

Section 268 Fair Work (Registered Organisations) Act 2009

**DECLARATION – CORRECTING REPORT TO CEPU ELECTRICAL, ENERGY AND
SERVICES DIVISION – DIVISIONAL COUNCIL OPERATING REPORTS**

I Allen Hicks of Suite 408, Level 4, 30-40 Harcourt Parade, Rosebery, in the state of New South Wales, declare:

1. I am the Divisional Secretary of the Communications, Electrical, Electronic, Energy Information Postal Plumbing and Allied Services Union of Australia, Electrical, Energy and Services Division (CEPU, Electrical Division), an organisation registered under the *Fair Work (Registered Organisations) Act 2009* (the Act).
2. Pursuant to s.268 of the Act, for the periods ended 31 December 2010, 31 December 2011, 31 December 2012, 31 December 2013, 31 December 2014, 31 December 2015 and 31 December 2016 the full financial reports, including the operating report of the CEPU Electrical, Energy and Services Divisional Council, were lodged with the Fair Work Commission in the following matters:

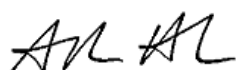
R2010/2828	31 December 2010
R2011/2834	31 December 2011
R2012/526	31 December 2012
R2013/425	31 December 2013
R2014/390	31 December 2014
R2015/368	31 December 2015
R2016/341	31 December 2016

3. Independent audits into the membership figures reported in the committee of management operating reports for these reporting periods found the following variances with the reported membership figures:

YE 31 Dec	2010	2011	2012	2013	2014	2015	2016
Reported membership	65,000	65,000	70,078	71,707	71,220	66,083	64,418
Audited membership	67,167	69,573	70,992	71,830	70,941	66,477	64,493

4. On 7 February 2018, in response to the audit findings, the CEPU Electrical Division, Divisional Council authorised the further amendment of the committee of management operating reports for the above reporting periods to reflect the membership figures resulting from the audits.
5. This has been published on the CEPU website for the information of members.

Signed:



Name: Mr Allen Hicks
Date: 8 March 2018



7 April 2015

Mr Peter Tighe

Divisional Secretary

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

jcallaghan@nat.cepu.asn.au

CC: MGI, Attn Graeme Kent, info@mgisq.com.au

Dear Mr Tighe,

**Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia - Electrical, Energy and Services Division
Financial Report for the year ended 31 December 2014 - [FR2014/390]**

I acknowledge receipt of the financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Electrical, Energy and Services Division. The documents were lodged with the Fair Work Commission on 19 March 2015.

The financial report has now been filed. Thank you for incorporating the changes that were raised in last year's correspondence. You are not required to take any further action in respect of the report lodged.

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 December 2015 may be subject to an advanced compliance review.

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

Membership Subscriptions

The Reporting Guidelines require that the report states the amount of membership subscriptions the reporting unit receives, even if this amount is NIL. This can be done by including a one line explanation that no membership subscriptions were received by the unit or by leaving a NIL line item within the statement of comprehensive income or accompanying revenue notes.

Revenue recognition

The Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 117 and *AASB 118: Revenue* paragraph 35(a) requires that the entity must disclose the measurement basis or bases used in recognising revenue.

The accounting policy for Publication income has not been disclosed; this amount encompasses almost 10% of the reporting unit's revenue and may be a material revenue source.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 8661 7974 or via email at catherine.bebbington@fwc.gov.au.

Yours sincerely



CATHERINE BEBBINGTON

Regulatory Compliance Branch

FAIR WORK COMMISSION

Tel: 03 8661 7974

Fax: 03 9655 0410

catherine.bebbington@fwc.gov.au

11 Exhibition Street, Melbourne Victoria 3000

GPO Box 1994, Melbourne Victoria 3001

www.fwc.gov.au

**Communications, Electrical, Electronic, Energy Information Postal Plumbing and
Allied Services Union of Australia, (CEPU)**

Section 268 Fair Work (Registered Organisations) Act 2009 (RO Act)

CERTIFICATE BY Divisional Secretary or Prescribed Designated Officer

I, Allen Hicks, being the Divisional Secretary of the Communications, Electrical, Electronic, Energy Information Postal Plumbing and Allied Services Union of Australia, Electrical, Energy and Services Division (CEPU, Electrical Division) declare:

- that the documents lodged herewith are copies of the full report referred to in s.268 of the RO Act for the Divisional Council of the CEPU, Electrical Division, for the period ended 31 December 2014; and
- the full report was provided to members of the reporting unit on the 17 March 2015 in accordance with s.265 of the RO Act; and
- the full report was presented to the Divisional Executive of the CEPU, Electrical Division on the 17 March 2015 in accordance with s.266 of the RO Act.

Signed:



Name: Mr Allen Hicks

Date: 19 March 2015

Office Held: Divisional Secretary, CEPU Electrical, Energy & Services Division

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL,
ENERGY AND SERVICES DIVISION**

ABN: 60 429 406 804

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

CONTENTS

	Page No
General Fund	
Independent Auditor's Report.....	1
Committee of Management's Operating Report	3
Committee of Management Statement	6
Auditor's Independence Declaration.....	7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows.....	11
Statement of Receipts and Payments for Recovery of Wages	12
Notes to the Financial Statements.....	13
Objects of the Union.....	41
Audit Report - Additional Information.....	43
Additional Information.....	44

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING
AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES
DIVISION**

Report on the Financial Report

We have audited the accompanying financial report of the Communication Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division, which comprises the statement of financial position as at 31 December 2014, statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the Committee of Management's declaration.

Committee of Management's Responsibility for the Financial Report

The Committee of Management of the Union is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009* and for such internal controls as the Committee of Management determine is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of the Union for the year ended 31 December 2014 included on the Union's website. The Union's Committee of Management is responsible for the integrity of the Union's website. We have not been engaged to report on the integrity of this website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to / from these statements. If users of this report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

Independence

In conducting our audit, we followed applicable independence requirements of Australian Professional Ethical Pronouncements.

Declarations

We declare that we are an approved auditor as defined in Regulation 4 of the *Fair Work(Registered Organisations) Regulations 2009*.

We declare that we are members of the Institute of Chartered Accountants in Australia and hold a current Public Practice Certificate.

Auditor's Opinion

In our opinion:

- (1) The financial statements of the Communication Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division are in accordance with the *Fair Work (Registered Organisations) Act 2009*, including:
 - (i) giving a true and fair view of the Union's financial position as at 31 December 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards.
- (2) The financial report also complies with International Financial Reporting Standards as detailed in Note 1.
- (3) The Union has kept satisfactory accounting records for the financial year including records of:
 - (i) the sources and nature of the Union's income, including sustentation fees and other income from branches; and
 - (ii) the nature of and reasons for the Union's expenditure.
- (4) All the information and explanations that officers or employees of the Union were required to provide have been provided; and
- (5) There was no deficiency, failure or shortcoming in any matters referred to in (1) to (4) above.
- (6) The Union's use of the going concern basis of accounting used in the preparation of the Union's financial statements is appropriate.

M. G. J.

MGI Audit (Q) Pty Ltd



G I Kent

Director

Chartered Accountant and holder of a Certificate of Public Practice

Sydney

17 March 2015

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING
AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES
DIVISION**

**COMMITTEE OF MANAGEMENT OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

Operating Report

In accordance with section 254 of the *Fair Work (Registered Organisations) Act 2009* the Committee of Management ("the Committee") presents its Operating Report on the Communication Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division, for the year ended 31 December 2014.

Principal Activities

The principal activity of the Union was to act on behalf of members in pursuit of the Objects of the Union (detailed at page 41 of the financial report).

Operating Results

The surplus for the financial year amounted to \$439,924 (2013 surplus: \$114,499).

Review of Operations

A review of the operations of the Union during the financial year found that there was no significant change in the nature or the results of the operations during the year.

After Balance Date Events

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

Future Developments

Likely developments in the operations of the Union are the expected result of those operations in future financial years have not been included in this report as such information is likely to result in unreasonable prejudice to the Union.

Environmental Issues

The Union's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Members Right to Resign

The right of members to resign from the Union is set out in the Rules of the Communication Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division and on the reverse side of the application to join form.

Membership of Superannuation Scheme

Those who hold a position of trustee or director of an entity, scheme or company as described in s.254 (2)(d) of Schedule 1B, where a criterion of such entity is that the holder of such position must be a member or official of a registered organisation are as follows:

- | | |
|---------------|---|
| Peter Simpson | – Member of the Divisional Executive |
| | – Director of Energy Super |
| Steve Butler | – Member of the Divisional Executive |
| | – Director of Energy Industries Superannuation Scheme |

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING
AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES
DIVISION**

**COMMITTEE OF MANAGEMENT OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

number of Employees

The number of persons who were, at the end of the period to which the report relates, employees of the consolidated group, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis is 11.3 (2013: 10.3).

Wages Recovery

There were no wages recoveries for the year.

number of Members

The number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for s.230 of the Act and who are taken to be members of the Union under s.244 of the Act is: 70,775 (2013: 69,344).

members of the Divisional Executive

Name	Position	Period of Appointment
Robert Donnelly	Divisional President (SA Branch Secretary)	1 Jan 2014 to 28 Jul 2014
Robert Donnelly	SA Branch Secretary	28 Jul 2014 to 31 Dec 2014
Steve Butler	Divisional Vice President (NSW Branch Secretary)	1 Jan 2014 to 31 Dec 2014
Peter Simpson	Divisional Vice President (QLD Branch Secretary)	1 Jan 2014 to 31 Dec 2014
Allen Hicks	Divisional Secretary	1 Jan 2014 to 31 Dec 2014
Troy Gray	VIC Branch Secretary	1 Jan 2014 to 31 Dec 2014
Wes Hayes	VIC Branch Assistant Branch Secretary	1 Jan 2014 to 31 Dec 2014
James MacFadyen	NSW Branch President	1 Jan 2014 to 31 Dec 2014
Les McLaughlan	WA Branch Secretary	1 Jan 2014 to 28 Jul 2014
Les McLaughlan	Divisional President (WA Branch Secretary)	28 Jul 2014 to 31 Dec 2014
Trevor Gauld	TAS Branch Secretary	1 Jan 2014 to 31 Dec 2014
Chris McGaw	QLD Branch President	1 Jan 2014 to 31 Dec 2014

Members of the Divisional Council

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

Name	Position	Period of Appointment
Robert Donnelly	Divisional President (SA Branch Secretary)	1 Jan 2014 to 28 Jul 2014
Robert Donnelly	SA Branch Secretary	28 Jul 2014 to 31 Dec 2014
Steve Butler	Divisional Vice President (NSW Branch Secretary)	1 Jan 2014 to 31 Dec 2014
Peter Simpson	Divisional Vice President (QLD Branch Secretary)	1 Jan 2014 to 31 Dec 2014
Allen Hicks	Divisional Secretary	1 Jan 2014 to 31 Dec 2014
Neville Betts	NSW Branch Assistant Secretary	1 Jan 2014 to 31 Dec 2014
James MacFadyen	NSW Branch President	1 Jan 2014 to 31 Dec 2014
Michael Brien	NSW Branch Member	1 Jan 2014 to 31 Dec 2014
Troy Gray	Vic Branch Secretary	1 Jan 2014 to 31 Dec 2014
Gary Carruthers	VIC Branch President	1 Jan 2014 to 31 Dec 2014
Wes Hayes	VIC Branch Assistant Secretary	1 Jan 2014 to 31 Dec 2014
Ivan Balta	VIC Branch Assistant Secretary	1 Jan 2014 to 31 Dec 2014
Chris McGaw	QLD Branch President	1 Jan 2014 to 31 Dec 2014
Joe Fiteni	QLD Branch Member	1 Jan 2014 to 31 Dec 2014
Shane King	QLD Branch Member	1 Jan 2014 to 31 Dec 2014

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING
AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES
DIVISION**

**COMMITTEE OF MANAGEMENT OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

Members of the Divisional Council (continued)

Doug Buchanan	SA Branch Organiser	1 Jan 2014 to 31 Dec 2014
Jason Harrison	SA Branch President	1 Jan 2014 to 31 Dec 2014
Les McLaughlan	WA Branch Secretary	1 Jan 2014 to 28 Jul 2014
Les McLaughlan	Divisional President (WA Branch Secretary)	28 Jul 2014 to 31 Dec 2014
Robert Manhood	WA Branch President	1 Jan 2014 to 31 Dec 2014
Terence Hayes	WA Branch Member	1 Jan 2014 to 31 Dec 2014
Trevor Gauld	TAS Branch Secretary	1 Jan 2014 to 31 Dec 2014
Todd Lambert	TAS Branch Organiser	1 Jan 2014 to 31 Dec 2014
Ken Mayes	TAS Branch President	1 Jan 2014 to 31 Dec 2014

Indemnifying Officers or Auditors

The Union has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor:

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against liability for the costs or expenses to defend legal proceedings.

Other Information

There is no other information that the Union considers relevant.

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



A Hicks
Divisional Secretary

17 March 2015

Sydney



L McLaughlan
Divisional President

17 March 2015

Sydney

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING
AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES
DIVISION**

**DIVISIONAL COUNCIL COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

On 17 March 2015, the Divisional Executive on behalf of Divisional Council of the Communication Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2014:

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


- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned;
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned;
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the *RO Act*;
 - (iv) the financial records of the reporting unit have been kept, as far as practicable in a manner consistent with each of the other reporting units of the organisation;
 - (v) where information has been sought in any request of a member of the reporting unit or General Manager duly made under section 272 of the *RO Act*, that information has been provided to the member or General Manager; and
 - (vi) there have been no orders for inspection of financial records made by the Fair Work Commission under section 273 of the *Act*.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

For the Divisional Executive: Allen Hicks

Title of Office held: Divisional Secretary

Signature:



Date: 17 March 2015

Level 1, 200 Mary Street
GPO Box 1087
Brisbane Qld 4001 Australia
t: +61 7 3002 4800
f: +61 7 3229 5603

PO Box 3360 Australia Fair
Southport Qld 4215 Australia
t: +61 7 5591 1661
f: +61 7 5591 1772

e: info@mgisq.com.au
www.mgisq.com.au

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE COMMITTEE OF MANAGEMENT OF COMMUNICATION ELECTRICAL ELECTRONIC
ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA
– ELECTRICAL, ENERGY AND SERVICES DIVISION**

As lead auditor for the audit of the Communication Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division for the year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

M.G.I

MGI Audit (Q) Pty Ltd



G I Kent
Director

Sydney

17 March 2015

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING
AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES
DIVISION**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
Revenue	2	4,352,653	3,551,086
Employee benefits expense	3(l)	(1,702,542)	(1,653,029)
Depreciation and amortisation expenses	3(b)	(32,517)	(28,055)
Finance costs	3(a)	(2,270)	(123)
Affiliation fees	3(k)	(476,439)	(251,228)
Conference and meeting expenses	3(d)	(80,251)	(44,796)
Legal expenses	3(h)	(155,914)	(207,116)
Grants and Donations	3(f)	(13,155)	(200,150)
Campaign Expenses	3(c)	(41,328)	(31,609)
Other operating expenses	3(n)	(1,408,313)	(1,020,481)
Surplus before income tax		439,924	114,499
Income tax expense	1(a)	-	-
Surplus for the year		439,924	114,499
Other Comprehensive Income			
Other comprehensive income (net of income tax)		-	-
Total comprehensive income for the year		439,924	114,499
Surplus attributable to:			
Members of the Union		439,924	114,499
Total comprehensive income attributable to:			
Members of the union		439,924	114,499

The accompanying notes form part of these financial statements

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING
AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES
DIVISION**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	3,229,273	3,219,853
Trade and other receivables	5	220,890	783,943
Other Current Assets	6	-	38,037
TOTAL CURRENT ASSETS		3,450,163	4,041,833
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,317,586	53,122
TOTAL NON-CURRENT ASSETS		1,317,586	53,122
TOTAL ASSETS		4,767,749	4,094,955
CURRENT LIABILITIES			
Trade and other payables	8	465,443	310,018
Provisions	9	264,409	119,735
TOTAL CURRENT LIABILITIES		729,852	429,753
NON-CURRENT LIABILITIES			
Provisions	9	169,855	237,084
TOTAL NON-CURRENT LIABILITIES		169,855	237,084
TOTAL LIABILITIES		899,707	666,837
NET ASSETS		3,868,042	3,428,118
MEMBERS EQUITY			
Reserves	20	53,825	53,825
Retained Earnings	21	3,814,217	3,374,293
		3,868,042	3,428,118

The accompanying notes form part of these financial statements

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING
AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES
DIVISION**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2013	3,259,794	53,825	3,313,619
Surplus attributable to members of the Union	114,499	-	114,499
Other Comprehensive Income	-	-	-
Balance at 31 December 2013	3,374,293	53,825	3,428,118
Balance at 1 January 2014	3,374,293	53,825	3,428,118
Surplus attributable to members of the Union	439,924	-	439,924
Other Comprehensive Income	-	-	-
Balance at 31 December 2014	3,814,217	53,825	3,868,042

The accompanying notes form part of these financial statements

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING
AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES
DIVISION**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
Cash Flows from Operating Activities			
Receipts from Branches and Other Customers		5,279,613	4,284,531
Interest received		64,871	67,149
Payments to employees & suppliers		(4,035,813)	(3,403,743)
Finance costs		(2,270)	(123)
Net cash provided by operating activities	10(b)	<u>1,306,401</u>	<u>947,814</u>
Cash Flows from Investing Activities			
Payment for property, plant & equipment		(1,296,981)	(1,528)
Proceeds from sale of property, plant & equipment		-	-
Net cash used in investing activities		<u>(1,296,981)</u>	<u>(1,528)</u>
Cash Flows from Financing Activities			
		-	-
Net increase in cash held		9,420	946,286
Cash at beginning of financial year		<u>3,219,853</u>	<u>2,273,567</u>
Cash at end of financial year	10(a)	<u>3,229,273</u>	<u>3,219,853</u>

The accompanying notes form part of these financial statements

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING
AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES
DIVISION**

**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
Cash assets in respect of recovery money at beginning of year			
Receipts			
Amount recovered from employers in respect of wages etc.		-	-
Interest received on recovered money		-	-
Total Receipts		-	-
Payments			
Deductions of amounts due in respect of membership for:			
- 12 months or less		-	-
- greater than 12 months		-	-
Deductions of donations or other contributions to accounts or funds of			
- the Council		-	-
- other entity		-	-
Deductions of fees or reimbursements of expenses		-	-
Payments to workers in respect of recovered money		-	-
Total Payments		-	-
Cash assets in respect of recovery money at end of year		-	-

The accompanying notes form part of these financial statements

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements cover the Communication Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division ("Union") as an individual entity. The Union is a trade union which is incorporated and domiciled in Australia.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Fair Work (Registered Organisations) Act 2009*. The Union is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

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

The financial statements were authorised for issue on 17 March 2015 by the Divisional Council of the Union.

(a) Income Tax

The Union is exempt from income tax by virtue of s50.1 of the *Income Tax Assessment Act 1997* however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are measured on the cost basis and therefore carried at cost less accumulated depreciation and any impairment losses in the event that the carrying amount of the land and buildings are greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated reversible amount and impairment losses are recognised either in profit or loss.

Plant and equipment

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Property, Plant and Equipment (Continued)

Plant and equipment (Continued)

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

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

Depreciation

The depreciable amount of all fixed assets including capitalised leased assets, is depreciated on a straight line basis over their estimated useful lives to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Buildings	5%
Plant and equipment	5% - 40%
Motor Vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown with financial liabilities in current liabilities on the statement of financial position.

(d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Union commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (Continued)

Initial recognition and measurement (Continued)

Financial instruments are initially measured at fair value, plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at 'fair value through profit or loss', in which case, transactions costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

1. The amount at which the financial asset or financial liability is measured at initial recognition;
2. less principal repayments;
3. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method and
4. less any reduction for impairment.

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate adjustments to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after reporting date. (All other loans and receivables are classified as non-current assets).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (Continued)

Classification and subsequent measurement (Continued)

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after reporting date. (All other investments are classified as current assets).

If during the period the Union sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investment category would be tainted and reclassified as available-for-sale.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by the Divisional Council. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after reporting date. (All other financial assets are classified as current assets).

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value

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

Impairment

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

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Union no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Impairment of Assets

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

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

(f) Employee Benefits

Provision is made for the Union's liability for employee benefits (Annual Leave, RDO, Retirement Allowance and Long Service Leave) arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Under the Unions rules, those employees who have undertaken 3 or more years of continuous service are entitled to have their Long Service Leave balance paid upon termination (on a pro-rata basis). The Union does not have an unconditional right to deferred settlement (for those employees with greater than 3 or more consecutive years of service), resulting in Long Service Leave entitlements to be reported at reporting date as current liabilities.

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

(g) Provisions

Provisions are recognised when the Union has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to the Union are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased asset or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Union will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts and rebates allowed.

Sustentation revenue from State Branches is recognised on a accrual basis and is recorded as revenue in the year to which it relates.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax ("GST").

(j) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

(k) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Union during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(l) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(m) Goods and services tax (GST)

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

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

(n) Comparative Figures

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Critical accounting estimates and judgement

The Union's Committee Members evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and internally.

Key Estimates – Impairment

The Union assess impairment at each reporting date by evaluating conditions specific to the Union that may lead to the impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

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

Key Judgements – Provision for impairment of receivables

Included in accounts receivable at 31 December 2014 are amounts receivable from sales made to various debtors during the current financial year amounting to \$97,450 (2013: \$78,919). The Divisional Council believe that the full amount of the debts are not recoverable resulting in a provision.

(p) New, Revised or Amending Accounting Standards and Interpretations

The company has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(q) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company. The directors have decided not to early adopt any of the new and amended pronouncements. The directors' assessment of the new and amended pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments: AASB 9 (December 2014) is a new Principal standard which replaces AASB 139. This new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments.

The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised. The Standard also requires to recognise full lifetime expected losses on a more timely basis.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) New Accounting Standards for Application in Future Periods (Continued)

Amendments to AASB 9 (December 2009 & 2010 editions)(AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.

AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139.

The main changes are described below.

- (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.
- (b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
- (d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
 - The change attributable to changes in credit risk are presented in other comprehensive income (OCI)
 - The remaining change is presented in profit or loss

AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.

Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E (applicable for annual reporting periods commencing on or after 1 January 2018).

- AASB 2014-1 Part A – Annual Improvements 2011 – 2013 Cycle: Annual improvements to IFRS 2011-2013 cycle address the following items:
 - AASB 13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132.
 - AASB 140 – Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3 (applicable for annual reporting periods commencing on or after 1 January 2015).

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) New Accounting Standards for Application in Future Periods (Continued)

- AASB 2014-4: Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138): AASB 116 and AASB 138 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset.

The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances (applicable for annual reporting periods commencing on or after 1 January 2016).

- AASB 2014-2: Amendments to AASB 1053 – Transitions to and between Tiers, and related Tier 2 Disclosure Requirements (AASB 1053): The standard makes amendments to AASB 1053 Application of Tiers of Australian Accounting Standards to:
 - Clarify that AASB 1053 relates only to general purpose financial statements.
 - Make AASB 1053 consistent with the availability of the AASB 108 Accounting Policies, Changes to Accounting Estimates and Errors option in AASB 1 First-Time Adoption of Australian Accounting Standards.
 - Clarify certain circumstances in which an entity applying Tier 2 reporting requirements can apply the AASB 108 option in AASB 1; permit an entity applying Tier 2 reporting requirements for the first time to do so directly using the requirements in AASB 108 (rather than applying AASB 1) when, and only when, the entity had not applied, or only selectively applied, applicable recognition and measurement requirements in its more recent previous annual special purpose financial statements.
 - Specify certain disclosure requirements when an entity resumes the application of Tier 2 reporting requirements (applicable for annual reporting periods commencing on or after 1 January 2015).

The Union is still determining whether any adoption of these standards will have any impact on the future reporting periods.

(r) Gains

Sale of assets

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

(s) Capitation fees and levies

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) 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.

(u) Going Concern

The Union has not entered into an agreement with another reporting unit for financial support to continue on a going concern basis.

The Union has not entered into any agreements to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

(v) Acquisition of Assets and Liabilities

The Union did not acquire any assets or liabilities during the year as a result of:

- (a) an amalgamation under Part 2 of Chapter 3 of the RO Act in with the organisation (of which the reporting unit form part) was the amalgamated organisation; or
- (b) a restructure of the branches of the organisation; or
- (c) a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
- (d) a revocation by the General Manager under subsection 245(1).

The Union did not acquire any assets or liabilities during the year as a part of a business combination.

(w) Fair Value Measurement

The Union measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

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

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

The principal or the most advantageous market must be accessible by the [reporting unit]. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Fair Value Measurement (Continued)

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

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

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

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

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the [reporting unit] has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

(x) Recovery of Wages

The Union has not undertaken any recovery of wages activities during the year or the comparative year.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014 \$	2013 \$
NOTE 2 – REVENUE		
(a) Sustentation Fees		
- CEPU – QLD/ NT Electrical Branch	985,786	794,821
- CEPU – WA Electrical Branch	481,200	406,190
- CEPU – NSW Electrical Branch	951,266	938,084
- CEPU – SA Electrical Branch	215,095	175,221
- CEPU – VIC Electrical Branch	1,073,992	962,287
- CEPU – TAS Electrical Branch	111,470	87,766
	<u>3,818,809</u>	<u>3,364,369</u>
(b) Interest income		
- Other Persons	64,871	67,149
- Related Parties	-	-
	<u>64,871</u>	<u>67,149</u>
(c) Other Income		
Publication Income		
- CEPU – QLD / NT Electrical Branch	109,844	-
- CEPU – WA Electrical Branch	53,666	-
- CEPU – NSW Electrical Branch	105,392	-
- CEPU – SA Electrical Branch	29,947	-
- CEPU - VIC Electrical Branch	113,950	-
- CEPU – TAS Electrical Branch	8,998	-
	<u>421,797</u>	<u>-</u>
Secretarial Fees		
- CEPU – National Office	19,612	33,400
Levies	-	-
Director Fees	-	84,814
Sponsorship Income	19,000	-
Sundry Income	8,564	1,354
	<u>468,973</u>	<u>119,568</u>
Grants or Donations	-	-
	<u>-</u>	<u>-</u>
Total Revenue	<u>4,352,653</u>	<u>3,551,086</u>

The Union did not receive any other financial support from another reporting unit to ensure that the provision of the principal activities are possible.

NOTE 3 – EXPENSES

(a) Finance Costs – External	2,270	123
(b) Depreciation and amortisation		
- Motor vehicles	11,914	15,886
- Plant and equipment	6,677	12,169
- Buildings	13,926	-
	<u>32,517</u>	<u>28,055</u>
(c) Campaign expenses	41,328	31,609

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014 \$	2013 \$
NOTE 3 – EXPENSES (CONTINUED)		
(d) Conference and meeting expenses		
- General	50,526	40,032
- Divisional	29,617	37,800
- National	108	(33,036)
	<u>80,251</u>	<u>44,796</u>
(e) Compulsory Levies	-	-
(f) Grants and Donations		
- Grants	-	-
- Donations	13,155	150
- Donations – ALP (2013 Federal Election funding)	-	200,000
	<u>13,155</u>	<u>200,150</u>
Split of Grants and Donations:		
Grants:		
- Total paid that were \$1,000 or less	-	-
- Total paid that exceeded \$1,000	-	-
Donations:		
- Total paid that were \$1,000 or less	655	150
- Total paid that exceeded \$1,000	12,500	200,000
	<u>13,155</u>	<u>200,150</u>
(g) Capitation fees	-	-
(h) Legal Costs		
- Litigation	93,397	207,116
- Other Legal Matters (Royal Commission)	62,517	-
	<u>155,914</u>	<u>207,116</u>
(i) Fees/allowances – meetings and conferences	-	-
(j) Penalties – via RO Act or RO Regulations	-	-
(k) Affiliation fees		
- ACTU	243,625	191,288
- CEPU National Office	220,000	54,882
- Public Services International	12,814	5,082
	<u>476,439</u>	<u>251,252</u>

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND
ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
NOTE 3 – EXPENSES (CONTINUED)			
(l) Employee benefits expense			
Holders of Office:			
- Salaries and wages		318,265	240,991
- Leave and other entitlements		69,212	19,577
- Superannuation		53,262	48,200
- Separation and redundancies		-	-
- Other employee expenses		-	181,625
		<u>440,739</u>	<u>490,393</u>
Employees other than office holders:			
- Salaries and wages		909,562	825,188
- Leave and other entitlements		106,790	80,623
- Superannuation		149,827	152,036
- Separation and redundancies		-	-
- Other employee expenses		-	-
		<u>1,166,179</u>	<u>1,057,847</u>
Add: Payroll tax expense		<u>95,624</u>	<u>104,789</u>
Total Employee benefits expense		<u>1,702,542</u>	<u>1,653,029</u>
(m) Consideration to employers for payroll deductions		-	-
(n) Other Operating Expenses			
Advertising and Promotion		616,488	341,121
Computer Expenses		47,910	26,287
Doubtful Debts Expenses	5(a)(iii)	87,338	78,919
Audit and Accounting Expenses		45,099	19,000
Printing and Stationery		14,969	23,120
Rent and Occupancy Costs		253,759	167,966
Staff Training and Welfare		14,958	9,238
Subscriptions		49,303	23,760
Telephone and Fax		26,739	37,139
Travel Expenses		156,199	217,749
Motor Vehicle Expenses		11,602	17,318
Other Expenses		83,949	58,864
		<u>1,408,313</u>	<u>1,020,481</u>

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND
ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
NOTE 4 – CASH AND CASH EQUIVALENTS			
Cash on hand		22	390
Cash at bank		3,229,251	3,219,463
		<u>3,229,273</u>	<u>3,219,853</u>
NOTE 5 – TRADE AND OTHER RECEIVABLES			
Receivables from other reporting units			
- CEPU National Council		11,300	25,400
- CEPU NSW Electrical Division		75,585	40,046
- CEPU NSW Postal & Telecommunications Branch		21,864	25,511
- CEPU NSW Telecommunications & Services Branch		-	1,033
- CEPU SA Electrical Division		126,662	96,325
- CEPU TAS Electrical Division		51,850	13,314
- CEPU VIC Electrical Division		28,079	661,233
- CEPU Plumbing Division		3,000	-
		<u>318,340</u>	<u>862,862</u>
Less provision for impairment	5(a)(ii)	(97,450)	(78,919)
Total Receivable from other reporting units		<u>220,890</u>	<u>783,943</u>
Other receivables		-	-
Total trade and other receivables		<u>220,890</u>	<u>783,943</u>
(a) Provision for Impairment of Receivables			
(i) Movement in the provision for impairment of receivables is as follows:			
Opening balance – 1 January		78,919	-
Charge for the year		87,338	78,919
Amounts written off		(68,807)	-
Closing balance – 31 December		<u>97,450</u>	<u>78,919</u>
(ii) Provision for impairment consists of the following:			
CEPU – TAS Electrical Division		-	8,275
CEPU – VIC Electrical Division		-	70,644
CEPU – NSW Electrical Division		75,585	-
CEPU – NSW Postal & Telecommunications Branch		21,864	-
		<u>97,450</u>	<u>78,919</u>

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
NOTE 5 –TRADE AND OTHER RECEIVABLES (CONTINUED)			
(iii) Doubtful debts expense relating to other reporting units comprises of:			
CEPU – TAS Electrical Division		-	8,275
CEPU – VIC Electrical Division		-	70,644
CEPU – NSW Electrical Division		68,713	-
CEPU – NSW Postal & Telecommunications Branch		18,625	-
		<u>87,338</u>	<u>78,919</u>

Credit Risk – Trade and Other Receivables

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

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

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

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

	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)			Within initial trade terms
2014	\$	\$	< 30	31-60	60+	\$
Receivables from other reporting units	318,340	97,450	-	192,812	28,078	-
Other trade receivables	-	-	-	-	-	-
Total	<u>318,340</u>	<u>97,450</u>	<u>-</u>	<u>192,812</u>	<u>28,078</u>	<u>-</u>
2013						
Receivables from other reporting units	862,862	78,919	-	-	92,349	691,594
Other trade receivables	-	-	-	-	-	-
Total	<u>862,862</u>	<u>78,919</u>	<u>-</u>	<u>-</u>	<u>92,349</u>	<u>691,594</u>

Collateral held as security

The Union does not hold collateral with respect to its receivables at 31 December 2014 (2013: Nil)

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
NOTE 6 – OTHER CURRENT ASSETS		
– GST Receivable (net)	-	38,037
NOTE 7 – PROPERTY, PLANT AND EQUIPMENT		
Furniture, fittings and office equipment:		
At cost	32,976	22,852
Accumulated depreciation	(24,065)	(20,186)
Total furniture, fittings and office equipment	8,911	2,666
Buildings:		
At cost	1,286,857	-
Accumulated depreciation	(13,926)	-
Total buildings	1,272,931	-
Motor vehicles:		
At cost	70,884	70,884
Accumulated depreciation	(35,140)	(23,226)
Total motor vehicles	35,744	47,658
Improvements:		
At cost	77,727	77,727
Accumulated depreciation	(77,727)	(77,727)
Total improvements	-	-
Other property, plant and equipment:		
At cost	117,311	117,311
Accumulated depreciation	(117,311)	(114,513)
Total other property, plant and equipment	-	2,798
Total property, plant & equipment	1,317,586	53,122

(a) Movement in Carrying Amounts

Movements in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year

	Buildings	Motor Vehicles	Furniture, Fittings and Office Equipment	Other Property, Plant and Equipment	Total
Balance at 1 January 2014	-	47,658	2,666	2,798	53,122
Additions	1,286,857	-	10,124	-	1,296,981
Disposals	-	-	-	-	-
Depreciation expense	(13,926)	(11,914)	(3,879)	(2,798)	(32,517)
Carrying amount at 31 December 2014	1,272,931	35,744	8,911	-	1,317,586

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND
ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
NOTE 8 – TRADE AND OTHER PAYABLES			
Trade payables			
- Trade payables and accruals		<u>313,368</u>	<u>77,436</u>
Other payables			
- Sundry creditors		4,429	31,366
- Superannuation payable		25,016	21,439
- PAYGW payable		40,554	155,090
- Payroll tax payable		1,250	21,344
- FBT payable		6,378	3,343
- GST payable (net)		73,808	-
- Consideration to employers for payroll deductions		-	-
- Legal costs		-	-
Payables to other reporting units			
- CEPU – SA Electrical Division		<u>640</u>	<u>-</u>
Total Trade and other Payables		<u>465,443</u>	<u>310,018</u>

NOTE 9 – PROVISIONS

	Annual Leave \$	Long Service Leave \$	RDO \$	Retirement Allowance \$	Total \$
Opening balance at 1 January 2014	119,735	148,200	-	88,884	356,819
Additional provisions raised during the year	113,003	-	29,553	9,567	152,123
Amounts used	(47,402)	(27,276)	-	-	(74,678)
Balance at 31 December 2014	<u>185,336</u>	<u>120,924</u>	<u>29,553</u>	<u>98,451</u>	<u>434,264</u>

Analysis of total provisions

Current				
Provision for annual leave	185,336	119,735		
Provision for long service leave	49,520	-		
RDO Provision	29,553	-		
	<u>264,409</u>	<u>119,735</u>		
Non-current				
Provision for long service leave	71,404	148,200		
Retirement Allowance	98,451	88,884		
	<u>169,855</u>	<u>237,084</u>		

Non-current provisions represent leave entitlements owing to employees for either their retirement allowance or those who have not completed 3 years of continuous service with the Union.

Holders of Office

- Annual leave	61,181	18,422
- Long service leave	31,385	9,086
- Separations and redundancies	-	-
- Other	11,595	-
	<u>104,161</u>	<u>27,508</u>

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND
ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
NOTE 9 – PROVISIONS (CONTINUED)			
Employees other than office holders			
- Annual leave		124,155	101,313
- Long service leave		89,539	139,114
- Separations and redundancies		98,451	88,884
- Other		17,958	-
		<u>330,103</u>	<u>329,311</u>
Total Provisions		<u>434,264</u>	<u>356,819</u>

NOTE 10 – CASH FLOW INFORMATION

(a) Reconciliation of Cash and Cash Equivalents

For the purposes of the Statement of cash flows, cash and cash equivalents includes cash on hand, at banks and deposits or any other cash held that can be readily convertible to known amount of cash and be subject to an insignificant risk of changes in value. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:

Cash on hand	22	390
Cash at bank	3,229,251	3,219,463
	<u>3,229,273</u>	<u>3,219,853</u>

(b) Reconciliation of Net Cash Provided by Operating Activities to Surplus after Income Tax

Surplus after income tax	439,924	114,499
Non cash flows in surplus after income tax		
- Depreciation & amortisation	32,517	28,055
Changes in assets and liabilities		
(Increase)/ decrease in trade receivables	563,053	870,708
Increase/ (decrease) in trade payables and accruals	81,617	226,743
Increase/ (decrease) in provisions	77,445	(295,634)
Increase/ (decrease) in GST	111,845	3,443
Net cash provided by operating activities	<u>1,306,401</u>	<u>947,814</u>

(c) Credit standby arrangements

CBA MasterCard Facility		
Used facility	-	13,292
Unused facility	50,000	36,708
Total facility	<u>50,000</u>	<u>50,000</u>

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND
ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
NOTE 10 – CASH FLOW INFORMATION (CONTINUED)			
(d) Cash flows to/from other reporting units			
Included in the statement of cash flows under operating activities are the following receipts and payments to other reporting units			
Receipts from other reporting units			
- CEPU – QLD/NT Electrical Branch		813,965	1,186,729
- CEPU – WA Electrical Branch		413,959	585,886
- CEPU – NSW Electrical Branch		1,165,657	1,253,637
- CEPU – SA Electrical Branch		127,044	177,171
- CEPU – VIC Electrical Branch		1,876,719	876,530
- CEPU – TAS Electrical Branch		57,495	126,082
- CEPU – National Council		35,673	8,000
- CEPU – NSW P & T Branch		69,578	67,356
- CEPU – NSW T & S Branch		12,336	16,172
- CEPU – Plumbing Division		1,850	-
Total receipts from other reporting units		4,574,276	4,297,563
Payments to other reporting units			
- CEPU – TAS Electrical Branch		2,923	27,610
- CEPU – VIC (Plumbing) Branch		7,280	-
- CEPU – National Council		242,000	112,337
- CEPU – Plumbing Division		2,730	-
- CEPU – QLD/NT Electrical Branch		2,752	-
- CEPU – SA Electrical Branch		2,931	4,084
- CEPU – VIC Electrical Branch		22,950	-
- CEPU – WA Electrical Branch		45,000	2,910
- CFMEU – National Office		189	-
- AWU – National Office		-	250
Total Payments to other reporting units		328,755	147,191
Net cash paid to other reporting units		4,245,521	4,150,372

The above disclosure includes any applicable GST.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

(a) Operating lease commitments			
Payable – minimum lease payments		7,140	109,658
- not later than 12 months		8,925	16,065
- between 12 months and 5 years		-	-
- greater than 5 years		-	-
Minimum lease payments		16,065	125,723

At 31 December 2014, the Union held a photocopier lease expiring in March 2017 (2013: the Union held both an office lease at 5-18 Rosebery Avenue, Rosebery and a photocopier lease).

(b) Contingent liabilities and commitments

The Union does not have any contingent liabilities and commitments at 31 December 2014 (2013: Nil).

(c) Capital expenditure commitments

There are no capital expenditure commitments at 31 December 2014 (2013: Nil).

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
NOTE 12 – AUDITORS REMUNERATION			
Amounts received or due and receivable by the auditor of the Union for:			
(a) audit of the financial report of the Union and preparation of financial statements		23,500	19,000
(b) other services		-	-
		<u>23,500</u>	<u>19,000</u>

During the year, the Union's auditors changed from Pinker Arnold & McLoughlin to MGI Audit (Q) Pty Ltd.

NOTE 13 – INTER-BRANCH TRANSACTIONS

Transactions with other branches of Communication Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division are on terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) CEPU – NSW P & T Branch			
Reimbursement of Payroll Tax	69,578	67,356	
(b) CEPU – NSW T & S Branch			
Reimbursement of Payroll Tax	12,336	16,172	
(c) CEPU – QLD/NT Electrical Branch			
Sustentation fees	985,786	794,821	
Reimbursement of National Journal costs	109,844	-	
Contribution to WA Senate campaign	9,000	-	
Reimbursement of wage costs	12,617	-	
Other reimbursements	6,818	-	
Payments for accommodation	(2,502)	-	
(d) CEPU – WA Electrical Branch			
Sustentation fees	481,200	406,190	
Reimbursement of National Journal Costs	53,666	-	
Reimbursement of wage costs	6,169	-	
Other reimbursements	6,280	-	
Payments for WA Senate campaign	(45,000)	-	
Payments for accommodation reimbursements	-	(2,645)	
(e) CEPU – NSW Electrical Branch			
Sustentation fees	951,266	938,084	
Reimbursement of National Journal costs	105,392	-	
Contribution to WA Senate campaign	9,000	-	
Reimbursement of wage costs	13,758	-	
Other reimbursement	13,398	-	
(f) CEPU – SA Electrical Branch			
Sustentation fees	215,095	175,221	
Reimbursement of National Journal costs	29,947	-	
Reimbursement of wage costs	3,025	-	
Other reimbursement	2,802	-	
Payment for accommodation reimbursements	(3,320)	(3,712)	

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
NOTE 13 – INTER-BRANCH TRANSACTIONS (CONTINUED)			
(g) CEPU – VIC Electrical Branch			
Sustentation fees		1,073,992	962,287
Reimbursement of National Journal costs		113,950	-
Contribution to WA Senate campaign		9,000	-
Reimbursement of wage costs		14,682	-
Other reimbursements		11,477	-
Payments for OH&S services		(20,000)	-
Payment for other reimbursements		(868)	-
(h) CEPU – TAS Electrical Branch			
Sustentation fees		111,470	87,766
Reimbursement of National Journal costs		8,998	-
Reimbursement of wage costs		1,420	-
Other reimbursements		1,045	-
Payment for accommodation reimbursements		(2,723)	(2,373)
Payment for relocation costs		-	(22,727)
(i) CEPU – Plumbing Division			
Payment of office rent		(2,482)	-
(j) CEPU – National Council			
Secretarial fees		19,612	33,400
Payment of affiliation fees		(220,000)	(102,125)

Note: the above transactions are all exclusive of GST.

NOTE 14 – KEY MANAGEMENT PERSONNEL

Key management personnel comprise those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Union. During the year, the key management personnel of the Union were remunerated as follows:

Short-term employee benefits	387,477	260,568
Post-employment benefits	53,262	48,200
Termination benefits	-	286,414
Other long-term benefits	-	-
	<u>440,739</u>	<u>595,182</u>

No payments have been made to key management personnel or close family members other than the remuneration paid as being employees of the Union.

(a) Officers of the Union

The following persons were officers of the Union during the year

Name	Position
Robert Donnelly*	Member of Divisional Council
Steve Butler*	Member of Divisional Council
Peter Simpson*	Member of Divisional Council
Allen Hicks*	Divisional Secretary and Member of Divisional Council
David Mier	Assistant Divisional Secretary
Troy Gray*	Member of Divisional Council
Wes Hayes*	Member of Divisional Council
James MacFadyen*	Member of Divisional Council
Les MacLaughlan*	Member of Divisional Council

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

NOTE 14 – KEY MANAGEMENT PERSONNEL (CONTINUED)

(a) Officers of the Union (Continued)

Name	Position
Trevor Gauld*	Member of Divisional Council
Chris McGaw*	Member of Divisional Council
Nevil Betts	Member of Divisional Council
Michael Brien	Member of Divisional Council
Gary Carruthers	Member of Divisional Council
Ivan Balta	Member of Divisional Council
Joe Fiteni	Member of Divisional Council
Shane King	Member of Divisional Council
Doug Buchanan	Member of Divisional Council
Jason Harrison	Member of Divisional Council
Robert Manhood	Member of Divisional Council
Terence Hayes	Member of Divisional Council
Todd Lambert	Member of Divisional Council
Ken Mayes	Member of Divisional Council

* Member of Divisional Executive

NOTE 15 – EVENTS AFTER BALANCE DATE

There are no events subsequent to the balance sheet date that have impacted on the values disclosed in the financial statements.

NOTE 16 – FINANCIAL RISK MANAGEMENT

The Union's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

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

	Note	2014	2013
		\$	\$
Financial Assets			
Cash and cash equivalents	4	3,229,273	3,219,853
Receivables	5	220,890	783,943
Total financial assets		3,450,163	4,003,796
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	8	465,443	310,018
Total financial liabilities		465,443	310,018

Financial Risk Management Policies

Financial Risk Management Policies

The Committee of Management monitors the Union's financial risk management policies and exposures and approves financial transactions entered into. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, financing risk and interest rate risk. The Committee of Management meets monthly to review the financial exposure of the Union.

The main risk the Union is exposed to through its financial instruments are credit risk, liquidity risk and market risk, consisting of interest rate risk.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 16 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the Union.

The Union does not have any material credit risk exposures as its major source of revenue is the receipt of membership fees and dues.

Credit Risk Exposures

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

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in Note 5.

The Union has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 5.

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved policies. Such policies require that surplus funds are only invested with counterparties with a strong reputation and backed by the Commonwealth Government's bank guarantee. At 31 December 2014, all funds were held by financial institutions backed by the Commonwealth Government's bank guarantee.

(b) Liquidity Risk

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 16: FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Liability and Financial Asset Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables	465,443	310,018	-	-	-	-	465,443	310,018
Total Financial Liabilities	<u>465,443</u>	<u>310,018</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>465,443</u>	<u>310,018</u>
Financial assets - cash flow realisable								
Cash and cash equivalents	3,229,273	3,219,853	-	-	-	-	3,229,273	3,219,853
Trade and other receivables	220,890	783,943	-	-	-	-	220,890	783,943
Total anticipated inflows	<u>3,450,163</u>	<u>4,003,796</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,450,163</u>	<u>4,003,796</u>
Net inflow of financial instruments	<u>2,984,720</u>	<u>3,693,778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,984,720</u>	<u>3,693,778</u>

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

NOTE 16 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market Risk

i. Interest Rate Risk

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

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

	Note	Weighted Average Effective Interest Rate		2014	2013
		2014	2013	\$	\$
		%	%		
Floating rate instruments					
Cash and cash equivalents		1.69	1.92	3,229,273	3,219,853

ii. Foreign Exchange Risk

The Union is not exposed to fluctuations in foreign currencies.

iii. Price Risk

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

Sensitivity Analysis

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

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

	Profit	Equity
	\$	\$
Year ended 31 December 2014		
+1% in interest rates	+32,293	+32,293
-1% in interest rates	-19,561	-19,561
Year ended 31 December 2013		
+1% in interest rates	+32,331	+32,331
-1% in interest rates	-20,695	-20,695

No sensitivity analysis has been performed on foreign exchange risk or price as the Union has no material exposures to currency or commodity risk.

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 16 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (Continued)

Fair values

Fair value estimation

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

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

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

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

	Footnote	2014		2013	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	3,229,273	3,229,273	3,219,853	3,219,853
Accounts and other receivables	(i)	220,890	220,890	783,943	783,943
Total financial assets		3,450,163	3,450,163	4,003,796	4,003,796
Financial liabilities					
Accounts and other payables	(i)	465,443	465,443	310,018	310,018
Total financial liabilities		465,443	465,443	310,018	310,018

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

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

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND
ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

NOTE 16 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (Continued)

Fair values (Continued)

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

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 December 2014

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

Fair value hierarchy – 31 December 2013

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

NOTE 17 – SEGMENT INFORMATION

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

The Union operates from one reportable geographical segment being Australia.

NOTE 18 – UNION DETAILS

The principal place of business is:

CEPU – Electrical Division
Suite 408, Level 4
30 - 40 Harcourt Pde
Rosebery NSW 2018

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

NOTE 19 - INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER

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 the General Manager of Fair Work Australia:

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

The purposes for which the Union are established are:

- (a) Implementation of the decisions of the Divisional Executive and Divisional Council.
- (b) Implementation of the union's organising agenda, including direct assistance and strategic advice on particular industry or organising projects, the training and development of officials and assistance to branches.
- (c) Industrial support including representation of member grievances, advice on legal and legislative matters, pursuing relevant changes to the conditions of eligibility rules of the Division, and responding to other unions' rules applications where they impact on membership of the CEPU.
- (d) The administration of federal awards, the variations of awards and making applications to vary federal awards of the division: Co-ordination of National Enterprises negotiations on behalf of branches.
- (e) National media and communications to members and to the broader community via media releases in support of campaigns, video development, and targeted publications, including the national magazine ETU National.
- (f) Developing national policies and representing the division nationally on skills training, licensing, education of members and industrial relations law reforms.

The Divisional office has consulted with the ACTU on the development of policy on wages, redundancy and family leave. The national office has participated in ACTU policy committees in OH&S, VET, union education and superannuation.

The Divisional office has also been involved in lobbying and negotiations with different levels of Government and key industry organisations around issues of importance to CEPU members, e.g. in submission to government inquiries, skilled career paths, skill shortages, quality and accreditation and workforce issues, occupational health and safety and electrical licensing.

There has been no significant changes in the nature of these activities.

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND
ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

NOTE 20 – RESERVES

(a) Asset Revaluation Reserve

The reserve represents revaluation of the Union's non-current assets.

NOTE 21 – INFORMATION REGARDING THE STATEMENT OF CHANGES IN EQUITY

The Union does not operate any other accounts besides the general fund (retained earnings).

During the year the Union purchased a building (Suite 408, Level 4, 30-40 Harcourt Pde, Rosebery) from accumulated funds. Funding for this purchased was obtained from cash deposits held by the Union.

No monies have been transferred or withdrawn from the general fund to a fund, account or controlled entity for a specific purpose.

	2014	2013
	\$	\$
Balance of the general fund	3,814,217	3,374,293