



Australian Government
Registered Organisations Commission

30 September 2019

Mr Shane Murphy
Branch Secretary
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia-Communications Division - New South Wales Postal and
Telecommunications Branch

By e-mail: admina@cepu.org

c.c. avinash.pala@cepu.org

Dear Mr Murphy

**Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia-Communications Division - New South Wales Postal and
Telecommunications Branch**
Financial Report for the year ended 31 March 2019 - FR2019/14

I acknowledge receipt of the amended financial report for the year ended 31 March 2019 for the
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia-Communications Division - New South Wales Postal and
Telecommunications Branch (**the reporting unit**). The financial report was lodged with the
Registered Organisations Commission (**ROC**) on 30 September 2019.

The financial report has now been filed. You are not required to take any further action in
respect of the report lodged.

Should you wish to discuss I may be contacted on (03) 9603 0707 or by email at
ken.morgan@roc.gov.au

Yours faithfully

KEN MORGAN
Financial Reporting Specialist
Registered Organisations Commission

Certificate by prescribed designated officer

Certificate for the year ended 31 March 2019

I, Shane Murphy, being the Branch Secretary of the CEPU NSW Postal and Telecommunications Branch, certify:

- that the documents lodged herewith are copies of the full report for the CEPU NSW Postal and Telecommunications Branch for the year ended 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 the 30 September 2019; and
- that the full report was presented to the Branch Committee of Management of the reporting unit on 30 September 2019 in accordance with s266 of the Fair Work (Registered Organisations) Act 2009.

If you require further information, please do not hesitate to contact me on (02) 9893 7822.

Signature of Prescribed designated officer: _____

Name of Prescribed designated officer:

Title of the prescribed designated officer:


SHANE MURPHY
BRANCH SECRETARY

Dated: **30 September 2019**



**COMMUNICATIONS
ELECTRICAL
PLUMBING
UNION**

Communications Division

**NSW Postal &
Telecommunications Branch**

Shane Murphy
Branch Secretary

Level 3
81 George Street
Parramatta NSW 2150

PO Box 250
Parramatta NSW 2124

Ph: 02 9893 7822
Fax: 02 9893 7396
E-mail: admina@cepu.org

www.cepu.org

ABN 81 643 762 631

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COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA

POSTAL AND TELECOMMUNICATIONS BRANCH NSW

FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2019

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

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**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

OPERATING REPORT

Branch Committee of Management report in accordance with section 254 of the Fair Work (Registered Organisations) Act 2009 for the year ended 31 March 2019.

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

The principal activities of the Communications, Electrical, Plumbing Union of Australia, Postal and Telecommunications NSW Postal & Telecommunication Branch (CEPU NSW P & T Branch) are to:

- Represent and provide industrial and organising services to its members with the objective of protecting and improving the interests of its members;
- Be active in negotiating the Enterprise agreement for improvements in wages and working conditions for its members across the board;
- Handle daily workplace enquiries for its members including any work related disputes that may have arisen in their organisation;
- Organise and recruit new members;
- Undertake training and development for the delegates of the CEPU NSW P&T Branch.

There have been no significant changes to the way the CEPU NSW P&T Branch has carried out these activities during the last financial year.

Operating Result

The operating surplus for the Branch for the year ending 31 March 2019 is \$245,072 (2018: \$405,437).

Significant changes in financial affairs

There have been no significant changes to the operating costs of the Branch in the last financial year.

Right of members to resign

Members have the right to resign their membership of the CEPU NSW P&T Branch by giving written notice of resignation to the Branch Secretary. This written notification is accepted subject to the rules of CEPU and in accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009. In accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation. There was no change to this rule during the year.

Number of members

Under section 230 of the Fair Work (Registered Organisations) Act 2009 the number of persons recorded in the register of members and who under section 244 of the Fair Work (Registered Organisations) Act 2009 are taken to be members of the Branch of the CEPU NSW P&T Branch as at 31 March 2019 was 7,875 (2018: 7,861).

Number of employees

The number of persons, both full-time and part time employees measured on a full-time equivalent basis, employed by the Branch as at 31 March 2019 was 15 (2018: 14).

Details of officers or members who are trustees, or directors of a company that is a trustee, of a superannuation entity because they are a member or an officer of a registered organisation

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

OPERATING REPORT (cont'd)

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such a position is that they are an officer or member of an organisation

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

The names of persons who have at any time during the financial year ending 31 March 2019 been members of the CEPU P & T NSW Branch Committee of Management and periods they served on the branch committee are as follows:

<u>Position</u>	<u>Name</u>	<u>Period</u>
Branch President	Rod Baxter	01/04/2018 - 31/03/2019
Branch Vice Presidents	Maureen Morris	01/04/2018 - 31/03/2019
	Peter O'Connell	01/04/2018 - 31/03/2019
Branch Secretary	Shane Murphy	01/04/2018 - 31/03/2019
Branch Assistant Secretary	Peter Chaloner	01/04/2018 - 31/03/2019
Branch Organisers	Gil Enzon	01/04/2018 - 31/03/2019
	Tan Kien Ly	01/04/2018 - 31/03/2019
	Ellen Huttly	01/04/2018 - 31/03/2019
	Dennis Williams	16/05/2018 - 31/03/2019
Lines & General Sectional Representatives	Max Catania	01/04/2018 - 31/03/2019
	Dennis Garlick	01/04/2018 - 31/03/2019
	George Deligiannis	01/04/2018 - 31/03/2019
	Tony Damjanovski	01/04/2018 - 31/03/2019
Postal Sectional Representatives	Donald Watson	01/04/2018 - 31/03/2019
	David Wong	01/04/2018 - 31/03/2019
	James McCallum	01/04/2018 - 31/03/2019
	Patrick Edgerton	01/04/2018 - 31/03/2019
	Trong Minh Luu	01/04/2018 - 31/03/2019
	Anita Rathour	01/04/2018 - 31/03/2019
	Mark Beckman	01/04/2018 - 31/03/2019

For and on behalf of the Committee of Management



SHANE MURPHY
BRANCH SECRETARY
30 September 2019

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

REPORT REQUIRED UNDER SUBSECTION 255(2A) for the year ended 31 March 2019

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 March 2019.

Categories of Expenditure	31 March 2019	31 March 2018
Remuneration and other employment-related costs and expenses - employees	1,623,274	1,474,846
Advertising	-	-
Operating costs	174,626	293,005
Donations to political parties	3,383	3,200
Legal costs	294,865	70,529

Signature of designated officer: SHANE MURPHY
Branch Secretary



Dated:30 September 2019.....

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**


BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT

On 30 September 2019 the Branch Committee of Management of the Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the year ended 31 March 2019.

The Branch 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 branch for the financial year ended 31 March 2019;
- (d) there are reasonable grounds to believe that the Branch 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 Branch Committee of Management were held in accordance with the rules of the organisation and the rules of the organisation including the rules of the branch concerned; and
 - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation and the rules of the Branch; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) the financial records of the branch have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by the member of the reporting unit or Commissioner duly made under section 272 of the RO Act 2009 has been provided to the member or commissioner; and
 - (vi) where any order for the inspection of the financial records was made by the Fair Work Commission under section 273 of the RO Act 2009, there has been compliance.

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


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SHANE MURPHY

30 September 2019

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 \$	2018 \$
INCOME			
Membership Contributions	3 a	3,171,864	3,183,292
Interest		53,327	18,972
Rental Income - property		773,092	777,099
Dividends - available for sale financial assets		507	535
Tenants Outgoings		17,317	4,981
Grants & Donations		-	-
Levies		-	-
Sundry Income		182,908	4,125
TOTAL INCOME		<u>4,199,015</u>	<u>3,989,003</u>
EXPENDITURE			
Depreciation			
Building		175,013	179,500
Office Furniture & Equipment		5,750	31,010
Motor Vehicles		53,758	56,630
		<u>234,521</u>	<u>267,140</u>
Employee Benefits Expense			
Salaries - Officials	4 d	1,123,061	1,137,194
Salaries - Staff	4 d	296,080	253,265
Payroll Tax	4 d	80,619	83,613
Provident Fund and Superannuation	4 d	231,284	136,853
Provision for Long Service Leave	4 d	38,047	(36,079)
Provision for Annual Leave	4 d	6,005	(50,000)
Provision for Sick Leave	4 d	(151,822)	(50,000)
		<u>1,623,274</u>	<u>1,474,846</u>
Other Expenses			
Affiliation Fees	4 a	75,575	36,976
Audit Fees	14	31,100	29,000
Bank Charges		30,604	30,617
Capitation - Divisional Conference	4 a	615,753	708,602
CEPU Journey cover		55,487	56,438
Campaign Expenses - Your Rights At Work & research report		70,150	56,808
Collection Costs - Membership Contributions		16,942	21,238
Computer Expenses		59,526	47,605
Delegates, Meetings and Officials Expenses	4 f	157,461	78,532
Donations & Grants	4 b	5,883	6,800
Electricity, Gas and Heating		48,739	49,150
Emergency Ambulance Transport Benefit		17,040	8,283
Equipment Rental		12,263	17,220
Fringe Benefits Tax		5,847	11,089
Honorarium		2,000	4,000
Insurance		11,447	34,813
Land Tax		15,211	43,563
Legal and Professional Fees	4 e	294,865	70,529
Property leasing commission		-	-
Carried Forward		<u>1,525,893</u>	<u>1,311,263</u>

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

	Note	2019 \$	2018 \$
Other Expenses (cont'd)			
Brought Forward		1,525,893	1,311,263
Loss on Disposal of Assets	4 c	-	21,434
Advertising		8,090	-
Management Fees Building		89,680	40,010
Mortality Benefits Paid		3,000	3,000
Motor Vehicle Expenses		64,989	58,156
National Council Fund	4 a	22,907	22,851
Other Expenditure		59,543	58,854
Parking Space Levy		15,660	15,300
Postage, Printing and Stationery		60,937	80,241
Publications and Communication		-	-
Rates and Taxes		90,650	80,049
Repairs and Maintenance		109,766	91,049
Sub-Branch Expenses		-	-
Telecommunication costs		24,969	26,213
Training		2,203	601
Workers Compensation		17,861	22,558
		<u>2,096,148</u>	<u>1,841,580</u>
TOTAL EXPENDITURE		<u>3,953,943</u>	<u>3,583,566</u>
NET SURPLUS FOR THE YEAR		<u>245,072</u>	<u>405,437</u>
Other Comprehensive Income			
Gain on available for sale financial assets		-	1,314
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>245,072</u>	<u>406,751</u>

The attached notes form part of these financial statements

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash and Cash Equivalents	5 a	4,158,001	3,866,096
Receivables	5 b	312,374	41,482
Receivables - member Contributions in Transit		179,714	181,719
		<u>4,650,090</u>	<u>4,089,296</u>
NON CURRENT ASSETS			
Investments	6 a	6,687	6,687
Property, Plant and Equipment	6 b-d	14,462,815	14,688,548
		<u>14,469,502</u>	<u>14,695,235</u>
TOTAL ASSETS		<u>19,119,591</u>	<u>18,784,531</u>
CURRENT LIABILITIES			
Provision for Long Service Leave	8	108,744	70,697
Provision for Annual Leave	8	86,021	80,016
Provision for Sick Leave	8	47,278	199,100
Sundry Creditors and Accruals	7 b	387,884	191,103
Sundry Creditor - Divisional Conference	7 a	62,525	61,548
		<u>692,453</u>	<u>602,464</u>
NON CURRENT LIABILITIES			
Provision for Long Service Leave	8	<u>22,973</u>	<u>22,973</u>
TOTAL LIABILITIES		<u>715,426</u>	<u>625,473</u>
NET ASSETS		<u>18,404,165</u>	<u>18,159,094</u>
Accumulated Funds		12,524,070	12,278,999
Reserves		5,880,095	5,880,095
ACCUMULATED FUNDS AND RESERVES		<u>18,404,165</u>	<u>18,159,094</u>

The attached notes form part of these financial statements

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

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

	Accumulated Funds \$	Asset Revaluation Reserve \$	Available for sale reserve \$	Total \$
Balance at 1 April 2017	11,873,562	5,875,000	3,781	17,752,343
Surplus for the year	405,437	-	-	405,437
Other Comprehensive Income	-	-	1,314	1,314
Balance at 31 March 2018	12,278,999	5,875,000	5,095	18,159,094
Surplus for the year	245,072	-	-	245,072
Other Comprehensive Income	-	-	-	-
Balance at 31 March 2019	12,524,070	5,875,000	5,095	18,404,165

The attached notes form part of these financial statements

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 \$	2018 \$
OPERATING ACTIVITIES			
Cash Received			
Receipts from Members		3,189,181	3,188,273
Rent Received		773,092	777,099
Other Receipts		184,429	4,125
Interest Received		53,327	18,972
Dividend Received		507	535
Cash used			
Payments to Suppliers and Employees		(3,247,143)	(3,494,667)
Payments to CEPU Divisional Conference		(652,700)	(708,602)
NET CASH FROM OPERATING ACTIVITIES	9(b)	<u>300,693</u>	<u>(214,266)</u>
INVESTING ACTIVITIES			
Cash used			
Proceeds on disposal of Property, Plant and Equipment		-	21,454
Payment for Property, Plant and Equipment		(8,788)	(212,746)
NET CASH USED IN INVESTING ACTIVITIES		<u>(8,788)</u>	<u>(191,292)</u>
NET INCREASE / (DECREASE) IN CASH HELD		291,905	(405,558)
Cash at 1 April 2018		<u>3,866,096</u>	<u>4,271,654</u>
CASH AT 31 MARCH 2019	9(a)	<u>4,158,001</u>	<u>3,866,096</u>

The attached notes form part of these financial statements

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

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**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

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 CEPU NSW P & T Branch is a not-for profit entity.

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

The following is a summary of other significant accounting policies adopted in the preparation of the financial statements.

1.2 Comparatives

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

1.3 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

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

- AASB 9 Financial Instruments and relevant amending standards, which replaces AASB 139 Financial Instruments: Recognition and Measurement. The impact of applying this standard is discussed further below.

Impact on adoption of AASB 9

(a) Initial application

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

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

CEPU NSW P & T Branch has applied AASB 9 retrospectively, with an initial application date of 1 April 2018. CEPU NSW P & T Branch has not restated the comparative information, which continues to be reported under AASB 139. There were no quantifiable differences arising from the adoption of AASB 9.

(1) Classification and measurement

Under AASB 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI (other comprehensive income). The classification is based on two criteria: CEPU NSW P & T Branch's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of CEPU NSW P & T Branch's business model was made as of the date of initial application, 1 April 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact to the CEPU NSW P & T Branch.

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

The CEPU NSW P & T Branch has not designated any financial liabilities as at fair value through surplus or deficit. There are no changes in classification and measurement for the CEPU NSW P & T Branch's financial liabilities.

In summary, upon adoption of AASB 9, the CEPU NSW P & T Branch applied the following required or elected reclassifications:

1 July 2018	AASB 9 measurement category			
	Fair value through profit or loss	Amortised cost	Fair value through OCI	
	\$	\$	\$	\$
AASB 139 measurement category				
Loans and receivables				
Trade and other receivables	312,374	-	312,374	-
	312,374	-	312,374	-

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(ii) Impairment loss

The adoption of AASB 9 has fundamentally changed the CEPU NSW P & T Branch's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking ECL (expected credit loss) approach. AASB 9 requires the CEPU NSW P & T Branch to recognise an allowance for ECLs for all debt instruments not held at fair value through the surplus or deficit and contract assets, i.e. those held at amortised cost and at FVTOCI (fair value through other comprehensive income).

Upon adoption of AASB 9 the CEPU NSW P & T Branch did not recognise any additional impairment on trade receivables.

Future Australian Accounting Standards Requirements

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

Standard Name	Effective date year ended	Requirements	Impact
AASB 16: Leases	31 March 2020	<p>AASB16 will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations.</p> <p>AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.</p> <p>The main changes introduced by the new Standard include:</p> <ul style="list-style-type: none"> - recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets); - depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components; - Variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date; - by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and - Additional disclosure requirements. 	Under AASB 16 current leases amounting to \$53,955 will be reclassified to Statement of Financial Position.

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Standard Name	Effective date year ended	Requirements	Impact
AASB 1058 Income of Not-for-Profit Entities	31 March 2020	AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-to-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions. Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment). Upon initial recognition of the asset, AASB 1058 requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as: a Contributions by owners; b Revenue, or a contract liability arising from a contract with a customer; c A lease liability; d A financial instrument; or e A provision. These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.	There is not expected to be any significant impact on the reported financial position and performance.

1.4 Revenue

Revenue from Membership contributions is accounted for on an accruals basis, and recorded in the year to which it relates, and to the extent that the amounts due are considered receivable.

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

Board fees are fees received where CEPU NSW P&T Branch officials are appointed to a board of trustees for superannuation funds as union representatives. These fees are recognised on an accruals basis. In prior years the board fees were retained by the officials as permitted by the National body ruling in 2004 as to the accounting for other remuneration received in connection with the duties of the union official, external to the Union activities. Since April 2015 the fees are remitted to the Branch net of the PAYE obligation on the receiving officer.

Interest and dividend income is accounted for on an accruals basis.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

1.5 Leases

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

1.6 Cash and Cash equivalents

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

1.7 Income Tax

No provision for Income Tax is necessary as the CEPU NSW P&T Branch is exempt from Income Tax under Section 50 - 15 of the Income Tax Assessment Act 1997 however still has the obligation for Fringe Benefits Tax (FBT) and the Goods and services tax (GST).

1.8 Gains

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

1.9 Goods and Services Tax

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

1.10 Financial instruments

Financial assets and financial liabilities are recognised when the CEPU NSW P&T Branch becomes a party to the contractual provisions of the instrument.

(1) 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 CEPU NSW P&T Branch's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the CEPU NSW P&T 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.

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 CEPU NSW P&T 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.

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 CEPU NSW P&T Branch 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 CEPU NSW P&T Branch's financial assets at amortised cost includes trade receivables.

Derecognition

A financial asset is derecognised when:

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

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

When the CEPU NSW P&T 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 CEPU NSW P&T 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

(i) Trade receivables

For trade receivables that do not have a significant financing component, the CEPU NSW P&T 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 CEPU NSW P&T Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL's at each reporting date. The CEPU NSW P&T 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. Historically, CEPU NSW P&T Branch have received membership fees and rental income and the CEPU NSW P&T Branch expects this trend to continue and has therefore not recognised any loss allowance.

(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 CEPU NSW P&T Branch recognises an allowance for expected credit losses using a 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 CEPU NSW P&T Branch expects to receive, discounted at an approximation of the original effective interest rate.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 CEPU NSW P&T Branch considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the CEPU NSW P&T Branch may also consider a financial asset to be in default when internal or external information indicates that the CEPU NSW P&T 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.

(2) Financial liabilities

Initial recognition and measurement

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.

The CEPU NSW P&T Branch's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost 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.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

1.11 Contingent Liabilities and contingent assets

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

1.12 Buildings, plant and equipment

Asset recognition threshold

Purchases of 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 - Buildings

Following initial recognition at cost, the 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. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, 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:

Asset Class	2019	2018
Buildings	40 years	40 years
Plant and equipment	2 to 10 years	2 to 10 years
Motor vehicles	3 to 5 years	3 to 5 years

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Derecognition

An item of buildings, plant and equipment and motor vehicle 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.

1.13 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 CEPU Communications Division were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.14 Capitation fees and levies

Capitation fees and levies are recognised on an accruals basis and recorded as a revenue and/or expense in the year to which they relate.

1.15 Employee Benefits

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

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

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

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

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FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

1.16 Going concern

The CEPU NSW P&T Branch is not reliant on the financial support of any other reporting units to ensure they can continue on a going concern basis.

The CEPU NSW P&T Branch has not agreed to provide financial support to another reporting entity to ensure they can continue as a going concern basis.

The CEPU NSW P&T Branch provides Capitation Fees to the Divisional Conference Funds.

1.17 Administration

The Branch has not been administered by another entity.

1.18 Amalgamations and Restructures

There have been no amalgamations or restructures in the financial year and previous financial year. No assets or liabilities have been acquired as a result of any amalgamations or restructures.

1.19 Business Combinations

There have been no business combinations during the financial year and previous financial year. No assets or liabilities have been acquired as a result of any business combinations.

1.20 ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Significant accounting estimates and assumptions

The Branch makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

b) Critical judgments in applying the Branch's accounting principles

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

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FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

2. Events after the reporting period

There were no events that occurred after 31 March 2019, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the CEPU NSW P&T Branch.

3. Revenue

(a) Membership contributions

	2019	2018
	\$	\$
Membership contributions	3,171,864	3,183,292

(b) Other income

The following income items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. Capitation/Sustentation fees
- b. Donations or grants
- c. Other financial support from other reporting units

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FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

4. Expenses

- (a) Fees and periodic subscriptions are paid in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters:

	2019 \$	2018 \$
Affiliation Fees		
ALP NSW Branch	19,857	35,327
ALP ACT Branch	-	1,649
Unions NSW	55,718	-
	<u>75,575</u>	<u>36,976</u>
 CEPU Divisional Conference (Capitation Fees)	 615,753	 708,602
 CEPU National Office (National Council Fund)	 22,907	 22,851

(b) Donations

Total expensed that were \$1,000 or less	563	1,644
Total expensed that exceeded \$1,000	5,320	5,156
Total net losses from sale of assets	<u>5,883</u>	<u>6,800</u>

(c) Net losses from sale of assets

Motor Vehicles	-	21,434
Total net losses from sale of assets	<u>-</u>	<u>21,434</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

	2019 \$	2018 \$
(d) Employee expenses related to holders of office		
Holders of Office:		
Wages and Salaries	1,123,061	1,137,194
Superannuation	187,907	109,482
Payroll tax	80,619	83,613
Leave and other entitlements	(107,770)	(136,079)
Separation and redundancies	-	-
	<u>1,283,817</u>	<u>1,194,210</u>
Employees other than office holders:		
Wages and Salaries	296,080	253,265
Superannuation	43,377	27,371
Leave and other entitlements	-	-
Separation and redundancies	-	-
	<u>339,457</u>	<u>280,636</u>
Total employee expenses	<u>1,623,274</u>	<u>1,474,846</u>
(e) Legal and Professional Fees		
Legal costs - litigation	286,664	70,529
Legal costs - other matters	8,201	-
	<u>294,865</u>	<u>70,529</u>
(f) Delegates expenses		
Included in delegate's expense are:		
Fees or allowances for attendances as representatives of the Union at conferences or other meetings	34,081	22,243
Expenses incurred in connection with holding meetings of members of the reporting unit	74,391	56,289
Expenses incurred in connection with CEPU dinner night	36,735	-
Expenses incurred in connection with the central branch	12,254	-
Total delegates expenses	<u>157,461</u>	<u>78,532</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)**

(g) Other expenses

	2019	2018
	\$	\$
Payments to employers for payroll deduction activity	12,181	38,457

The following expense items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. Compulsory levies
- b. Penalties imposed under the RO Act.
- c. Amounts paid in grants that were \$1,000 or less
- d. Amounts paid in grants that exceed \$1,000

5. Current Assets

(a) Cash and cash equivalents

Cash on Hand	800	800
Cash at Bank	127,005	288,695
Cash Management Account	30,197	3,576,601
Term deposit - short term	4,000,000	-
	<u>4,158,001</u>	<u>3,866,096</u>

(b) Trade and other Receivables

Receivables from other reporting units

Amounts due from CEPU Divisional Conference	195,006	-
Total receivables from other reporting unit	<u>195,006</u>	<u>-</u>
Less allowance for expected credit losses	-	-
Receivables from other reporting units (net)	<u>195,006</u>	<u>-</u>

Other receivables:

Bonds	6,795	6,795
Accrued Interest	7,693	-
Prepayments	77,867	-
Sundry Debtors	25,013	34,687
Total other receivables	<u>117,368</u>	<u>41,482</u>

Total trade and other receivables (net)

<u><u>312,374</u></u>	<u><u>41,482</u></u>
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

6. Non-current assets

	2019	2018
	\$	\$

Note 6A: Financial Assets

NRMA shares, at fair value	6,687	6,687
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Fair value of the listed share fund was based on the market value of the investment in accordance to the statement as at 31 March 2019 provided by the investment management institution.

Movement Schedule	2019	2018
NRMA Shares	\$	\$
Opening - April	6,687	5,373
Additions	-	-
Revaluation increment	-	1,314
Closing - March	6,687	6,687

The CEPU NSW P&T Branch measures and recognises the following assets and liabilities at fair value on a recurring basis. However, the movement in the fair value of shares was not material this year.

Note 6B: Buildings

Buildings - 81 George Street, Parramatta

at Fair value	14,500,000	14,500,000
accumulated depreciation	(354,513)	(179,500)
Total Buildings	14,145,487	14,320,500

Reconciliation of the opening and closing balances of buildings

As at 1 April

Gross book value	14,500,000	14,500,000
Accumulated depreciation	(179,500)	(179,500)
Net book value 1 April	14,320,500	14,320,500
Additions / Revaluations	-	-
Depreciation expense	(175,013)	(354,513)
Net book value 31 March	14,145,487	14,145,487

Net book value as of 31 March represented by:

Gross book value	14,500,000	14,500,000
Accumulated depreciation	(354,513)	(179,500)
Net book value 31 March	14,145,487	14,320,500

The fair value of the CEPU NSW P&T Branch's property at 81 George Street, Parramatta is based on appraisals performed by an independent, professionally-qualified property valuer (Statewide Valuations Pty Ltd). The last valuation was carried on in April 2017. The significant inputs and assumptions are developed in close consultation with the committee of management. The valuation processes and fair value changes are reviewed by the Committee of management at each reporting date. Part of the building is used to generate rental income determined on market rental rates and is considered to be the asset's highest and best use.

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	2019	2018
	\$	\$
Note 6C: Motor Vehicles		
Motor Vehicles		
at cost	309,341	309,341
accumulated depreciation	(168,039)	(114,281)
Total motor vehicles	141,302	195,060

Reconciliation of the opening and closing balances of plant and equipment

As at 1 April

Gross book value	309,341	309,341
Accumulated depreciation	(114,281)	(114,281)
Net book value 1 April	195,061	195,060
Additions by purchase	-	-
Depreciation expense	(53,758)	(53,758)
Net book value 31 March	141,302	141,302

Net book value as of 31 March represented by:

Gross book value	309,341	309,341
Accumulated depreciation	(168,039)	(114,281)
Net book value 31 March	141,302	195,060

Note 6D: Plant and equipment

Plant and equipment		
at cost	667,424	658,636
accumulated depreciation	(491,398)	(485,648)
Total plant and equipment	176,026	172,988

Reconciliation of the opening and closing balances of plant and equipment

As at 1 April

Gross book value	658,636	658,636
Accumulated depreciation	(485,648)	(485,648)
Net book value 1 April	172,988	172,988
Additions by purchase	8,786	19,536
Depreciation expense	(5,750)	(16,498)
Net book value 31 March	176,026	176,026

Net book value as of 31 March represented by:

Gross book value	667,424	658,636
Accumulated depreciation	(491,398)	(485,648)
Net book value 31 March	176,026	172,988

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7. Current Liabilities

Note 7A: Trade Payables

	2019 \$	2018 \$
Trade creditors and accruals	387,884	191,103
(a). Amounts payable to other reporting unit		
CEPU Divisional Conference	62,525	61,548
(b) Other payables		
Legal costs - litigation	198,663	19,946
Legal costs - other	8,201	-
Trade payables	113,183	80,150
GST and Group tax payable	64,798	91,007
Payables to employers as consideration for the employers making payroll deductions of membership subscriptions	-	-
Other payable	3,039	-
Total other payables	387,884	191,103

8. Provisions

Note 8A: Employee provisions

Office Holders:

Annual leave	79,328	68,404
Long service leave	131,717	93,670
Separations and redundancies	-	-
Other - sick leave	47,278	199,100

Subtotal employee provisions-office holders

258,323 361,174

Employees other than office holders

Annual leave	6,693	11,612
Long service leave	-	-
Separations and redundancies	-	-
Other - sick leave	-	-

Subtotal employee provisions- employees other than office

6,693 11,612

Total employee provisions

265,016 372,786

Current

242,043 349,813

Non-current

22,973 22,973

Total employee provisions

265,016 372,786

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

9. Cash Flow reconciliation

	2019	2018
	\$	\$
(a) Cash at the end of the year is shown in the statement of financial position as:		
Cash on Hand	800	800
Cash at Bank	127,005	288,695
Cash Management Account	30,197	3,576,601
ME Bank - Term Deposit	4,000,000	-
	<u>4,158,001</u>	<u>3,866,096</u>
(b) Reconciliation of cash flow from Operations with Net Surplus		
Net Surplus	246,593	405,437
Non-Cash Flows in net surplus		
Loss on Disposal of Assets	-	21,434
Depreciation	234,521	267,140
Changes in Assets and Liabilities		
Decrease / (Increase) in Deductions in Transit	2,005	(1,171)
(Increase) / Decrease in receivables	(270,892)	16,300
Increase / (Decrease) in Trade payables	195,260	(625,057)
Increase/(Decrease) in Sundry Creditors	976	(148,349)
Decrease in Provisions	(107,770)	(150,000)
CASH FLOWS FROM OPERATIONS	<u>300,693</u>	<u>(214,266)</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)**

10. Contingent liabilities, assets and commitments

Operating lease commitments - as lessee

The CEPU NSW P&T Branch had the following lease commitments for Plant and Equipment as at 31 March 2019. Future minimum rentals payable under non-cancellable operating leases as at 31 March are as follows:

	2019 \$	2018 \$
Payable within one year	13,489	13,489
Payable later than one year but not later than five years	40,466	53,955
Payable later than five years	-	-
	53,955	67,444

11. Related party disclosures

- (a) The following persons were members of the Branch Committee of Management during the financial period.

<u>Position</u>	<u>Name</u>	<u>Period</u>
Branch President	Rod Baxter	01/04/2018 - 31/03/2019
Branch Vice Presidents	Maureen Morris	01/04/2018 - 31/03/2019
	Peter O'Connell	01/04/2018 - 31/03/2019
Branch Secretary	Shane Murphy	01/04/2018 - 31/03/2019
Branch Assistant Secretary	Peter Chaloner	01/04/2018 - 31/03/2019
Branch Organisers	Gil Enzon	01/04/2018 - 31/03/2019
	Tan Kien Ly	01/04/2018 - 31/03/2019
	Ellen Huttly	01/04/2018 - 31/03/2019
	Dennis Williams	16/05/2018 - 31/03/2019
Lines & General Sectional Representatives	Max Catania	01/04/2018 - 31/03/2019
	Dennis Garlick	01/04/2018 - 31/03/2019
	George Deligiannis	01/04/2018 - 31/03/2019
	Tony Damjanovski	01/04/2018 - 31/03/2019
Postal Sectional Representatives	Donald Watson	01/04/2018 - 31/03/2019
	David Wong	01/04/2018 - 31/03/2019
	James McCallum	01/04/2018 - 31/03/2019
	Patrick Edgerton	01/04/2018 - 31/03/2019
	Trong Minh Luu	01/04/2018 - 31/03/2019
	Anita Rathour	01/04/2018 - 31/03/2019
	Mark Beckman	01/04/2018 - 31/03/2019

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

(b) Related party transactions

Transactions with related parties are on normal terms and conditions no more favourable than those available to other parties, unless otherwise stated.

- i. The aggregate amount of remuneration paid to officers during the financial year is disclosed in the Financial Report (Note 4 (d)).
- ii. The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officers was \$104,643 (2018: \$111,682).
- iii. There have been no other transactions between the officers and the Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW other than those relating to their membership of the Union and the reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.
- iv. Capitation fees and administration fees paid to Divisional Conference are disclosed as income and expenses respectively in the Statement of Profit or Loss and Other Comprehensive Income and as cash paid in Note 8.
- v. Amounts receivable from and payable to the Divisional Conference at balance date are disclosed in Note 5(b).

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 yearend 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. Impairment of receivables relating to amounts owed by related parties and declared person or body are as disclosed in Note 5B to the financial statements. 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.

No property was transferred to related parties during the financial year ended 31 March 2019.

	2019	2018
Fees paid by NSW branch for services provided	<u>89,604</u>	<u>64,249</u>

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

Note 11C: Key management personnel remuneration for the reporting period

	2019	2018
	\$	\$
Salary (including annual leave taken)	370,851	366,307
Annual leave accrued	32,699	32,699
Performance bonus	-	-
Total short-term employee benefits	403,550	399,006
Post-employment benefits:		
Superannuation	63,044	62,272
Total post-employment benefits	63,044	62,272
Other long-term benefits:		
Long-service leave	11,772	11,772
Total other long-term benefits	11,772	10,772
Termination benefits	-	-
Total	478,366	630,195

Note 11D: Transaction with key management personnel & their close family

members.

There were no Loans to/from key management personnel	-	-
Other transactions with key management personnel	-	-

	2019	2018
	\$	\$
12. Remuneration of auditors		
Audit Fees	31,100	29,000
Accounting and other support services	-	-
	31,100	29,000

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

13. Financial Instruments

The entity's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to and from related unions.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2019 \$	2018 \$
Note 13A: Categories of financial instruments		
Financial assets		
Held-to-maturity investments:		
Cash and cash equivalents	4,158,001	3,866,096
Total	4,158,001	3,866,096
Loans and receivables:		
Receivables - refer to Note 5B	312,374	41,482
Total	312,374	41,482
Carrying amount of financial assets	4,470,375	3,907,578
Financial liabilities		
Trade and other payables	387,884	191,103
Total	387,884	191,103
Carrying amount of financial liabilities	387,884	191,103
Note 13B: Net income and expense from financial assets		
Held-to-maturity		
Interest revenue	53,327	18,972
Gain/loss on disposal	-	-
Net gain/(loss) held-to-maturity	53,327	18,972
Net gain/(loss) from financial assets	53,327	18,972

The net income/expense from financial assets not at fair value through profit and loss is \$53,327 (2018: \$18,972).

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

Note 13C: Net income and expense from financial liabilities

The net income/expense from financial liabilities not at fair value through profit and loss is Nil (2018: Nil).

Note 13D: Credit risk

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 to the entity.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

Credit risk exposures

The maximum exposure 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 any provisions) as presented in the statement of financial position.

There is no collateral held by the entity securing trade and other receivables.

The CEPU NSW P&T Branch has no significant concentrations of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 5B.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 5B.

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2019 \$	2018 \$
Financial assets		
Trade and other receivables	312,374	41,482
Total	312,374	41,482
Financial liabilities		
Trade and other payables	387,884	387,884
Total	387,884	387,884

In relation to the entity's gross credit risk the following collateral is held: Nil

Currently the CEPU NSW P&T Branch does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

Set out below is the information about the credit risk exposure on financial assets using a provision matrix:

30 June 2019	Trade and other receivables						
	Days past due						
	Current	<30 days	30-60 days	61-90 days	>91 days	>180 days	Total
	\$	\$	\$	\$	\$	\$	\$
Expected credit loss rate	-0%	-0%	-0%	-0%	-0%	-0%	-0%
Estimate total gross carrying amount at default			-	-	-	-	-
Expected credit loss			-	-	-	-	-

30 June 2018	Trade and other receivables						
	Days past due						
	Current	<30 days	30-60 days	61-90 days	>91 days	>180 days	Total
	\$	\$	\$	\$	\$	\$	\$
Expected credit loss rate	-0%	-0%	-0%	-0%	-0%	-0%	-0%
Estimate total gross carrying amount at default			-	-	-	-	-
Expected credit loss			-	-	-	-	-

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

Note 13E: Liquidity risk

Contractual maturities for financial liabilities 2019

	On Demand	<1 year \$	1-2 years \$	2-5 years \$	>5 years \$	Total \$
Trade and other payables		387,884	-	-	-	387,884
Total		387,884	-	-	-	387,884

Contractual maturities for financial liabilities 2018

	On Demand	<1 year \$	1-2 years \$	2-5 years \$	>5 years \$	Total \$
Trade and other payables	-	191,103	-	-	-	191,103
Total	-	191,103	-	-	-	191,103

Note 13F: Market risk

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.

Sensitivity analysis of the risk that the entity is exposed to for 2019

	Risk Variable	Change in risk variable %	Effect on	
			Profit and loss \$	Equity \$
Interest rate risk	-	+1%	41,500	41,500
Interest rate risk	-	-1%	(41,500)	(41,500)

Sensitivity analysis of the risk that the entity is exposed to for 2018

	Risk Variable	Change in risk variable %	Effect on	
			Profit and loss \$	Equity \$
Interest rate risk	-	+1%	39,000	39,000
Interest rate risk	-	-1%	(39,000)	(39,000)

Price risk

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 of securities held.

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

14. Fair value measurement

Note 14A: Financial assets and liabilities

Management of the reporting unit assessed that cash; trade receivables and trade payables approximate their carrying amounts largely due to the short term maturities of these instruments.

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

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 March 2019 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
 - Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the reporting entity based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 March 2019 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

Note 14A: Financial assets and liabilities continued

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

	Carrying amount 2019 \$	Fair value 2019 \$	Carrying amount 2018 \$	Fair value 2018 \$
Financial Assets				
Cash and cash equivalents	4,158,001	4,158,001	3,866,096	3,866,096
Trade and other receivables	312,374	312,374	41,482	41,482
Total	4,470,375	4,470,375	3,907,578	3,907,578
Financial Liabilities				
Trade payables	387,884	387,884	191,103	191,103
Total	387,884	387,884	191,103	191,103

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

Note 14B: Fair value Measurement

No financial and non-financial assets and liabilities are measured at a fair value that is different to their carrying amount as at 31 March 2019.

Note 14C: Financial and non-financial assets and liabilities fair value hierarchy

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

Fair value hierarchy - 31 March 2019

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Building		-	14,145,487	-
Total		-	14,145,487	-
Liabilities measured at fair value				
NIL		-	-	-
Total		-	-	-

Property, plant and equipment was classified as level 1 due to independent valuation obtained.

Fair value hierarchy - 30 June 2018

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Building		-	14,320,500	-
Total		-	14,320,500	-
Liabilities measured at fair value				
NIL		-	-	-
Total		-	-	-

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

15. Administration of financial affairs by a third party

Name of entity providing service: N/A

Terms and conditions: N/A

Nature of expenses/consultancy service: N/A

16. 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 Commissioner:

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.

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.

A reporting unit must comply with an application made under subsection (1).

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNICATIONS ELECTRICAL PLUMBING UNION OF AUSTRALIA POSTAL AND TELECOMMUNICATIONS BRANCH NSW

Opinion

We have audited the financial report of Communications Electrical Plumbing Union – P&T Branch NSW, which comprises the statement of financial position as at 31 March 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then 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 Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Communications Electrical Plumbing Union – P&T Branch NSW as at 31 March 2019, 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 reporting unit 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 my report. We are independent of the Reporting Union in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my 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 our 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.

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

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**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF COMMUNICATIONS ELECTRICAL PLUMBING UNION OF
AUSTRALIA POSTAL AND TELECOMMUNICATIONS NSW BRANCH**

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit 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 reporting unit'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 reporting unit 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 our 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 our 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 reporting unit'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 reporting unit'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 reporting unit to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF COMMUNICATIONS ELECTRICAL PLUMBING UNION OF
AUSTRALIA POSTAL AND TELECOMMUNICATIONS NSW BRANCH**

- 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 Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the reporting unit 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.

I declare that I am an approved auditor under the RO Act.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, we are required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

Our opinion on the financial report is not modified in respect of the following matters because, in our opinion, it has been appropriately addressed by the reporting unit and is not considered material in the context of the audit of the financial report as a whole.

H M Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

G Webb

Graham Webb
Partner
Dated: 30 September 2019

Registration Number: AA2017/22

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

Officer declaration statement

I, Shane Murphy, being the branch Secretary of the Communications, Electrical, Electronic, Energy, Information Postal, Plumbing and Allied Services Union of Australia, NSW Postal and Telecommunications branch, declare that the following activities did not occur during the reporting period ending 31 March, 2019.

The reporting unit did not:

- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission.
- receive revenue from undertaking recovery of wages activity.
- have a fund or 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.
- make a payment to a former related party of the reporting unit



Signed by the officer:

Dated: 30 September 2019



Australian Government
Registered Organisations Commission

23 September 2019

Mr Shane Murphy
Branch Secretary
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia-Communications Division - New South Wales Postal and
Telecommunications Branch

By e-mail: admina@cepu.org
c.c. avinash.pala@cepu.org

Dear Mr Murphy

**Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia-Communications Division - New South Wales Postal and
Telecommunications Branch
Financial Report for the year ended 31 March 2019 - FR2019/14**

I acknowledge receipt of the financial report for the year ended 31 March 2019 for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia-Communications Division - New South Wales Postal and Telecommunications Branch (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 18 September 2019.

The financial report has not been filed. I have examined the report and identified a number of matters, the details of which are set out below, that you are required to address before the report can be filed.

The committee of management statement and general purpose financial report (GPFR) will require amendments. The amended report will need to be provided to members, presented to a meeting of the committee of management, republished on the reporting unit's website and lodged with the ROC.

The matters identified should be read in conjunction with the *Fair Work (Registered Organisations) Act 2009* (the RO Act), *Fair Work (Registered Organisations) Regulations 2009* (the RO Regs), the 5th edition of the Reporting Guidelines (RG) made under section 255 of the RO Act and Australian Accounting Standards.

1. Non-compliance with previous requests

While we filed last year's financial report (refer letter dated 18 September 2018), we raised certain issues for the reporting unit to address in the preparation of future reports. I note that the same errors have appeared in the current report, namely disclosure of donations and the notice setting out sections 272(1), (2) & (3).

The ROC aims to assist reporting units in complying with their obligations under the RO Act and reporting guidelines by providing advice about the errors identified in financial reports. Failure to address these issues may lead to the Commissioner exercising his powers under section 330 of the RO Act.

2. Committee of management statement

Recovery of wages disclosure

Please note that under the 5th edition of the Reporting Guidelines (RG) made under section 255 of the RO Act issued 4 May 2018 a statement in regard to recovery of wages activity in the committee of management statement is no longer required.

In place of the former requirements, item 13(e) of the 5th edition RGs requires the disclosure of any revenue derived from undertaking recovery of wages activity in either the statement of comprehensive income or the notes to the financial statements. RG 21 states that if any activity described within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included in the financial statements, the notes or in an officer's declaration statement. The reporting unit has disclosed this correctly in the officer declaration statement.

Please amend the committee of management statement to remove item (f).

3. General Purpose Financial Report (GPFR)

Notice setting out sections 272(1), (2) & (3)

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, with effect from 1 May 2017, section 272 refers to Commissioner of the ROC instead of the General Manager, Fair Work Commission.

Note 16 to the GPFR twice refers incorrectly to General Manager instead of Commissioner.

Please amend Note 16 accordingly.

For-profit or not-for profit entity

Australian Accounting Standard AASB 1054 *Australian Additional Disclosures* paragraph 8(b) requires that the entity disclose whether, for the purpose of preparing the financial statements, it is a for-profit or not-for-profit entity.

This information has not been provided.

Disclosure of donations expenditure

Reporting guideline 14(e) requires that where grants or donations have been paid, the total amounts paid are to be disclosed as follows -:

- (i) grants that were \$1,000 or less;
- (ii) grants that exceeded \$1,000;
- (iii) donations that were \$1,000 or less; and
- (iv) donations that exceeded \$1,000

The reporting unit will need to address the following three issues in relation to this disclosure.

Firstly, Notes 4(g)c. and 4(g)d. correctly disclose that nil was paid in grants. However, Note 4(b) discloses a total of \$5,883 for donations but does not distinguish the amount paid for the categories described above. Please amend the GPFR accordingly.

Secondly, there is a difference between the donations figure reported in loans, grants and donations statement lodged with the ROC on 28 June 2019 (\$5,319.80) and the GPFR (\$5,018)

If items reported in the loans, grants and donations statement are incorrect please lodge an amended statement. If the donations disclosure in the GPFR is incorrect, please amend accordingly.

Thirdly, Note 4(b) contains a level of detail for donations greater than that required by reporting guideline 14(e). The reporting unit may wish to reconsider disclosing the names of individuals in the amended GPFR.

If the amended report contains the same level of personal information the ROC will be redacting the names of individuals before publishing the financial report on its website to ensure compliance with the requirements under the *Privacy Act 1988*.

The ROC takes its obligations relating to privacy seriously and endeavours to ensure compliance with the requirements under the *Privacy Act 1988* (**Privacy Act**). The redactions will be made in accordance with the ROC privacy policy to protect the personal information of persons identified in the financial report. A copy of the ROC privacy policy can be found via [this link](#).

Nil disclosures disclosed more than once

The **officer's declaration statement (ODS)** provides reporting units with an option to disclose nil activities not reported elsewhere within the financial report.

Reporting guideline 21 states that if any activity described within items 10-20 of the reporting guidelines has not occurred in the reporting period, a statement to this effect must be included in the financial statements, the notes **or** in an ODS. Nil activities should be disclosed only **once**.

I note that the reporting unit's ODS includes the following items for which there was already a disclosure in the body of the notes.

- Item 10 – agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount) – is disclosed in both the officer's declaration statement and Note 1.16
- Item 11 – agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount) – is disclosed in both the officer's declaration statement and Note 1.16
- Item 13(a) – receive periodic or membership subscriptions – is disclosed in both the officer's declaration statement and Note 3a
- Item 13(b) – receive capitation fees from another reporting unit or any other revenue from another reporting unit – is disclosed in both the officer's declaration statement and Note 3(b)a
- Item 13(c) – receive revenue via compulsory levies – is disclosed in both the profit and loss and Note 3(b)b
- Item 13(d) – receive donations or grants – is disclosed in the profit and loss, officer's declaration statement and Note 3(b)c
- Item 14(b) – pay capitation fees or any other expense to another reporting unit – is disclosed in both the officer's declaration statement and Note 4(a)
- Item 14(c) – pay affiliation fees to another entity – is disclosed in both the officer's declaration statement and Note 4(a)

- Item 14(d) – pay compulsory levies – is disclosed in both the officer’s declaration statement and Note 4(d)
- Item 14(e)(i) – pay a grants that was \$1,000 or less – is disclosed in both the officer’s declaration statement and Note 4(g)c
- Item 14(e)(ii) – pay a grant that exceeded \$1,000 – is disclosed in both the officer’s declaration statement and Note 4(g)d
- Item 14(e)(iii) – pay a donation that was \$1,000 or less – is disclosed in both the officer’s declaration statement and Note 4(b)
- Item 14(e)(iv) – pay a donation that exceeded \$1,000 – is disclosed in both the officer’s declaration statement and Note 4(b)
- Item 14(h) – pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit – is disclosed in both the officer’s declaration statement and Note 4(f)
- Item 14(i) – incur expenses due to holding a meeting as required under the rules of the organisation – is disclosed in both the officer’s declaration statement and Note 4(f)
- Item 14(j)(i) – pay legal costs relating to litigation – is disclosed in both the officer’s declaration statement and Note 4(e)
- Item 14(j)(ii) – pay legal costs relating to other legal matters – is disclosed in both the officer’s declaration statement and Note 4(e)
- Item 14(k) – pay a penalty imposed under the RO Act or *Fair Work Act 2009* – is disclosed in both the officer’s declaration statement and Note 4(g)b
- Item 15(a) – have a receivable with another reporting unit – is disclosed in both the officer’s declaration statement and Note 5(b)
- Item 15(b) – have a payable with another reporting unit – is disclosed in both the officer’s declaration statement and Note 7(a)
- Item 16(a) – have a payable to employer as consideration for that employer making payroll deductions of membership subscriptions – is disclosed in both the officer’s declaration statement and Note 7(b)
- Item 16(b)(i) – have a payable in respect of legal costs relating to litigation – is disclosed in both the officer’s declaration statement and Note 7 (b)
- Item 16(b)(ii) - have a payable in respect of legal costs relating to other legal matters – is disclosed in both the officer’s declaration statement and Note 7(b)
- Item 18 – have cash flows to/from another reporting unit and/or controlled entity – is disclosed in both the officer’s declaration statement and cash flow statement
- Item 19 - have another entity administer the financial affairs of the reporting unit – is disclosed in both the officer’s declaration statement and Note 1.17

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully



KEN MORGAN

Financial Reporting Specialist

Registered Organisations Commission



Australian Government
Registered Organisations Commission

30 September 2019

Mr Shane Murphy
Branch Secretary
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia-Communications Division - New South Wales Postal and
Telecommunications Branch

By e-mail: admina@cepu.org

c.c. avinash.pala@cepu.org

Dear Mr Murphy

**Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia-Communications Division - New South Wales Postal and
Telecommunications Branch**
Financial Report for the year ended 31 March 2019 - FR2019/14

I acknowledge receipt of the amended financial report for the year ended 31 March 2019 for the
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia-Communications Division - New South Wales Postal and
Telecommunications Branch (**the reporting unit**). The financial report was lodged with the
Registered Organisations Commission (**ROC**) on 30 September 2019.

The financial report has now been filed. You are not required to take any further action in
respect of the report lodged.

Should you wish to discuss I may be contacted on (03) 9603 0707 or by email at
ken.morgan@roc.gov.au

Yours faithfully

KEN MORGAN
Financial Reporting Specialist
Registered Organisations Commission

S.268 Fair Work (Registered Organisations) Act 2009

Certificate by prescribed designated officer

Certificate for the year ended 31 March 2019

I, Shane Murphy, being the Branch Secretary of the CEPU NSW Postal and Telecommunications Branch, certify:

- that the documents lodged herewith are copies of the full report for the CEPU NSW Postal and Telecommunications Branch for the year ended 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 the 21 August 2019; and
- that the full report was presented to the Branch Committee of Management of the reporting unit on 18 September 2019 in accordance with s266 of the Fair Work (Registered Organisations) Act 2009.

If you require further information, please do not hesitate to contact me on (02) 9893 7822.

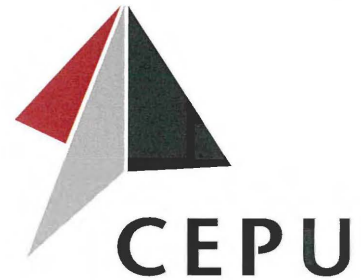
Signature of Prescribed designated officer: _____

Name of Prescribed designated officer:

Title of the prescribed designated officer:

SHANE MURPHY
BRANCH SECRETARY

Dated: **18 September 2019**



**COMMUNICATIONS
ELECTRICAL
PLUMBING
UNION**

Communications Division

**NSW Postal &
Telecommunications Branch**

Shane Murphy
Branch Secretary

Level 3
81 George Street
Parramatta NSW 2150

PO Box 250
Parramatta NSW 2124

Ph: 02 9893 7822
Fax: 02 9893 7396
E-mail: admina@cepu.org

www.cepu.org

ABN 81 643 762 631

Connecting
our community

Communications, Electrical, Electronic,
Energy, Information, Postal, Plumbing
and Allied Services Union of Australia

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA

POSTAL AND TELECOMMUNICATIONS BRANCH NSW

FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2019

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

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**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

OPERATING REPORT

Branch Committee of Management report in accordance with section 254 of the Fair Work (Registered Organisations) Act 2009 for the year ended 31 March 2019.

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

The principal activities of the Communications, Electrical, Plumbing Union of Australia, Postal and Telecommunications NSW Postal & Telecommunication Branch (CEPU NSW P & T Branch) are to:

- Represent and provide industrial and organising services to its members with the objective of protecting and improving the interests of its members;
- Be active in negotiating the Enterprise agreement for improvements in wages and working conditions for its members across the board;
- Handle daily workplace enquiries for its members including any work related disputes that may have arisen in their organisation;
- Organise and recruit new members;
- Undertake training and development for the delegates of the CEPU NSW P&T Branch.

There have been no significant changes to the way the CEPU NSW P&T Branch has carried out these activities during the last financial year.

Operating Result

The operating surplus for the Branch for the year ending 31 March 2019 is \$245,072 (2018: \$405,437).

Significant changes in financial affairs

There have been no significant changes to the operating costs of the Branch in the last financial year.

Right of members to resign

Members have the right to resign their membership of the CEPU NSW P&T Branch by giving written notice of resignation to the Branch Secretary. This written notification is accepted subject to the rules of CEPU and in accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009. In accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation. There was no change to this rule during the year.

Number of members

Under section 230 of the Fair Work (Registered Organisations) Act 2009 the number of persons recorded in the register of members and who under section 244 of the Fair Work (Registered Organisations) Act 2009 are taken to be members of the Branch of the CEPU NSW P&T Branch as at 31 March 2019 was 7,875 (2018: 7,861).

Number of employees

The number of persons, both full-time and part time employees measured on a full-time equivalent basis, employed by the Branch as at 31 March 2019 was 15 (2018: 14).

Details of officers or members who are trustees, or directors of a company that is a trustee, of a superannuation entity because they are a member or an officer of a registered organisation

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

OPERATING REPORT (cont'd)

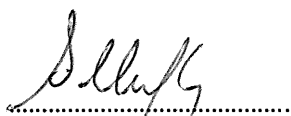
No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such a position is that they are an officer or member of an organisation

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

The names of persons who have at any time during the financial year ending 31 March 2019 been members of the CEPU P & T NSW Branch Committee of Management and periods they served on the branch committee are as follows:

<u>Position</u>	<u>Name</u>	<u>Period</u>
Branch President	Rod Baxter	01/04/2018 - 31/03/2019
Branch Vice Presidents	Maureen Morris	01/04/2018 - 31/03/2019
	Peter O'Connell	01/04/2018 - 31/03/2019
Branch Secretary	Shane Murphy	01/04/2018 - 31/03/2019
Branch Assistant Secretary	Peter Chaloner	01/04/2018 - 31/03/2019
Branch Organisers	Gil Enzon	01/04/2018 - 31/03/2019
	Tan Kien Ly	01/04/2018 - 31/03/2019
	Ellen Huttly	01/04/2018 - 31/03/2019
	Dennis Williams	16/05/2018 - 31/03/2019
Lines & General Sectional Representatives	Max Catania	01/04/2018 - 31/03/2019
	Dennis Garlick	01/04/2018 - 31/03/2019
	George Deligiannis	01/04/2018 - 31/03/2019
	Tony Damjanovski	01/04/2018 - 31/03/2019
Postal Sectional Representatives	Donald Watson	01/04/2018 - 31/03/2019
	David Wong	01/04/2018 - 31/03/2019
	James McCallum	01/04/2018 - 31/03/2019
	Patrick Edgerton	01/04/2018 - 31/03/2019
	Trong Minh Luu	01/04/2018 - 31/03/2019
	Anita Rathour	01/04/2018 - 31/03/2019
	Mark Beckman	01/04/2018 - 31/03/2019

For and on behalf of the Committee of Management



SHANE MURPHY
BRANCH SECRETARY
21 August 2019

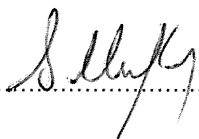
COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

REPORT REQUIRED UNDER SUBSECTION 255(2A) for the year ended 31 March 2019

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 March 2019.

Categories of Expenditure	31 March 2019	31 March 2018
Remuneration and other employment-related costs and expenses - employees	1,623,274	1,474,846
Advertising	-	-
Operating costs	174,626	293,005
Donations to political parties	3,383	3,200
Legal costs	294,865	70,529

Signature of designated officer: SHANE MURPHY
Branch Secretary



Dated:21 August 2019.....

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT


On 21 August 2019 the Branch Committee of Management of the Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the year ended 31 March 2019.

The Branch 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 branch for the financial year ended 31 March 2019;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 31 March 2019 and since the end of the financial year:
 - (i) meetings of the Branch Committee of Management were held in accordance with the rules of the organisation and the rules of the Branch; and
 - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation and the rules of the Branch; and
 - (iii) the financial records of the branch have been kept and maintained in accordance with the RO Act; and
 - (iv) the financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and
 - (v) no information has been sought in any request of a member of the branch or a Commissioner under section 272 of the RO Act 2009; and
 - (vi) no order for inspection of the financial records was made by the Fair Work Commission under section 273 of the RO Act 2009.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

Furthermore, the Branch Committee of Management resolves for the Branch Secretary to make available the GPFR to any member who makes a formal request in writing.

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


.....
SHANE MURPHY

21 August 2019

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 \$	2018 \$
INCOME			
Membership Contributions	3 a	3,171,864	3,183,292
Interest		53,327	18,972
Rental Income - property		773,092	777,099
Dividends - available for sale financial assets		507	535
Tenants Outgoings		17,317	4,981
Grants & Donations		-	-
Levies		-	-
Sundry Income		182,908	4,125
TOTAL INCOME		4,199,015	3,989,003
EXPENDITURE			
Depreciation			
Building		175,013	179,500
Office Furniture & Equipment		5,750	31,010
Motor Vehicles		53,758	56,630
		234,521	267,140
Employee Benefits Expense			
Salaries - Officials	4 d	1,123,061	1,137,194
Salaries - Staff	4 d	296,080	253,265
Payroll Tax	4 d	80,619	83,613
Provident Fund and Superannuation	4 d	231,284	136,853
Provision for Long Service Leave	4 d	38,047	(36,079)
Provision for Annual Leave	4 d	6,005	(50,000)
Provision for Sick Leave	4 d	(151,822)	(50,000)
		1,623,274	1,474,846
Other Expenses			
Affiliation Fees	4 a	75,575	36,976
Audit Fees	14	31,100	29,000
Bank Charges		30,604	30,617
Capitation - Divisional Conference	4 a	615,753	708,602
CEPU Journey cover		55,487	56,438
Campaign Expenses - Your Rights At Work & research report		70,150	56,808
Collection Costs - Membership Contributions		16,942	21,238
Computer Expenses		59,526	47,605
Delegates, Meetings and Officials Expenses	4 f	157,461	78,532
Donations & Grants	4 b	5,883	6,800
Electricity, Gas and Heating		48,739	49,150
Emergency Ambulance Transport Benefit		17,040	8,283
Equipment Rental		12,263	17,220
Fringe Benefits Tax		5,847	11,089
Honorarium		2,000	4,000
Insurance		11,447	34,813
Land Tax		15,211	43,563
Legal and Professional Fees	4 e	294,865	70,529
Property leasing commission		-	-
Carried Forward		1,525,893	1,311,263

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

	Note	2019 \$	2018 \$
Other Expenses (cont'd)			
Brought Forward		1,525,893	1,311,263
Loss on Disposal of Assets	4 c	-	21,434
Advertising		8,090	-
Management Fees Building		89,680	40,010
Mortality Benefits Paid		3,000	3,000
Motor Vehicle Expenses		64,989	58,156
National Council Fund	4 a	22,907	22,851
Other Expenditure		59,543	58,854
Parking Space Levy		15,660	15,300
Postage, Printing and Stationery		60,937	80,241
Publications and Communication		-	-
Rates and Taxes		90,650	80,049
Repairs and Maintenance		109,766	91,049
Sub-Branch Expenses		-	-
Telecommunication costs		24,969	26,213
Training		2,203	601
Workers Compensation		17,861	22,558
		<u>2,096,148</u>	<u>1,841,580</u>
TOTAL EXPENDITURE		<u>3,953,943</u>	<u>3,583,566</u>
NET SURPLUS FOR THE YEAR		<u>245,072</u>	<u>405,437</u>
Other Comprehensive Income			
Gain on available for sale financial assets		-	1,314
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>245,072</u>	<u>406,751</u>

The attached notes form part of these financial statements

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash and Cash Equivalents	5 a	4,158,001	3,866,096
Receivables	5 b	312,374	41,482
Receivables - member Contributions in Transit		179,714	181,719
		<u>4,650,090</u>	<u>4,089,296</u>
NON CURRENT ASSETS			
Investments	6 a	6,687	6,687
Property, Plant and Equipment	6 b-d	14,462,815	14,688,548
		<u>14,469,502</u>	<u>14,695,235</u>
TOTAL ASSETS		<u>19,119,591</u>	<u>18,784,531</u>
CURRENT LIABILITIES			
Provision for Long Service Leave	8	108,744	70,697
Provision for Annual Leave	8	86,021	80,016
Provision for Sick Leave	8	47,278	199,100
Sundry Creditors and Accruals	7 b	387,884	191,103
Sundry Creditor - Divisional Conference	7 a	62,525	61,548
		<u>692,453</u>	<u>602,464</u>
NON CURRENT LIABILITIES			
Provision for Long Service Leave	8	<u>22,973</u>	<u>22,973</u>
TOTAL LIABILITIES		<u>715,426</u>	<u>625,473</u>
NET ASSETS		<u>18,404,165</u>	<u>18,159,094</u>
Accumulated Funds		12,524,070	12,278,999
Reserves		5,880,095	5,880,095
ACCUMULATED FUNDS AND RESERVES		<u>18,404,165</u>	<u>18,159,094</u>

The attached notes form part of these financial statements

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

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

	Accumulated Funds \$	Asset Revaluation Reserve \$	Available for sale reserve \$	Total \$
Balance at 1 April 2017	11,873,562	5,875,000	3,781	17,752,343
Surplus for the year	405,437	-	-	405,437
Other Comprehensive Income	-	-	1,314	1,314
Balance at 31 March 2018	12,278,999	5,875,000	5,095	18,159,094
Surplus for the year	245,072	-	-	245,072
Other Comprehensive Income	-	-	-	-
Balance at 31 March 2019	12,524,070	5,875,000	5,095	18,404,165

The attached notes form part of these financial statements

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 \$	2018 \$
OPERATING ACTIVITIES			
Cash Received			
Receipts from Members		3,189,181	3,188,273
Rent Received		773,092	777,099
Other Receipts		184,429	4,125
Interest Received		53,327	18,972
Dividend Received		507	535
Cash used			
Payments to Suppliers and Employees		(3,247,143)	(3,494,667)
Payments to CEPU Divisional Conference		(652,700)	(708,602)
NET CASH FROM OPERATING ACTIVITIES	9(b)	<u>300,693</u>	<u>(214,266)</u>
INVESTING ACTIVITIES			
Cash used			
Proceeds on disposal of Property, Plant and Equipment		-	21,454
Payment for Property, Plant and Equipment		<u>(8,788)</u>	<u>(212,746)</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(8,788)</u>	<u>(191,292)</u>
NET INCREASE / (DECREASE) IN CASH HELD		291,905	(405,558)
Cash at 1 April 2018		<u>3,866,096</u>	<u>4,271,654</u>
CASH AT 31 MARCH 2019	9(a)	<u>4,158,001</u>	<u>3,866,096</u>

The attached notes form part of these financial statements

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

Index to the Notes of the Financial Statements

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Revenue
Note 4	Expenses
Note 5	Current assets
Note 6	Non-current assets
Note 7	Current liabilities
Note 8	Provisions
Note 9	Cash flow
Note 10	Contingent liabilities, assets and commitments
Note 11	Related party disclosures
Note 12	Remuneration of auditors
Note 13	Financial instruments
Note 14	Fair value measurements
Note 15	Administration of financial affairs by a third party
Note 16	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

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.

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

The following is a summary of other significant accounting policies adopted in the preparation of the financial statements.

1.2 Comparatives

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

1.3 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

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

- AASB 9 Financial Instruments and relevant amending standards, which replaces AASB 139 Financial Instruments: Recognition and Measurement. The impact of applying this standard is discussed further below.

Impact on adoption of AASB 9

(a) Initial application

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

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

CEPU NSW P & T Branch has applied AASB 9 retrospectively, with an initial application date of 1 April 2018. CEPU NSW P & T Branch has not restated the comparative information, which continues to be reported under AASB 139. There were no quantifiable differences arising from the adoption of AASB 9.

(1) Classification and measurement

Under AASB 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI (other comprehensive income). The classification is based on two criteria: CEPU NSW P & T Branch's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of CEPU NSW P & T Branch's business model was made as of the date of initial application, 1 April 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact to the CEPU NSW P & T Branch.

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

The CEPU NSW P & T Branch has not designated any financial liabilities as at fair value through surplus or deficit. There are no changes in classification and measurement for the CEPU NSW P & T Branch's financial liabilities.

In summary, upon adoption of AASB 9, the CEPU NSW P & T Branch applied the following required or elected reclassifications:

1 July 2018	AASB 9 measurement category			
	Fair value through profit or loss	Amortised cost	Fair value through OCI	
	\$	\$	\$	\$
AASB 139 measurement category				
Loans and receivables				
Trade and other receivables	312,374	-	312,374	-
	312,374	-	312,374	-

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(ii) Impairment loss

The adoption of AASB 9 has fundamentally changed the CEPU NSW P & T Branch's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking ECL (expected credit loss) approach. AASB 9 requires the CEPU NSW P & T Branch to recognise an allowance for ECLs for all debt instruments not held at fair value through the surplus or deficit and contract assets, i.e. those held at amortised cost and at FVTOCI (fair value through other comprehensive income).

Upon adoption of AASB 9 the CEPU NSW P & T Branch did not recognise any additional impairment on trade receivables.

Future Australian Accounting Standards Requirements

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

Standard Name	Effective date year ended	Requirements	Impact
AASB 16: Leases	31 March 2020	<p>AASB16 will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations.</p> <p>AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.</p> <p>The main changes introduced by the new Standard include:</p> <ul style="list-style-type: none"> - recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets); - depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components; - Variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date; - by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and - Additional disclosure requirements. 	Under AASB 16 current leases amounting to \$53,955 will be reclassified to Statement of Financial Position.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Standard Name	Effective date year ended	Requirements	Impact
AASB 1058 Income of Not-for-Profit Entities	31 March 2020	<p>AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-to-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions. Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment). Upon initial recognition of the asset, AASB 1058 requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as:</p> <ul style="list-style-type: none"> a Contributions by owners; b Revenue, or a contract liability arising from a contract with a customer; c A lease liability; d A financial instrument; or e A provision. <p>These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.</p>	There is not expected to be any significant Impact on the reported financial position and performance.

1.4 Revenue

Revenue from Membership contributions is accounted for on an accruals basis, and recorded in the year to which it relates, and to the extent that the amounts due are considered receivable.

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

Board fees are fees received where CEPU NSW P&T Branch officials are appointed to a board of trustees for superannuation funds as union representatives. These fees are recognised on an accruals basis. In prior years the board fees were retained by the officials as permitted by the National body ruling in 2004 as to the accounting for other remuneration received in connection with the duties of the union official, external to the Union activities. Since April 2015 the fees are remitted to the Branch net of the PAYE obligation on the receiving officer.

Interest and dividend income is accounted for on an accruals basis.

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

1.5 Leases

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

1.6 Cash and Cash equivalents

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

1.7 Income Tax

No provision for Income Tax is necessary as the CEPU NSW P&T Branch is exempt from Income Tax under Section 50 - 15 of the Income Tax Assessment Act 1997 however still has the obligation for Fringe Benefits Tax (FBT) and the Goods and services tax (GST).

1.8 Gains

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

1.9 Goods and Services Tax

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

1.10 Financial instruments

Financial assets and financial liabilities are recognised when the CEPU NSW P&T Branch becomes a party to the contractual provisions of the instrument.

(1) 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 CEPU NSW P&T Branch's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the CEPU NSW P&T 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.

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 CEPU NSW P&T 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.

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 CEPU NSW P&T Branch 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 CEPU NSW P&T Branch's financial assets at amortised cost includes trade receivables.

Derecognition

A financial asset is derecognised when:

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

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

When the CEPU NSW P&T 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 CEPU NSW P&T 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

(i) Trade receivables

For trade receivables that do not have a significant financing component, the CEPU NSW P&T 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 CEPU NSW P&T Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL's at each reporting date. The CEPU NSW P&T 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. Historically, CEPU NSW P&T Branch have received membership fees and rental income and the CEPU NSW P&T Branch expects this trend to continue and has therefore not recognised any loss allowance.

(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 CEPU NSW P&T Branch recognises an allowance for expected credit losses using a 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 CEPU NSW P&T Branch expects to receive, discounted at an approximation of the original effective interest rate.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 CEPU NSW P&T Branch considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the CEPU NSW P&T Branch may also consider a financial asset to be in default when internal or external information indicates that the CEPU NSW P&T 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.

(2) Financial liabilities

Initial recognition and measurement

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.

The CEPU NSW P&T Branch's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost 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.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

1.11 Contingent Liabilities and contingent assets

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

1.12 Buildings, plant and equipment

Asset recognition threshold

Purchases of 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 - Buildings

Following initial recognition at cost, the 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. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, 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:

Asset Class	2019	2018
Buildings	40 years	40 years
Plant and equipment	2 to 10 years	2 to 10 years
Motor vehicles	3 to 5 years	3 to 5 years

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Derecognition

An item of buildings, plant and equipment and motor vehicle 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.

1.13 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 CEPU Communications Division were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.14 Capitation fees and levies

Capitation fees and levies are recognised on an accruals basis and recorded as a revenue and/or expense in the year to which they relate.

1.15 Employee Benefits

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

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

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

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

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FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

1.16 Going concern

The CEPU NSW P&T Branch is not reliant on the financial support of any other reporting units to ensure they can continue on a going concern basis.

The CEPU NSW P&T Branch has not agreed to provide financial support to another reporting entity to ensure they can continue as a going concern basis.

The CEPU NSW P&T Branch provides Capitation Fees to the Divisional Conference Funds.

1.17 Administration

The Branch has not been administered by another entity.

1.18 Amalgamations and Restructures

There have been no amalgamations or restructures in the financial year and previous financial year. No assets or liabilities have been acquired as a result of any amalgamations or restructures.

1.19 Business Combinations

There have been no business combinations during the financial year and previous financial year. No assets or liabilities have been acquired as a result of any business combinations.

1.20 ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Significant accounting estimates and assumptions

The Branch makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

b) Critical judgments in applying the Branch's accounting principles

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

2. Events after the reporting period

There were no events that occurred after 31 March 2019, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the CEPU NSW P&T Branch.

3. Revenue

(a) Membership contributions

	2019	2018
	\$	\$
Membership contributions	3,171,864	3,183,292

(b) Other income

The following income items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. Capitation/Sustentation fees
- b. Compulsory levies
- c. Donations or grants
- d. Other financial support from other reporting units

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FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

4. Expenses

- (a) Fees and periodic subscriptions are paid in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters:

	2019 \$	2018 \$
Affiliation Fees		
ALP NSW Branch	19,857	35,327
ALP ACT Branch	-	1,649
Unions NSW	55,718	-
	<u>75,575</u>	<u>36,976</u>
 CEPU Divisional Conference (Capitation Fees)	 615,753	 708,602
 CEPU National Office (National Council Fund)	 <u>22,907</u>	 <u>22,851</u>

(b) Donations

Details to whom payment made	Purpose	2019 \$
██████████	████████████████████	2,000
██████████	████████████████████	500
ALP NSW	2018 ALP NSW Centre Unity Dinner	1,200
ALP NSW	2018 ALP NSW Fortress Gala Dinner	1,818
ALP NSW	2018 ALP NSW National Unity Dinner	365
TOTAL		<u>5,883</u>

There were no other donations made in the 2019 financial year.

2018

Details to whom payment made	Purpose	2018 \$
██████████	████████████████████	2,500
██████████	████████████████████	1,100
Unions NSW	Donation-1917 Centenary booklet publication	250
ALP NSW	2017 ALP NSW State Conference Dinner	803
Event Brite	EB Labour day Dinner	591
Ki Print (Kiama)	Matt Brown Campaign - Advertising printing	1,556
TOTAL		<u>6,800</u>

There were no other donations made in the 2018 financial year.

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(c) Net losses from sale of assets

	2019	2018
	\$	\$
Motor Vehicles	-	21,434
Total net losses from sale of assets	-	21,434

(d) Employee expenses related to holders of office

Holders of Office:

Wages and Salaries	1,123,061	1,137,194
Superannuation	187,907	109,482
Payroll tax	80,619	83,613
Leave and other entitlements	(107,770)	(136,079)
Separation and redundancies	-	-
	<u>1,283,817</u>	<u>1,194,210</u>

Employees other than office holders:

Wages and Salaries	296,080	253,265
Superannuation	43,377	27,371
Leave and other entitlements	-	-
Separation and redundancies	-	-
	<u>339,457</u>	<u>280,636</u>

Total employee expenses	<u>1,623,274</u>	<u>1,474,846</u>
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(e) Legal and Professional Fees

Legal costs - litigation	286,664	70,529
Legal costs - other matters	8,201	-
	<u>294,865</u>	<u>70,529</u>

(f) Delegates expenses

Included in delegate's expense are:

Fees or allowances for attendances as representatives of the Union at conferences or other meetings	34,081	22,243
Expenses incurred in connection with holding meetings of members of the reporting unit	74,391	56,289
Expenses incurred in connection with CEPU dinner night	36,735	-
Expenses incurred in connection with the central branch	12,254	-
Total delegates expenses	<u>157,461</u>	<u>78,532</u>

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FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

(g) Other expenses

	2019	2018
	\$	\$
Payments to employers for payroll deduction activity	12,181	38,457

The following expense items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. Compulsory levies
- b. Penalties imposed under the RO Act.
- c. Amounts paid in grants that were \$1,000 or less
- d. Amounts paid in grants that exceed \$1,000

5. Current Assets

(a) Cash and cash equivalents

Cash on Hand	800	800
Cash at Bank	127,005	288,695
Cash Management Account	30,197	3,576,601
Term deposit - short term	4,000,000	-
	<u>4,158,001</u>	<u>3,866,096</u>

(b) Trade and other Receivables

Receivables from other reporting units

Amounts due from CEPU Divisional Conference	195,006	-
Total receivables from other reporting unit	<u>195,006</u>	<u>-</u>
Less allowance for expected credit losses	-	-
Receivables from other reporting units (net)	<u>195,006</u>	<u>-</u>

Other receivables:

Bonds	6,795	6,795
Accrued Interest	7,693	-
Prepayments	77,867	-
Sundry Debtors	25,013	34,687
Total other receivables	<u>117,368</u>	<u>41,482</u>

Total trade and other receivables (net)

<u>312,374</u>	<u>41,482</u>
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FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

6. Non-current assets

	2019	2018
	\$	\$

Note 6A: Financial Assets

NRMA shares, at fair value	6,687	6,687
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Fair value of the listed share fund was based on the market value of the investment in accordance to the statement as at 31 March 2019 provided by the investment management institution.

Movement Schedule	2019	2018
NRMA Shares	\$	\$
Opening - April	6,687	5,373
Additions	-	-
Revaluation increment	-	1,314
Closing - March	6,687	6,687

The CEPU NSW P&T Branch measures and recognises the following assets and liabilities at fair value on a recurring basis. However, the movement in the fair value of shares was not material this year.

Note 6B: Buildings

Buildings - 81 George Street, Parramatta

at Fair value	14,500,000	14,500,000
accumulated depreciation	(354,513)	(179,500)
Total Buildings	14,145,487	14,320,500

Reconciliation of the opening and closing balances of buildings

As at 1 April

Gross book value	14,500,000	14,500,000
Accumulated depreciation	(179,500)	(179,500)
Net book value 1 April	14,320,500	14,320,500
Additions / Revaluations	-	-
Depreciation expense	(175,013)	(354,513)
Net book value 31 March	14,145,487	14,145,487

Net book value as of 31 March represented by:

Gross book value	14,500,000	14,500,000
Accumulated depreciation	(354,513)	(179,500)
Net book value 31 March	14,145,487	14,320,500

The fair value of the CEPU NSW P&T Branch's property at 81 George Street, Parramatta is based on appraisals performed by an independent, professionally-qualified property valuer (Statewide Valuations Pty Ltd). The last valuation was carried on in April 2017. The significant inputs and assumptions are developed in close consultation with the committee of management. The valuation processes and fair value changes are reviewed by the Committee of management at each reporting date. Part of the building is used to generate rental income determined on market rental rates and is considered to be the asset's highest and best use.

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	2019 \$	2018 \$
Note 6C: Motor Vehicles		
Motor Vehicles		
at cost	309,341	309,341
accumulated depreciation	(168,039)	(114,281)
Total motor vehicles	141,302	195,060

Reconciliation of the opening and closing balances of plant and equipment

As at 1 April

Gross book value	309,341	309,341
Accumulated depreciation	(114,281)	(114,281)
Net book value 1 April	195,061	195,060
Additions by purchase	-	-
Depreciation expense	(53,758)	(53,758)
Net book value 31 March	141,302	141,302

Net book value as of 31 March represented by:

Gross book value	309,341	309,341
Accumulated depreciation	(168,039)	(114,281)
Net book value 31 March	141,302	195,060

Note 6D: Plant and equipment

Plant and equipment		
at cost	667,424	658,636
accumulated depreciation	(491,398)	(485,648)
Total plant and equipment	176,026	172,988

Reconciliation of the opening and closing balances of plant and equipment

As at 1 April

Gross book value	658,636	658,636
Accumulated depreciation	(485,648)	(485,648)
Net book value 1 April	172,988	172,988
Additions by purchase	8,786	19,536
Depreciation expense	(5,750)	(16,498)
Net book value 31 March	176,026	176,026

Net book value as of 31 March represented by:

Gross book value	667,424	658,636
Accumulated depreciation	(491,398)	(485,648)
Net book value 31 March	176,026	172,988

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7. Current Liabilities

Note 7A: Trade Payables

	2019 \$	2018 \$
Trade creditors and accruals	387,884	191,103
(a). Amounts payable to other reporting unit		
CEPU Divisional Conference	62,525	61,548
(b) Other payables		
Legal costs - litigation	198,663	19,946
Legal costs - other	8,201	-
Trade payables	113,183	80,150
GST and Group tax payable	64,798	91,007
Payables to employers as consideration for the employers making payroll deductions of membership subscriptions	-	-
Other payable	3,039	-
Total other payables	387,884	191,103

8. Provisions

Note 8A: Employee provisions

Office Holders:

Annual leave	79,328	68,404
Long service leave	131,717	93,670
Separations and redundancies	-	-
Other - sick leave	47,278	199,100

Subtotal employee provisions-office holders

258,323 361,174

Employees other than office holders

Annual leave	6,693	11,612
Long service leave	-	-
Separations and redundancies	-	-
Other - sick leave	-	-

Subtotal employee provisions- employees other than office

6,693 11,612

Total employee provisions

265,016 372,786

Current

242,043 349,813

Non-current

22,973 22,973

Total employee provisions

265,016 372,786

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

9. Cash Flow reconciliation

	2019	2018
	\$	\$
(a) Cash at the end of the year is shown in the statement of financial position as:		
Cash on Hand	800	800
Cash at Bank	127,005	288,695
Cash Management Account	30,197	3,576,601
ME Bank - Term Deposit	4,000,000	-
	<u>4,158,001</u>	<u>3,866,096</u>
(b) Reconciliation of cash flow from Operations with Net Surplus		
Net Surplus	246,593	405,437
Non-Cash Flows in net surplus		
Loss on Disposal of Assets	-	21,434
Depreciation	234,521	267,140
Changes in Assets and Liabilities		
Decrease / (Increase) in Deductions in Transit	2,005	(1,171)
(Increase) / Decrease in receivables	(270,892)	16,300
Increase / (Decrease) in Trade payables	195,260	(625,057)
Increase/(Decrease) in Sundry Creditors	976	(148,349)
Decrease in Provisions	<u>(107,770)</u>	<u>(150,000)</u>
CASH FLOWS FROM OPERATIONS	<u>300,693</u>	<u>(214,266)</u>

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

10. Contingent liabilities, assets and commitments

Operating lease commitments - as lessee

The CEPU NSW P&T Branch had the following lease commitments for Plant and Equipment as at 31 March 2019. Future minimum rentals payable under non-cancellable operating leases as at 31 March are as follows:

	2019 \$	2018 \$
Payable within one year	13,489	13,489
Payable later than one year but not later than five years	40,466	53,955
Payable later than five years	-	-
	<u>53,955</u>	<u>67,444</u>

11. Related party disclosures

- (a) The following persons were members of the Branch Committee of Management during the financial period.

<u>Position</u>	<u>Name</u>	<u>Period</u>
Branch President	Rod Baxter	01/04/2018 - 31/03/2019
Branch Vice Presidents	Maureen Morris	01/04/2018 - 31/03/2019
	Peter O'Connell	01/04/2018 - 31/03/2019
Branch Secretary	Shane Murphy	01/04/2018 - 31/03/2019
Branch Assistant Secretary	Peter Chaloner	01/04/2018 - 31/03/2019
Branch Organisers	Gil Enzon	01/04/2018 - 31/03/2019
	Tan Kien Ly	01/04/2018 - 31/03/2019
	Ellen Huttly	01/04/2018 - 31/03/2019
	Dennis Williams	16/05/2018 - 31/03/2019
Lines & General Sectional Representatives	Max Catania	01/04/2018 - 31/03/2019
	Dennis Garlick	01/04/2018 - 31/03/2019
	George Deligiannis	01/04/2018 - 31/03/2019
	Tony Damjanovski	01/04/2018 - 31/03/2019
Postal Sectional Representatives	Donald Watson	01/04/2018 - 31/03/2019
	David Wong	01/04/2018 - 31/03/2019
	James McCallum	01/04/2018 - 31/03/2019
	Patrick Edgerton	01/04/2018 - 31/03/2019
	Trong Minh Luu	01/04/2018 - 31/03/2019
	Anita Rathour	01/04/2018 - 31/03/2019
	Mark Beckman	01/04/2018 - 31/03/2019

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

(b) Related party transactions

Transactions with related parties are on normal terms and conditions no more favourable than those available to other parties, unless otherwise stated.

- i. The aggregate amount of remuneration paid to officers during the financial year is disclosed in the Financial Report (Note 4 (d)).
- ii. The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officers was \$104,643 (2018: \$111,682).
- iii. There have been no other transactions between the officers and the Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW other than those relating to their membership of the Union and the reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.
- iv. Capitation fees and administration fees paid to Divisional Conference are disclosed as income and expenses respectively in the Statement of Profit or Loss and Other Comprehensive Income and as cash paid in Note 8.
- v. Amounts receivable from and payable to the Divisional Conference at balance date are disclosed in Note 5(b).

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 yearend 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. Impairment of receivables relating to amounts owed by related parties and declared person or body are as disclosed in Note 5B to the financial statements. 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.

No property was transferred to related parties during the financial year ended 31 March 2019.

	2019	2018
Fees paid by NSW branch for services provided	<u>89,604</u>	<u>64,249</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

Note 11C: Key management personnel remuneration for the reporting period

	2019	2018
	\$	\$
Salary (including annual leave taken)	370,851	366,307
Annual leave accrued	32,699	32,699
Performance bonus	-	-
Total short-term employee benefits	403,550	399,006
Post-employment benefits:		
Superannuation	63,044	62,272
Total post-employment benefits	63,044	62,272
Other long-term benefits:		
Long-service leave	11,772	11,772
Total other long-term benefits	11,772	10,772
Termination benefits	-	-
Total	478,366	630,195

Note 11D: Transaction with key management personnel & their close family

members.

There were no Loans to/from key management personnel	-	-
Other transactions with key management personnel	-	-

	2019	2018
	\$	\$
12. Remuneration of auditors		
Audit Fees	31,100	29,000
Accounting and other support services	-	-
	31,100	29,000

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

13. Financial Instruments

The entity's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to and from related unions.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2019 \$	2018 \$
Note 13A: Categories of financial instruments		
Financial assets		
Held-to-maturity investments:		
Cash and cash equivalents	4,158,001	3,866,096
Total	4,158,001	3,866,096
Loans and receivables:		
Receivables - refer to Note 5B	312,374	41,482
Total	312,374	41,482
Carrying amount of financial assets	4,470,375	3,907,578
Financial liabilities		
Trade and other payables	387,884	191,103
Total	387,884	191,103
Carrying amount of financial liabilities	387,884	191,103
Note 13B: Net income and expense from financial assets		
Held-to-maturity		
Interest revenue	53,327	18,972
Gain/loss on disposal	-	-
Net gain/(loss) held-to-maturity	53,327	18,972
Net gain/(loss) from financial assets	53,327	18,972

The net income/expense from financial assets not at fair value through profit and loss is \$53,327 (2018: \$18,972).

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

Note 13C: Net income and expense from financial liabilities

The net income/expense from financial liabilities not at fair value through profit and loss is Nil (2018: Nil).

Note 13D: Credit risk

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 to the entity.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

Credit risk exposures

The maximum exposure 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 any provisions) as presented in the statement of financial position.

There is no collateral held by the entity securing trade and other receivables.

The CEPU NSW P&T Branch has no significant concentrations of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 5B.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 5B.

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2019 \$	2018 \$
Financial assets		
Trade and other receivables	312,374	41,482
Total	312,374	41,482
Financial liabilities		
Trade and other payables	387,884	387,884
Total	387,884	387,884

In relation to the entity's gross credit risk the following collateral is held: Nil

Currently the CEPU NSW P&T Branch does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

Set out below is the information about the credit risk exposure on financial assets using a provision matrix:

30 June 2019		Trade and other receivables Days past due					
	Current \$	<30 days \$	30-60 days \$	61-90 days \$	>91 days \$	>180 days \$	Total \$
Expected credit loss rate	-0%	-0%	-0%	-0%	-0%	-0%	-0%
Estimate total gross carrying amount at default			-	-	-	-	-
Expected credit loss			-	-	-	-	-

30 June 2018		Trade and other receivables Days past due					
	Current \$	<30 days \$	30-60 days \$	61-90 days \$	>91 days \$	>180 days \$	Total \$
Expected credit loss rate	-0%	-0%	-0%	-0%	-0%	-0%	-0%
Estimate total gross carrying amount at default			-	-	-	-	-
Expected credit loss			-	-	-	-	-

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

Note 13E: Liquidity risk

Contractual maturities for financial liabilities 2019

	On Demand	<1 year \$	1-2 years \$	2-5 years \$	>5 years \$	Total \$
Trade and other payables		387,884	-	-	-	387,884
Total		387,884	-	-	-	387,884

Contractual maturities for financial liabilities 2018

	On Demand	<1 year \$	1-2 years \$	2-5 years \$	>5 years \$	Total \$
Trade and other payables	-	191,103	-	-	-	191,103
Total	-	191,103	-	-	-	191,103

Note 13F: Market risk

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.

Sensitivity analysis of the risk that the entity is exposed to for 2019

	Risk Variable	Change in risk variable %	Effect on	
			Profit and loss \$	Equity \$
Interest rate risk	-	+1%	41,500	41,500
Interest rate risk	-	-1%	(41,500)	(41,500)

Sensitivity analysis of the risk that the entity is exposed to for 2018

	Risk Variable	Change in risk variable %	Effect on	
			Profit and loss \$	Equity \$
Interest rate risk	-	+1%	39,000	39,000
Interest rate risk	-	-1%	(39,000)	(39,000)

Price risk

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 of securities held.

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

14. Fair value measurement

Note 14A: Financial assets and liabilities

Management of the reporting unit assessed that cash; trade receivables and trade payables approximate their carrying amounts largely due to the short term maturities of these instruments.

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

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 March 2019 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the reporting entity based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 March 2019 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

Note 14A: Financial assets and liabilities continued

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

	Carrying amount 2019 \$	Fair value 2019 \$	Carrying amount 2018 \$	Fair value 2018 \$
Financial Assets				
Cash and cash equivalents	4,158,001	4,158,001	3,866,096	3,866,096
Trade and other receivables	312,374	312,374	41,482	41,482
Total	4,470,375	4,470,375	3,907,578	3,907,578
Financial Liabilities				
Trade payables	387,884	387,884	191,103	191,103
Total	387,884	387,884	191,103	191,103

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

Note 14B: Fair value Measurement

No financial and non-financial assets and liabilities are measured at a fair value that is different to their carrying amount as at 31 March 2019.

Note 14C: Financial and non-financial assets and liabilities fair value hierarchy

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

Fair value hierarchy - 31 March 2019

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Building		-	14,145,487	-
Total		-	14,145,487	-
Liabilities measured at fair value				
NIL		-	-	-
Total		-	-	-

Property, plant and equipment was classified as level 1 due to independent valuation obtained.

Fair value hierarchy - 30 June 2018

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Building		-	14,320,500	-
Total		-	14,320,500	-
Liabilities measured at fair value				
NIL		-	-	-
Total		-	-	-

COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

15. Administration of financial affairs by a third party

Name of entity providing service: N/A

Terms and conditions: N/A

Nature of expenses/consultancy service: N/A

16. Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or General Manager:

A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

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.

A reporting unit must comply with an application made under subsection (1).

**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF COMMUNICATIONS ELECTRICAL PLUMBING UNION OF
AUSTRALIA POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

Opinion

We have audited the financial report of Communications Electrical Plumbing Union – P&T Branch NSW, which comprises the statement of financial position as at 31 March 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then 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 Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Communications Electrical Plumbing Union – P&T Branch NSW as at 31 March 2019, 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 reporting unit 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 my report. We are independent of the Reporting Union in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my 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 our 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.

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

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**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF COMMUNICATIONS ELECTRICAL PLUMBING UNION OF
AUSTRALIA POSTAL AND TELECOMMUNICATIONS NSW BRANCH**

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit 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 reporting unit'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 reporting unit 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 our 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 our 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 reporting unit'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 reporting unit'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 reporting unit to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF COMMUNICATIONS ELECTRICAL PLUMBING UNION OF
AUSTRALIA POSTAL AND TELECOMMUNICATIONS NSW BRANCH**

- 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 Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the reporting unit 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.

I declare that I am an approved auditor under the RO Act.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, we are required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

Our opinion on the financial report is not modified in respect of the following matters because, in our opinion, it has been appropriately addressed by the reporting unit and is not considered material in the context of the audit of the financial report as a whole.

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

G Webb

Graham Webb
Partner
Dated: 21 August 2019

Registration Number: AA2017/22

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

Officer declaration statement

I, Shane Murphy, being the branch Secretary of the Communications, Electrical, Electronic, Energy, Information Postal, Plumbing and Allied Services Union of Australia, NSW Postal and Telecommunications branch, declare that the following activities did not occur during the reporting period ending 31 March, 2019.

The reporting unit did not:

* agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)

* agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)

* acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission

* receive periodic or membership subscriptions * receive donations or grants * receive revenue from undertaking recovery of wages activity

* incur fees as consideration for employers making payroll deductions of membership subscriptions * pay capitation fees to another reporting unit

* pay compulsory levies

* pay a grant that was \$1,000 or less

* pay a grant that exceeded \$1,000

* pay to 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

* pay legal costs relating to litigation

* pay a penalty imposed under the RO Act or the Fair Work Act 2009

* 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 a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch

**COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA
POSTAL AND TELECOMMUNICATIONS BRANCH NSW**

- * transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- * have a balance within the general fund
- * provide cash flows to another reporting unit and/or controlled entity
- * receive cash flows from another reporting units and/or controlled entity
- * have another entity administer the financial affairs of the reporting unit
- * make a payment to a former related party of the reporting unit



Signed by the officer:

Dated: 21 August 2019