



29 October 2020

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

Sent via email: shane.murphy@cepu.org
CC: gwebb@hallchadwick.com.au

Dear Shane 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 2020 – (FR2020/11)**

I acknowledge receipt of the financial report for the year ended 31 March 2020 for the
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services
Union of Australia - Communications Division - New South Wales Postal and Telecommunications
Branch (**reporting unit**). The documents were lodged with the Registered Organisations
Commission (**the ROC**) on 17 September 2020.

The financial report has now been filed.

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

Please note that the financial report for the year ending 31 March 2021 may be subject to an
advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following
comments to assist you when you next prepare a financial report. The ROC will confirm these
concerns have been addressed prior to filing next year's report.

Disclosures relating to other reporting units

The reporting unit has made disclosures of transactions with the Communication Division of the
organisation of which it forms part. A comparison made between the disclosures by each relevant
reporting unit identified the following differences:

- Revenue to the reporting unit from the Communication Division is \$126,569 but expense from the Communication Division to the reporting unit is \$312,605

Subsection 252(2) of the RO Act requires that where an organisation consists of 2 or more reporting units, the financial records for each of the reporting units must, as far as practicable, be kept in a consistent manner. Moreover, reporting guideline 25(e)(iv) requires the committee of management to make a declaration to that effect, in relation to the general purpose financial report. It is noted also that overall the accounting policies relating to the measurement basis and disclosure of key financial transactions for each reporting unit are the same. It would therefore be expected, in the ordinary course, that amounts disclosed in the respective reports of the relevant reporting units will reconcile.

The reporting unit must take such steps as will ensure that balances for transactions with other reporting units within the organisation in next year's report will correspond with relevant balances disclosed in the reports of those other reporting units. The ROC will assess how this issue has been addressed prior to filing next year's report.

Reporting Requirements

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

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

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely,



Kylie Ngo
Registered Organisations Commission

S.268 Fair Work (Registered Organisations) Act 2009

Certificate by prescribed designated officer

Certificate for the year ended 31 March 2020

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

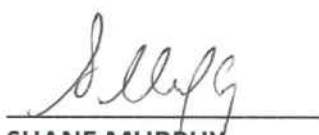
- that the documents lodged herewith are copies of the full report for the CEPU NSW Postal and Telecommunications Branch for the year ended referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the reporting unit on the 16 September 2020; and
- that the full report was presented to the Branch Committee of Management of the reporting unit on 16 September 2020 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: **16 September 2020**



**COMMUNICATIONS
ELECTRICAL
PLUMBING
UNION**

Communications Division

**NSW Postal &
Telecommunications Branch**

Shane Murphy
Branch Secretary

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COMMUNICATIONS, ELECTRICAL, PLUMBING UNION OF AUSTRALIA

POSTAL AND TELECOMMUNICATIONS BRANCH NSW

FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2020

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 2020.

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 2020 is \$287,683 (2019: \$245,072).

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 2020 was 7,880 (2019: 7,875).

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 2020 was 18 (2019: 15).

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 2020 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	01/04/2019 - 31/03/2020
Branch Vice Presidents	Maureen Morris Rita Karim Peter O'Connell	01/04/2019 - 31/07/2019 (End of term) 01/08/2019 - 31/03/2020 (Elected) 01/04/2019 - 31/03/2020
Branch Secretary	Shane Murphy	01/04/2019 - 31/03/2020
Branch Assistant Secretary	Peter Chaloner	01/04/2019 - 31/03/2020
Branch Organisers	Gil Enzon Tan Kien Ly Ellen Huttly Dennis Williams	01/04/2019 - 31/03/2020 01/04/2019 - 31/03/2020 01/04/2019 - 31/03/2020 01/04/2019 - 31/03/2020
Lines & General Sectional Representatives	Max Catania Dennis Garlick Cade Anderson George Deligiannis Tony Damjanovski	01/04/2019 - 31/03/2020 01/04/2019 - 31/07/2019 (End of term) 01/08/2019 - 31/03/2020 (Elected) 01/04/2019 - 31/03/2020 01/04/2019 - 31/03/2020
Postal Sectional Representatives	Donald Watson David Wong James McCallum Patrick Edgerton Trong Minh Luu Anita Rathour Mark Beckman	01/04/2019 - 31/03/2020 01/04/2019 - 31/03/2020 01/04/2019 - 31/03/2020 01/04/2019 - 31/03/2020 01/04/2019 - 31/03/2020 01/04/2019 - 31/03/2020 01/04/2019 - 31/03/2020

For and on behalf of the Committee of Management



SHANE MURPHY
BRANCH SECRETARY
19 August 2020

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

REPORT REQUIRED UNDER SUBSECTION 255(2A) for the year ended 31 March 2020

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 March 2020.

Categories of Expenditure	31 March 2020	31 March 2019
Remuneration and other employment-related costs and expenses - employees	2,121,458	1,623,274
Advertising	4,706	8,090
Operating costs	1,848,675	2,088,058
Donations to political parties	14,455	3,383
Legal costs	19,891	294,865



Signature of designated officer: SHANE MURPHY
Branch Secretary

Dated:19 August 2020.....

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

BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT

On 19 August 2020 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 2020.

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.


.....
SHANE MURPHY

19 August 2020

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 2020

	Note	2020 \$	2019 \$
Revenue from contracts with customers			
Membership Contributions	3 a	3,188,271	3,171,864
Total revenue from contracts with customers		<u>3,188,271</u>	<u>3,171,864</u>
Income for furthering objectives	3 a		
Grants & Donations		-	-
Levies		-	-
Total income for furthering objectives		<u>-</u>	<u>-</u>
Other Income			
Interest	3 b	80,726	53,327
Rental Income - property	3 c	909,227	773,092
Dividends	3 b	226	507
Tenants Outgoings	3 c	5,064	17,317
Other revenue	3 d	178,200	182,908
Total other income		<u>1,173,443</u>	<u>1,027,151</u>
TOTAL INCOME		<u>4,361,714</u>	<u>4,199,015</u>
EXPENDITURE			
Depreciation			
Building		-	175,013
Office Furniture & Equipment		18,386	5,750
Motor Vehicles		67,422	53,758
Right of use asset		13,381	-
		<u>99,189</u>	<u>234,521</u>
Employee Benefits Expense			
Salaries - Officials	4 d	1,411,430	1,123,061
Salaries - Staff	4 d	336,648	296,080
Payroll Tax	4 d	95,995	80,619
Provident Fund and Superannuation	4 d	276,644	231,284
Provision for Long Service Leave	4 d	(19,496)	38,047
Provision for Annual Leave	4 d	20,237	6,005
Provision for Sick Leave	4 d	-	(151,822)
		<u>2,121,458</u>	<u>1,623,274</u>
Other Expenses			
Affiliation Fees	4 a	36,651	75,575
Audit Fees	12	30,354	31,100
Bank Charges		30,032	30,604
Capitation - Divisional Conference	4 a	628,264	615,753
CEPU Journey cover		54,570	55,487
Campaign Expenses		108,422	70,150
Collection Costs - Membership Contributions		16,273	16,942
Computer Expenses		59,103	59,526
Delegates, Meetings and Officials Expenses	4 f	175,224	157,461
Donations & Grants	4 b	30,014	5,883
Carried Forward		<u>1,168,907</u>	<u>1,118,481</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 2020 (cont'd)

Other Expenses (cont'd)

Brought Forward		1,168,907	1,118,481
Electricity, Gas and Heating		54,835	48,739
Emergency Ambulance Transport Benefit		17,457	17,040
Equipment Rental		-	12,263
Fringe Benefits Tax		3,031	5,847
Honorarium		2,000	2,000
Insurance		31,434	11,447
Land Tax		63,495	15,211
Legal and Professional Fees	4 e	19,891	294,865
Property leasing commission		12,637	-
Loss on Disposal of Assets	4 c	5,967	-
Advertising		4,706	8,090
Management Fees Building		26,836	89,680
Mortality Benefits Paid		2,500	3,000
Motor Vehicle Expenses		72,821	64,989
National Council Fund	4 a	23,487	22,907
Other Expenditure	4 g	9,082	59,543
Parking Space Levy		15,840	15,660
Postage, Printing and Stationery		77,604	60,937
Publications and Communication		-	-
Rates and Taxes		73,212	90,650
Repairs and Maintenance		116,880	109,766
Sub-Branch Expenses		-	-
Telecommunication costs		27,803	24,969
Training		2,497	2,203
Workers Compensation		20,460	17,861
Total other expenses		<u>1,853,383</u>	<u>2,096,148</u>
TOTAL EXPENDITURE		<u>4,074,031</u>	<u>3,953,943</u>
NET SURPLUS FOR THE YEAR		<u>287,683</u>	<u>245,072</u>
Other Comprehensive Income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>287,683</u></u>	<u><u>245,072</u></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 2020

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash and Cash Equivalents	5 a	4,452,261	4,158,001
Receivables	5 b	126,335	312,374
Receivables - member Contributions in Transit		178,823	179,714
		<u>4,757,419</u>	<u>4,650,090</u>
NON CURRENT ASSETS			
Investments	6 a	6,687	6,687
Property, Plant and Equipment	6 b-d	16,337,521	14,462,815
Right of Use Assets	6 e	28,993	-
		<u>16,373,201</u>	<u>14,469,502</u>
TOTAL ASSETS		<u>21,130,620</u>	<u>19,119,591</u>
CURRENT LIABILITIES			
Provision for Long Service Leave	8	70,748	108,744
Provision for Annual Leave	8	106,259	86,021
Provision for Sick Leave	8	47,278	47,278
Sundry Creditors and Accruals	7 b	243,038	387,884
Sundry Creditor - Divisional Conference	7 a	46,476	62,525
Lease Liabilities	6 e	13,355	-
		<u>527,154</u>	<u>692,453</u>
NON CURRENT LIABILITIES			
Lease Liabilities	6 e	16,103	-
Provision for Long Service Leave	8	41,473	22,973
TOTAL LIABILITIES		<u>584,730</u>	<u>715,426</u>
NET ASSETS		<u>20,545,890</u>	<u>18,404,165</u>
Accumulated Funds		12,811,281	12,524,070
Reserves		7,734,609	5,880,095
ACCUMULATED FUNDS AND RESERVES		<u>20,545,890</u>	<u>18,404,165</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 2020

	Retained earnings	Asset revaluation reserve	Other reserve	Total
	\$	\$	\$	\$
Balance at 1 April 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
Effects of adoption of AASB 16 leases	(472)	-	-	(472)
Surplus for the year	287,683	-	-	287,683
Asset revaluation increment	-	1,854,514	-	1,854,514
Balance at 31 March 2020	12,811,281	7,729,514	5,095	20,545,890

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 2020

	Note	2020 \$	2019 \$
OPERATING ACTIVITIES			
Cash Received			
Membership subscriptions		3,193,335	3,189,181
Rent Received		909,227	773,092
Other Receipts		178,200	184,429
Interest Received		80,726	53,327
Dividend Received		226	507
Cash used			
Payments to employees		(2,121,458)	(1,623,274)
Payments to suppliers		(1,110,989)	(1,623,869)
Payments to CEPU Divisional Conference		(709,551)	(652,700)
NET CASH FROM OPERATING ACTIVITIES	9(b)	<u>419,716</u>	<u>300,693</u>
INVESTING ACTIVITIES			
Cash used			
Proceeds on disposal of Property, Plant and Equipment		22,273	-
Payments for Property, Plant and Equipment		(134,240)	(8,788)
NET CASH USED IN INVESTING ACTIVITIES		<u>(111,967)</u>	<u>(8,788)</u>
FINANCING ACTIVITIES			
Cash used			
Repayment of lease liabilities		(13,489)	-
NET CASH USED IN INVESTING ACTIVITIES		<u>(13,489)</u>	<u>-</u>
NET INCREASE IN CASH HELD		294,259	291,905
Cash at 1 April 2019		<u>4,158,001</u>	<u>3,866,096</u>
CASH AT 31 MARCH 2020	9(a)	<u>4,452,261</u>	<u>4,158,001</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 2020**

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

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 15 Revenue from Contracts with Customers, which replaces AASB 118 Revenue, and AASB 1058 Income of Not-for-Profit-Entities, which replaces the income recognition requirements of AASB 1004 Contributions. The impact of applying this standard is discussed further below.
- AASB 16 Leases and amending standards, which replaces AASB 117 Leases. The impact of applying this standard is discussed further below.

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

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 2020

Adoption of New Australian Accounting Standard Requirements (Cont'd)

Impact on adoption of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

AASB 15 Revenue from Contracts with Customers supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 also includes implementation guidance to assist not-for-profit entities to determine whether particular transactions, or components thereof, are contracts with customers. If a transaction is outside the scope of AASB 15, the recognition and measurement of income arising from the transaction may instead be specified by another Standard, for example AASB 1058 Income of Not-for-Profit Entities.

AASB 1058 replaces the income recognition requirements in AASB 1004 Contributions that had previously applied to the CEPU NSW P&T Branch. AASB 1058 provides a more comprehensive model for accounting for income of not-for-profit entities and specifies that:

- the timing of revenue or income recognition will depend on whether a performance obligation is identified or a liability is recognised;
- not-for-profit lessees can elect to recognise assets, including leases provided at significantly less than fair value, at their fair value; and
- all not-for-profit entities can elect to recognise volunteer services at fair value if the fair value of those services can be reliably measured.

The CEPU NSW P&T Branch adopted AASB 15 and AASB 1058 using the modified retrospective method of adoption, with the date of initial application of 1 April 2019. In accordance with the transition approach, the CEPU NSW P&T Branch recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e., 1 April 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income recognition.

There was no impact on the adoption of AASB 15 and AASB 1058 on CEPU NSW P & T Branch's financial statements.

Impact on adoption of AASB 16

Initial application

AASB 16 Leases replaces AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases – Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

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 2020

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

CEPU NSW P & T Branch has adopted AASB 16 using the modified retrospective method of transition, with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. CEPU NSW P & T Branch elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 April 2019.

Instead, CEPU NSW P & T Branch applied the standard only to contracts that were previously identified as leases applying AASB 117 and Interpretation 4 at the date of initial application.

CEPU NSW P & T Branch has lease contracts for a photocopier and a station folder inserter machine and a Postal Meter. Before the adoption of AASB 16, CEPU NSW P & T Branch classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of AASB 16, the CEPU NSW P & T Branch applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 1.5 Leases for the accounting policy beginning 1 April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by CEPU NSW P & T Branch.

Leases previously accounted for as operating leases

CEPU NSW P & T Branch recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

CEPU NSW P & T Branch also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relied on its assessment of whether leases are onerous immediately before the date of initial application;
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application;
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at 1 April 2019:

- Right-of-use assets of \$42,374 and Lease liabilities of \$42,846 were recognised and presented separately in the statement of financial position; and
- The net effect of these adjustments had been adjusted to retained earnings of \$472.

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

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019, as follows:

Operating lease commitments disclosed as at 31 March 2019 (i)	\$43,290
Discounted Present Value using CEPU NSW P&T Branch's weighted average incremental borrowing rate of 0.025%	\$42,846

(i) Restated as at 1 April 2019

The effect of adoption of AASB 16 as at 1 April 2019 (increase/ (decrease)) is as follows:

	\$
Assets	
Cash and cash equivalents	-
Trade and other receivables	-
Other current assets	-
Plant and equipment and buildings	-
Right-of-use assets	42,374
Total assets	42,374
Liabilities	
Trade payables	-
Other payables	-
Borrowings	-
Employee provisions	-
Lease liabilities	42,846
Total liabilities	42,846
Equity	
Retained earnings	472

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:

AASB 2020-1 - Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

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

1.4 Revenue

CEPU NSW P & T Branch enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees and grants.

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

Revenue from contracts with customers

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

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

Membership subscriptions

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

If there is only one distinct membership service promised in the arrangement, CEPU NSW P & T Branch recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the CEPU NSW P & T Branch's promise to stand ready to provide assistance and support to the member as required.

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

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

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

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

Income of the CEPU NSW P & T Branch as a Not-for-Profit Entity

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

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

During the year, CEPU NSW P & T Branch received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- government (cash flow boost as part of the government's economic stimulus package for COVID-19).

Interest income

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

Rental income

Leases in which CEPU NSW P & T Branch as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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

1.5 Leases

CEPU NSW P&T Branch assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

CEPU NSW P&T Branch as a lessee

CEPU NSW P&T Branch applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. CEPU NSW P&T Branch recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

CEPU NSW P&T Branch recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2020	2019
Plant and equipment	4-5 years	4-5 years

If ownership of the leased asset transfers to CEPU NSW P&T Branch at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, CEPU NSW P&T Branch recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by CEPU NSW P&T Branch and payments of penalties for terminating the lease, if the lease term reflects CEPU NSW P&T Branch exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, CEPU NSW P&T Branch uses the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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

1.6 Borrowing Costs

All borrowing costs are recognised in the profit and loss statement in the year which they are incurred.

1.7 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.

1.8 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).

1.9 Gains

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

1.10 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.

1.11 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.

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

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.

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.

When 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.

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

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.

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, 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.

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

(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.

1.12 Contingent Liabilities and contingent assets

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

1.13 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.

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

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	2020	2019
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

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.

1.14 Impairment of non- financial assets

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

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

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

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.

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.

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.

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

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.

NOTE 2. Events after the reporting period

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the CEPU NSW P&T Branch is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the CEPU NSW P&T Branch. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the CEPU NSW P&T Branch, the results of those operations, or the state of affairs of the CEPU NSW P&T Branch in subsequent financial periods.

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3. Revenue and Income

Disaggregation of revenue from contracts with customers

A disaggregation of CEPU NSW P & T Branch's revenue by type of arrangements is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

	2020	2019
	\$	\$
(a) Types of customer		
Membership contributions	3,188,271	3,171,864
Total revenue from contracts with customers	<u>3,188,271</u>	<u>3,171,864</u>

Disaggregation of income for furthering activities

A disaggregation of the CEPU NSW P & T Branch's income by type of arrangement is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of income by funding source:

Income funding sources		
Donations	-	-
Capitation fees	-	-
Total income from furthering activities	<u>-</u>	<u>-</u>
b) Investment income		
Deposits	80,726	53,327
Dividends	226	507
Total investment income	<u>80,952</u>	<u>53,834</u>
c) Rental income		
Rental income - property	909,227	773,092
Tenants outgoings	5,064	17,317
Total investment income	<u>914,291</u>	<u>790,409</u>
d) Other income		
Revenue from CEPU Communications Division	126,569	89,604
Government - cash flow boost	50,000	-
Sponsorship income	1,632	4,813
Make good provision payment from tenant	-	86,970
Sundry income	-	1,521
Total other income	<u>178,200</u>	<u>182,908</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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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:

	2020 \$	2019 \$
Affiliation Fees		
ALP NSW Branch	9,027	19,857
Unions NSW	27,624	55,718
	<u>36,651</u>	<u>75,575</u>
CEPU Divisional Conference (Capitation Fees)	628,264	615,753
CEPU National Office (National Council Fund)	23,487	22,907
	<u>628,264</u>	<u>615,753</u>
(b) Donations & Grants		
Total Donations that were \$1,000 or less	7,377	563
Total Donations that exceeded \$1,000	22,636	5,320
Total Grants that were \$1,000 or less	-	-
Total Grants that exceeded \$1,000	-	-
	<u>30,013</u>	<u>5,883</u>
(c) Net losses from sale of assets		
Motor Vehicles	5,967	-
	<u>5,967</u>	<u>-</u>
(d) Employee expenses related to holders of office		
Holders of Office:		
Wages and Salaries	381,923	370,852
Superannuation	63,132	46,932
Payroll tax	20,973	19,605
Leave and other entitlements	(1,379)	(31,024)
Separation and redundancies	-	-
	<u>464,649</u>	<u>406,365</u>
Employees other than office holders:		
Wages and Salaries	1,366,125	1,048,289
Superannuation	213,512	184,352
Payroll tax	75,022	61,014
Leave and other entitlements	2,120	(76,746)
Separation and redundancies	-	-
	<u>1,656,779</u>	<u>1,216,909</u>
Total employee expenses	<u>2,121,428</u>	<u>1,623,274</u>

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(e) Legal and Professional Fees

	2020	2019
	\$	\$
Legal costs - litigation	-	286,664
Legal costs - other matters	19,891	8,201
Total legal and professional fees	<u>19,891</u>	<u>294,865</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	23,267	34,081
Expenses incurred in connection with holding meetings of members of the reporting unit	63,827	74,391
Expenses incurred in connection with CEPU annual reps recognition dinner	34,937	36,735
Expenses incurred in connection with CEPU biennial branch reps conference	51,417	-
Expenses incurred in connection with the central branch	1,776	12,254
Total delegates expenses	<u>175,224</u>	<u>157,461</u>

(g) Other expenses

Payments to employers for payroll deduction activity	<u>9,082</u>	<u>12,181</u>
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5. Current Assets

(a) Cash and cash equivalents

Cash on Hand	800	800
Cash at Bank	231,461	127,005
Cash Management Account	-	30,197
Term deposit - short term	4,220,000	4,000,000
	<u>4,452,261</u>	<u>4,158,001</u>

(b) Trade and other Receivables

Receivables from other reporting units

Amounts due from CEPU Divisional Conference	9,719	195,006
Total receivables from other reporting unit	<u>9,719</u>	<u>195,006</u>
Less allowance for expected credit losses	-	-
Receivables from other reporting units (net)	<u>9,719</u>	<u>195,006</u>

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	2020	2019
	\$	\$
Other receivables:		
Bonds	6,795	6,795
Accrued Interest	22,101	7,693
Prepayments	43,454	77,867
Sundry Debtors	44,266	25,013
Total other receivables	<u>116,616</u>	<u>117,368</u>
Total trade and other receivables (net)	<u>126,335</u>	<u>312,374</u>

6. Non-current assets

Note 6A: Financial Assets

NRMA shares, at fair value	<u>6,687</u>	<u>6,687</u>
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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

NRMA Shares

Opening - April	6,687	6,687
Additions	-	-
Revaluation increment	-	-
Closing - March	<u>6,687</u>	<u>6,687</u>

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	16,000,000	14,500,000
accumulated depreciation	-	(354,513)
Total Buildings	<u>16,000,000</u>	<u>14,145,487</u>

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)
Net book value 1 April	<u>14,500,000</u>	<u>14,320,500</u>
Revaluation	1,500,000	-
Depreciation expense	-	(175,013)
Net book value 31 March	<u>16,000,000</u>	<u>14,145,487</u>
Net book value as of 31 March represented by:		
Gross book value	16,000,000	14,500,000
Accumulated depreciation	-	(354,513)
Net book value 31 March	<u>16,000,000</u>	<u>14,145,487</u>

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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 conducted in May 2020. 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.

	2020	2019
	\$	\$
Note 6C: Motor Vehicles		
Motor Vehicles		
at cost	345,583	309,341
accumulated depreciation	(181,306)	(168,039)
Total motor vehicles	<u>164,277</u>	<u>141,302</u>

Reconciliation of the opening and closing balances of plant and equipment

As at 1 April

Gross book value	345,583	309,341
Accumulated depreciation	(113,884)	(114,281)
Net book value 1 April	<u>231,699</u>	<u>195,061</u>
Additions by purchase	-	-
Depreciation expense	(67,422)	(53,758)
Net book value 31 March	<u>164,277</u>	<u>141,302</u>

Net book value as of 31 March represented by:

Gross book value	345,583	309,341
Accumulated depreciation	(181,306)	(168,039)
Net book value 31 March	<u>164,277</u>	<u>141,302</u>

Note 6D: Plant and equipment

Plant and equipment		
at cost	683,028	667,424
accumulated depreciation	(509,784)	(491,398)
Total plant and equipment	<u>173,244</u>	<u>176,026</u>

Reconciliation of the opening and closing balances of plant and equipment

As at 1 April

Gross book value	667,424	658,636
Accumulated depreciation	(491,398)	(485,648)
Net book value 1 April	<u>176,026</u>	<u>172,988</u>
Additions by purchase	15,604	8,786
Depreciation expense	(18,386)	(5,750)
Net book value 31 March	<u>173,244</u>	<u>176,026</u>

Net book value as of 31 March represented by:

Gross book value	683,028	667,424
Accumulated depreciation	(509,784)	(491,398)
Net book value 31 March	<u>173,244</u>	<u>176,026</u>

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Note 6E: Leases

CEPU NSW P&T Branch as a lessee

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Photocopier	PM & FI Machine	Total
	\$	\$	\$
As at 1 April 2019	20,694	21,680	42,374
Additions	-	-	-
Amortisation expense	(6,535)	(6,846)	(13,381)
As at 31 March 2020	<u>14,159</u>	<u>14,834</u>	<u>28,993</u>

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2020	2019
	\$	\$
As at 1 April	42,846	-
Additions	-	-
Accretion of interest	101	-
Payments	(13,489)	-
As at 31 March 2020	<u>29,458</u>	<u>-</u>
Current	13,355	-
Non-current	16,103	-
	<u>29,458</u>	<u>-</u>

The following are the amounts recognised in profit or loss:

Amortisation expense of right-of-use assets	13,381	-
Interest expense on lease liabilities	101	-
Expense relating to short-term leases	-	-
Total amount recognised in profit or loss	<u>13,482</u>	<u>-</u>

7. Current Liabilities

Note 7: Trade Payables

Trade creditors and accruals	289,515	387,884
(a) Amounts payable to other reporting unit		
CEPU Divisional Conference	46,477	62,525
(b) Other payables		
Legal costs - litigation	-	198,663
Legal costs - other	-	8,201
Trade payables	201,679	113,183
GST and Group tax payable	21,256	64,798
Payables to employers as consideration for the employers making payroll deductions of membership subscriptions	-	-
Other payables	20,103	3,039
Total other payables	<u>243,038</u>	<u>387,884</u>

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8. Provisions

Note 8A: Employee provisions

Office Holders:

Annual leave	30,583	33,793
Long service leave	41,473	91,849
Separations and redundancies	-	-
Other - sick leave	12,532	12,532

Subtotal employee provisions-office holders

84,588 **138,174**

Employees other than office holders

Annual leave	75,676	52,228
Long service leave	70,748	39,868
Separations and redundancies	-	-
Other - sick leave	34,746	34,746

Subtotal employee provisions- employees other than office holders

181,170 **126,842**

Total employee provisions

265,758 **265,016**

Current

224,285 242,043

Non-current

41,473 22,973

Total employee provisions

265,758 **265,016**

9. Cash Flow reconciliation

2020 2019

\$ \$

(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	231,461	127,005
Cash Management Account	-	30,197
ME Bank - Term Deposit	4,220,000	4,000,000
	4,452,261	4,158,001

(b) Reconciliation of cash flow from Operations with Net Surplus

Net Surplus 287,683 246,593

Non-Cash Flows in net surplus

Loss on Disposal of Assets 5,967 -
Depreciation and amortisation 99,189 234,521

Changes in Assets and Liabilities

Decrease in Deductions in Transit 891 2,005
Decrease in receivables 186,039 (270,892)
Decrease in Trade payables (145,318) 195,260
Decrease in Sundry Creditors (15,476) 976
Increase in Provisions 741 (107,770)

CASH FLOWS FROM OPERATIONS

419,716 **300,693**

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10. Contingent liabilities, assets and commitments

Capital Commitments

The CEPU NSW P&T Branch had \$NIL capital commitments as at 31 March 2020 (2019 - \$NIL).

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	01/04/2019 - 31/03/2020
Branch Vice Presidents	Maureen Morris	01/04/2019 - 31/07/2019 (End of term)
	Rita Karim	01/08/2019 - 31/03/2020 (Elected)
	Peter O'Connell	01/04/2019 - 31/03/2020
Branch Secretary	Shane Murphy	01/04/2019 - 31/03/2020
Branch Assistant Secretary	Peter Chaloner	01/04/2019 - 31/03/2020
Branch Organisers	Gil Enzon	01/04/2019 - 31/03/2020
	Tan Kien Ly	01/04/2019 - 31/03/2020
	Ellen Huttly	01/04/2019 - 31/03/2020
	Dennis Williams	01/04/2019 - 31/03/2020
Lines & General	Max Catania	01/04/2019 - 31/03/2020
Sectional Representatives	Dennis Garlick	01/04/2019 - 31/07/2019 (End of term)
	Cade Anderson	01/08/2019 - 31/03/2020 (Elected)
	George Deligiannis	01/04/2019 - 31/03/2020
	Tony Damjanovski	01/04/2019 - 31/03/2020
Postal	Donald Watson	01/04/2019 - 31/03/2020
Sectional Representatives	David Wong	01/04/2019 - 31/03/2020
	James McCallum	01/04/2019 - 31/03/2020
	Patrick Edgerton	01/04/2019 - 31/03/2020
	Trong Minh Luu	01/04/2019 - 31/03/2020
	Anita Rathour	01/04/2019 - 31/03/2020
	Mark Beckman	01/04/2019 - 31/03/2020

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(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 \$123,459 (2019: \$104,643).
- 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 4.
- v. Amounts receivable from and payable to the Divisional Conference at balance date are disclosed in Note 5(b).
- vi. The Branch Secretary's son is employed by the Union on terms and conditions no more favourable than applicable to other employees of the same level of experience and position within the Union. The appointment had been made independently of the Branch Secretary's involvement.
- vii. The Divisional Secretary's spouse is employed by the Union on terms and conditions no more favourable than applicable to other employees on the same level of experience and position within the Union.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. 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 2020.

	2020	2019
	\$	\$
Fees paid by NSW branch for services provided	-	89,604

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

	2020 \$	2019 \$
Salary (including annual leave taken)	382,423	370,851
Annual leave accrued	30,583	32,699
Performance bonus	-	-
Total short-term employee benefits	413,006	403,550
Post-employment benefits:		
Superannuation	63,132	62,272
Total post-employment benefits	63,132	62,272
Other long-term benefits:		
Long-service leave	41,473	11,772
Total other long-term benefits	41,473	11,772
Termination benefits	-	-
Total	517,611	477,594

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

Loans to/from key management personnel	-	-
Other transactions with key management personnel	-	-

12. Remuneration of auditors

Audit Fees	30,354	31,100
	30,354	31,100

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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:

	2020 \$	2019 \$
Note 13A: Categories of financial instruments		
Financial assets		
Held-to-maturity investments:		
Cash and cash equivalents	4,452,261	4,158,001
Total	4,452,261	4,158,001
Loans and receivables:		
Receivables - refer to Note 5B	126,335	312,374
Total	126,335	312,374
Carrying amount of financial assets	4,578,596	4,470,375
Financial liabilities		
Trade and other payables	243,038	387,884
Lease liabilities	13,355	-
Total	256,393	387,884
Carrying amount of financial liabilities	256,393	387,884
Note 13B: Net income and expense from financial assets		
Held-to-maturity		
Interest revenue	80,726	53,327
Interest on lease liabilities	(101)	-
Net gain held-to-maturity	80,625	53,327
Net gain from financial assets	80,625	53,327

The net income/expense from financial assets not at fair value through profit and loss is \$80,625 (2019: \$53,327).

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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.

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

	2020 \$	2019 \$
Financial assets		
Trade and other receivables	126,335	312,374
Total	<u>126,335</u>	<u>312,374</u>
Financial liabilities		
Trade and other payables	243,038	387,884
Lease liabilities	29,458	-
Total	<u>272,496</u>	<u>387,884</u>

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

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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 2020	Trade and other receivables						Total
	Current	<30 days	30-60 days	61-90 days	>91 days	>180 days	
	\$	\$	\$	\$	\$	\$	\$
Expected credit loss rate	-0%	-0%	-0%	-0%	-0%	-0%	-0%
Estimate total gross carrying amount at default			-	-	-	-	-
Expected credit loss			-	-	-	-	-

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

Note 13E: Liquidity risk

Contractual maturities for financial liabilities 2020

	On Demand	<1 year	1-2 years	2-5 years	>5 years	Total
		\$	\$	\$	\$	\$
Trade and other payables		243,038	-	-	-	243,038
Lease liabilities		13,355	16,103	-	-	29,458
Total		243,038	-	-	-	272,496

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

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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 2020

Risk Variable	Change in risk variable %	Effect on	
		Profit and loss \$	Equity \$
Interest rate risk	- +1%	44,500	44,500
Interest rate risk	- -1%	(44,500)	(44,500)

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)

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.

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.

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- 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.

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

	Carrying amount	Fair value	Carrying amount	Fair value
	2020	2020	2019	2019
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	4,452,261	4,452,261	4,158,001	4,158,001
Trade and other receivables	126,335	126,335	312,374	312,374
Total	4,578,596	4,578,596	4,470,375	4,470,375
Financial Liabilities				
Trade payables	243,038	243,038	387,884	387,884
Lease liabilities	29,458	29,458	-	-
Total	272,496	272,496	387,884	387,884

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 2020.

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FOR THE YEAR ENDED 31 MARCH 2020 (cont'd)

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 2020

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Building	May 2020	-	16,000,000	-
Total		-	16,000,000	-
Liabilities measured at fair value				
NIL		-	-	-
Total		-	-	-

Property, plant and equipment was transferred as level 2 due to independent valuation obtained.

Fair value hierarchy - 30 June 2019

	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	-	-	-

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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 2020, 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 2020, 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 our 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or 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.

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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 section 252 and 257(2) of the RO Act 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 (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

Graham Webb

Graham Webb
Partner
Dated: 19 August 2020

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, 2020.

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: 19 August 2020