
- Have a separation and redundancy provision in respect of holders of office
- Have other employee provisions in respect of holders of office

OFFICER DECLARATION STATEMENT (CONTINUED)

- Have an annual leave provision in respect of employees (other than holders of office)
- Have a long service leave provision in respect of employees (other than 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 of account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- Transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- Receive cash flows from another reporting units and/ or controlled entity
- Make a payment to a former related party of the reporting unit

....

Allen Hicks

Branch Secretary

11 April 2022