



11th May 2017

Mr Chris Enright
Director – Regulatory Compliance Branch
Fair Work Commission
GPO Box 1994, Melbourne
VIC 3001

Via email: orgs@fwc.gov.au

Dear Mr Enright

**CEPU EE&S Division – SOUTH AUSTRALIAN BRANCH
Operating Reports as at 31 December 2013, 2014 & 2015
– Reporting of Membership Numbers**

I refer to the above and enclose by way of lodging:

- Declaration correcting the membership figure reported in the operating reports for the reporting periods ending 31 December 2013, 2014 and 2015.

As you are aware, in response to the Fair Work Commission querying the reporting of CEPU membership figures, the CEPU instigated an independent audit of the membership figures reported in both its annual returns and annual committee of management operating reports. This audit was conducted by Stannards Accounting and overseen by retired Fair Work Commissioner, Mr Greg Harrison.

As a consequence of the independent audit, the Branch State Council/Executive in a meeting held on the 10th of May 2017 authorised the submission of a declaration to the FWC to correct the figures reported in the operating reports for the total members for the reporting periods ending 31 December 2013, 2014 and 2015.

These amended figures have now been published to our website for the information of members.

Please do not hesitate to contact me should you wish to discuss this matter

Yours faithfully

John Adley
Branch Secretary



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

Fair Work (Registered Organisations) Act 2009

**DECLARATION - CORRECTING REPORT TO
CEPU Electrical, Energy and Services Division – South Australian Branch
OPERATING REPORT
lodged pursuant to s.268**

I, John Adley, of Bob Geraghty House, 312 South Road, Richmond, in the state of South Australia, 5033, declare:

- I am the Branch Secretary of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Electrical, Energy and Services Division – South Australian Branch (the branch), a branch of an organisation registered under the *Fair Work (Registered Organisations) Act 2009* (the Act).
- Pursuant to s.268 of the Act, for the periods ended 31 December 2013; 31 December 2014 and 31 December 2015, the full financial reports, including the operating reports, of the branch were lodged with the Fair Work Commission (FWC) in FR2013/426, FR2014/391 and FR2015/442 respectively.
- An independent audit report into the membership figures reported in the committee of management operating reports for the reporting periods 31 December 2013; 31 December 2014 and 31 December 2015, conducted by Stannards Accounting in 2016 (the Stannards audit), found the following variances with the figures reported in the operating reports:

As at 31 Dec	2013	2014	2015
Reported	4120	3982	4003
Auditted	3967	4095	3999
Variance	-153	113	-4

- On the 10th of May 2017, in response to the findings of the Stannards audit, the CEPU SA State Council authorised the Branch Secretary to amend the committee of management operating reports for the years ended 31 December 2013, 31 December 2014 and 31 December 2015 to reflect the membership figures resulting from the Stannards audit.

Signed:

Dated:

11th May 2017



2 December 2014

Mr Bob Donnelly
Branch Secretary

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services
Union of Australia - Electrical, Energy and Services Division, South Australian Divisional Branch
email: bobd@cepusa.com.au

cc: Mr Robert Zadow, 360Private Pty Ltd, email: contactus@360Private.com.au

Dear Mr Donnelly,

**CEPU - Electrical, Energy and Services Division, South Australian Divisional Branch
Financial Report for the year ended 31 December 2013 [FR2013/426]**

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, South Australian Divisional Branch. The documents were lodged with the Fair Work Commission on 14 April 2014. An updated financial report was received on 22 September 2014, addressing some issues raised in my letter of 19 August 2014. Following further correspondence with your auditor, a further updated financial report was received on 14 November 2014.

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

I make the following comments to assist you when you next prepare a financial report. The Fair Work Commission will confirm these concerns have been addressed prior to filing next year's report.

Timescale requirements

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timeline requirements can be found on the Fair Work Commission website. In particular, I draw your attention to [Financial reporting process](#) which explains the timeline requirements, and [Summary of financial reporting timelines](#) which sets out the timeline requirements in diagrammatical form.

Auditor's statement must be signed before full report is provided to members

One of the key requirements of the *Fair Work (Registered Organisations) Act 2009* is that a reporting unit must provide members with a full or concise report (section 265(1)). A full report must include a signed auditor's statement.

The designated officer's certificate provided with the updated financial report states that the full report was provided to members of the reporting unit on 12 November 2014, but the auditor's report was not signed until 13 November 2014. If these dates are correct, it would appear that either the auditor's statement was not provided to members or that an unsigned statement was provided.

I note that the financial report available to members on the organisation's website now includes a signed auditor's statement. Please ensure in future that a full report that includes a signed auditor's statement is provided to members and that the designated officer's certificate accurately records the date that this occurs.

Reporting requirements

A number of factsheets in relation to the financial reporting process and associated timelines are available on the FWC website. 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. This information may be accessed via [this link](#).

Should you wish to discuss this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7942 or by email at rebecca.lee@fwc.gov.au.

Yours sincerely,



Rebecca Lee
Regulatory Compliance Branch



COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
ELECTRICAL DIVISION SA BRANCH
ABN : 71 649 076 521

FINANCIAL REPORT
AS At 31 Dec 2013

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

**FINANCIAL REPORT
AS At 31 DECEMBER 2013**

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INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF THE COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU) ELECTRICAL DIVISION SA BRANCH

Report on the Financial Report

I have audited the accompanying financial report of the CEPU Electrical Division SA Branch, which comprises the Statement of Financial Position as at 31 December 2013, the statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Members of the Committee.

Committees' Responsibility for the Financial Report

The Committee of Management of the Union are responsible for the preparation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Fair Work (Registered Organisations) Act 2009 and the financial requirements of the Union's rules. The responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. In Note 2, the committee also states, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with Australian Accounting Standards.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with the Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 Union's preparation and fair presentation of the financial report 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, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

I am an approved auditor (ASIC Audit Registration 5667), a Fellow of the Institute of Chartered Accountants and I hold a current Public Practice Certificate.

Independence

In conducting my audit, I have complied with the independence requirements of Australian professional ethical pronouncements and the Fair Work (Registered Organisations) Act 2009.

In my opinion:

The financial report of the CEPU Electrical Division SA Branch is in accordance with:

(a) Fair Work (Registered Organisations) Act 2009, including:

(i) giving a true and fair view of the union's financial position as at 31 December 2013 and of its performance for the year ended on that date;

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Union's rules; and

(iii) complying with any other requirements imposed by the Reporting Guidelines of the Fair Work (Registered Organisations) Act 2009

(b) other mandatory professional reporting requirements in Australia.

(c) The General Purpose Financial Report is presented fairly in accordance with Australian Accounting Standards, and the following:

- a. In relation to any recovery of wages activity:
 - that the scope of the audit encompassed recovery of wages activity
 - that the Union do not involve in any recovery of wages activity.
- b. any other requirements imposed by these Reporting Guidelines

(d) I conclude that managements' use of the going concern basis of accounting in the preparation of the union's financial statements is appropriate.

360 PRIVATE WEALTH BY DESIGN PTY LTD



Robert J Zadow (ASIC Audit Registration No. 5667) FCA, CPA

Parkside

South Australia


Dated 13th November 2014

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

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
Certificate for the period ended 31 December 2013

I Robert Donnelly being the Branch Secretary of the CEPU Electrical Division SA Branch certify:

- that the documents lodged herewith are copies of the full report for the CEPU Electrical Division SA for the period ended 31 December 2013 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the reporting unit on 12 November 2014; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 12 November 2014 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer 

Name of prescribed designated officer R. G. DONNELLY

Title of prescribed designated officer STATE SECRETARY

Dated 12/11/2014

COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
ELECTRICAL DIVISION SA BRANCH

OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

The committee presents its report on the reporting unit for the financial year ended 31 December 2013

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

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

Significant changes in financial affairs

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

Right of members to resign

All Members of the Branch have the right to resign from the Union in accordance with Section B Electrical Division Rule 4.6; namely, by providing written notice addressed and delivered to the Secretary of the Branch including by facsimile.

Officers & employees who are superannuation fund trustee(s) or director of a union that is a superannuation fund trustee

The Union is represented by Bob Donnelly, who is an appointed trustee director on the Electricity Industry Superannuation Scheme, which operates in the privatised Power Industry (no Board fees paid).

Number of members

There were 4,120 members of which 3,611 were financial members of the Branch as at 31st December 2013.

Number of employees

As at 31st December 2013 the Branch employed 5 elected officials, 4 appointed Officials, 1 permanent clerical employee, 1 permanent part time clerical employee and 2 casual clerical employees with a total number of 12.5 employees on a fulltime equivalent basis.

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

The following persons were a member of the Committee of Management of the Branch, namely the Branch Executive, during the year ending 31 December 2013;

Jason S Harrison 1st January 2013 to 31st December 2013
Geoffrey Birrell 1st January 2013 to 31st December 2013
Rodney Mills 1st January 2013 to 31st December 2013
Robert G Donnelly 1st January 2013 to 31st December 2013
Steven Rayson 1st January 2013 to 31st December 2013
Craig Clifford 1st January 2013 to 31st December 2013
Daniel Hoffrichter 1st January 2013 to 31st December 2013

Signature of designated officer 

Name and title of designated officer R.G. DONNELLY..... STATE SECRETARY

Dated 12/11/2014.....

COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
ELECTRICAL DIVISION SA BRANCH

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

On the 12th November 2014 the Committee of Management of the CEPU Electrical Division SA Branch passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 31 December 2013:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with 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; and
- (e) during the financial year to which the GPRF 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 union concerned; and

(ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a union concerned; and

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

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

(v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and

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

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

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

Signature of designated officer

Name and title of designated officer R.G. DONNELLY STATE SECRETARY

Dated 12/11/2014

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	2013 \$	2012 \$
Revenue			
Membership subscription	3A	1,732,880	1,683,345
Capitation fees	3B	-	-
Levies	3C	-	-
Interest	3D	77,367	107,961
Rental revenue	3E	46,464	40,000
Other revenue	3F	260,529	250,553
Total revenue		<u>2,117,240</u>	<u>2,081,859</u>
Other Income			
Grants and donations	3G	145,000	-
Total income		<u>2,262,240</u>	<u>2,081,859</u>
Expenses			
Employee expenses	4A	1,708,082	1,477,089
Capitation fees	4B	162,674	177,604
Affiliation fees	4C	30,434	27,621
Administration expenses	4D	282,728	281,588
Grants or donations	4E	22,553	10,450
Depreciation	4F	85,189	95,233
Legal costs	4G	131	2,001
Audit fees	11	14,900	12,700
Net losses from sale of assets	4H	16,093	-
Other expenses	4I	-	-
Total expenses		<u>2,322,784</u>	<u>2,084,286</u>
Deficit for the year		<u>(60,544)</u>	<u>(2,427)</u>

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

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

	Notes	2013 \$	2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	136,998	244,785
Trade and other receivables	5B	275,400	128,452
Held-to-Maturity	5C	1,643,908	1,673,610
Other current assets	5D	38,830	12,720
Total current assets		<u>2,095,136</u>	<u>2,059,567</u>
Non-Current Assets			
Property, plant & equipment	6A	2,319,706	2,310,611
Total non-current assets		<u>2,319,706</u>	<u>2,310,611</u>
Total assets		<u>4,414,842</u>	<u>4,370,178</u>
LIABILITIES			
Current Liabilities			
Trade payables	7A	101,556	131,466
Other payables	7B	102,320	66,465
Employee provisions	8A	546,094	456,460
Total current liabilities		<u>749,970</u>	<u>654,391</u>
Non-Current Liabilities			
Employee provisions	8A	22,855	13,223
Total non-current liabilities		<u>22,855</u>	<u>13,223</u>
Total liabilities		<u>772,825</u>	<u>667,614</u>
Net assets		<u>3,642,017</u>	<u>3,702,564</u>
EQUITY			
Retained earnings		3,642,017	3,702,564
Total equity		<u>3,642,017</u>	<u>3,702,564</u>

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

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

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2013**

	General funds \$	Retained earnings \$	Total equity \$
Balance as at 1 January 2012	-	3,704,990	3,704,990
Adjustment for errors	-	-	-
Adjustment for changes in accounting policies	-	-	-
Deficit for the year	-	(2,427)	(2,427)
Other comprehensive income for the year	-	-	-
Transfer from retained earnings	-	-	-
Closing balance as at 31 December 2012	-	3,702,563	3,702,563
Adjustment for errors	-	-	-
Adjustment for changes in accounting policies	-	-	-
Deficit for the year	-	(60,544)	(60,544)
Other comprehensive income for the year	-	-	-
Transfer from retained earnings	-	-	-
Closing balance as at 31 December 2013	-	3,642,019	3,642,019

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

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

**STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2013**

	Notes	2013 \$	2012 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from members		1,754,404	1,633,537
Interest		61,806	107,961
Receipts from other reporting entities	9B	-	-
Other		305,667	290,362
		<u>2,121,877</u>	<u>2,031,860</u>
Cash used			
Employees		1,572,599	1,374,275
Suppliers		399,217	378,943
Payments to other reporting entities	9B	177,171	167,894
		<u>2,148,987</u>	<u>1,921,112</u>
Net cash from (used by) operating activities	9A	<u><u>(27,110)</u></u>	<u><u>110,748</u></u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		29,909	-
Other		29,702	-
		<u>59,611</u>	<u>-</u>
Cash used			
Purchase of plant and equipment		(140,287)	(84,682)
Net cash used by investing activities		<u><u>(80,676)</u></u>	<u><u>(84,682)</u></u>
FINANCING ACTIVITIES			
Cash flow from financing activities		-	-
Net increase (decrease) in cash held		<u><u>(107,786)</u></u>	<u><u>26,066</u></u>
Cash & cash equivalents at the beginning of the period		244,785	218,719
Cash & cash equivalents at the end of the reporting period	5A	<u><u>136,998</u></u>	<u><u>244,785</u></u>

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

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
ELECTRICAL DIVISION SA BRANCH
RECOVERY OF WAGES ACTIVITY
AS AT 31 DECEMBER 2013**

	2013	2012
	\$	\$
Cash assets in respect of recovered money at beginning of year	<u>-</u>	<u>-</u>
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	<u>-</u>	<u>-</u>
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 reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	<u>-</u>	<u>-</u>
Cash asset's in respect of recovered money at end of year	<u>-</u>	<u>-</u>
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates	-	-
Fund or account operated for recovery of wages		
None	-	-

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

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

Note 1. Union Information

The CEPU Electrical Division SA Branch is to uphold the rights of labour and to improve, protect and foster the best interests of its members and to subscribe to and/or co-operate with policy of improving the cultural and living standards of its members. It is a non-profit entity, incorporated and domiciled in Australia.

Note 2 Summary of significant accounting policies

2.1 Basis of preparation of the financial statements

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

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

2.2 Comparative amounts

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

2.3 Significant accounting judgements and estimates

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

2.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date stated in the standard. The accounting policies adopted are consistent with those of the previous financial year.

Future Australian Accounting Standards Requirements

No new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on the CEPU Electrical Division SA Branch.

2.5 Revenue

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

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

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

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

Note 2 Summary of significant accounting policies (cont.)

2.5 Revenue (cont.)

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

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

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

2.6 Government Grants

Government grants are not recognised until there is reasonable assurance that the union will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the union recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that union should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the union with no future related costs are recognised in profit or loss in the period in which they become receivable.

2.7 Gains

Sale of assets

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

2.8 Capitation fees and levies

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

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

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

Note 2 Summary of significant accounting policies (cont.)

2.9 Employee benefits

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

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

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

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

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

2.10 Cash and cash equivalents

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

2.11 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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

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

Note 2 Summary of significant accounting policies (cont.)

2.12 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

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

Note 2 Summary of significant accounting policies (cont.)

2.12 Financial assets (cont.)

Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or that are not classified as loans and receivable, held-to-maturity investments or financial assets at fair value through profit or loss.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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**NOTES TO THE FINANCIAL STATEMENTS
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Note 2 Summary of significant accounting policies (cont.)

2.12 Financial assets (cont.)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

2.13 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

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**NOTES TO THE FINANCIAL STATEMENTS
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Note 2 Summary of significant accounting policies (cont.)

2.14 Financial liabilities (cont.)

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
 - the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk
 - it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.
- Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.14 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.

2.15 Property, plant and equipment

Asset recognition threshold

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

Revaluations—land and buildings

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

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Note 2 Summary of significant accounting policies (cont.)

2.15 Property, plant and equipment (cont.)

Depreciation

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

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

	2013	2012
Land & buildings	40 years	40 years
Plant and equipment	1 to 5 years	1 to 5 years

Derecognition

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

2.16 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

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

2.17 Impairment for non-financial assets

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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Note 2 Summary of significant accounting policies (cont.)

2.18 Non-current assets held for sale

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

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

2.19 Taxation

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

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

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

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

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

2.20 Fair value measurement

The CEPU Electrical Division SA Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 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 CEPU Electrical Division SA Branch. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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Note 2 Summary of significant accounting policies (cont.)

2.20 Fair value measurement (cont)

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the union 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 CEPU Electrical Division SA Branch has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

2.21 Going concern

The CEPU Electrical Division SA Branch is reliant on the agreed financial support of its members to continue on a going concern basis. This agreed financial support is to continue until they cease to be a member.

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**NOTES TO THE FINANCIAL STATEMENTS
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	Notes	2013 \$	2012 \$
Note 3 Income			
Note 3A: Membership subscription			
Membership subscription comprises of contributions from members during year giving an average of \$420 from each member.			
Note 3B: Capitation fees			
None		-	-
Total capitation fees		<u>-</u>	<u>-</u>
Note 3C: Levies			
None		-	-
Total levies		<u>-</u>	<u>-</u>
Note 3D: Interest			
Interest income		77,367	107,961
Total interest		<u>77,367</u>	<u>107,961</u>
Note 3E: Rental income			
Rental income from properties		46,464	40,000
Total rental revenue		<u>46,464</u>	<u>40,000</u>
Note 3F: Other revenue			
Entry Fees		767	192
BOD sitting fees		28,096	26,433
Funding/project Management	3E (i)	199,648	164,460
Debt Costs Recovery		27,933	58,658
Sundry Revenue		4,086	810
		<u>260,529</u>	<u>250,553</u>
3E (i) Funding/project management represents primarily income protection insurance.			
Note 3F: Grants and donations			
Grants		140,000	-
Donations		5,000	-
Total grants and donations		<u>145,000</u>	<u>-</u>

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

	2013	2012
Note 4 Expenses	\$	\$
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	1,032,942	894,730
Superannuation	181,186	154,438
Leave and other entitlements	101,951	37,316
	1,316,079	1,086,484
Other employee expenses		
Payroll Tax	39,203	28,843
Fringe Benefits Tax	26,905	41,079
Workcover	20,645	18,120
Motor Vehicle Expenses	58,330	52,234
Travel	52,751	34,490
Training	21,930	14,050
Executive Reimbursement	2,473	2,040
	222,237	190,856
Subtotal employee expenses holders of office	1,538,316	1,277,340
Employees other than office holders:		
Wages and salaries	152,149	167,220
Superannuation	20,303	22,871
Leave and other entitlements	(2,686)	9,658
	169,766	199,749
Subtotal employees other than office holders	169,766	199,749
Total employee expenses	1,708,082	1,477,089
Note 4B: Capitation fees		
CEPU-National Office	162,674	177,604
Total capitation fees	162,674	177,604
Note 4C: Affiliation fees		
Australian Labour Party	14,948	10,517
SA Unions	15,148	16,716
SA May Day Collective	-	350
Federation of Vehicle Industry Unions SA	300	-
Union House Whyalla	38	38
Total affiliation fees/subscriptions	30,434	27,621

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

	2013	2012
Note 4 Expenses (cont.)	\$	\$
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies		
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	23,800	6,961
Contractors/consultants	24,845	26,491
Property expenses	30,039	22,979
Office expenses	116,864	145,347
Information communications technology	46,677	51,708
Other	40,503	28,102
Total administration expense	<u>282,728</u>	<u>281,588</u>
Note 4E: 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	50	1,450
Total paid that exceeded \$1,000	22,503	9,000
donations	<u>22,553</u>	<u>10,450</u>
Note 4F: Depreciation		
Land and building	16,528	15,565
Plant and equipment	68,661	79,668
Total depreciation	<u>85,189</u>	<u>95,233</u>
Note 4G: Legal costs		
Legal expenses	131	2,001
Total legal costs	<u>131</u>	<u>2,001</u>
Note 4H: Net losses from sale of assets		
Plant and equipment	16,093	-
Total net losses from asset sales	<u>16,093</u>	<u>-</u>
Note 4I: Other expenses		
Penalties - via RO Act or RO Regulations	-	-
Total other expenses	<u>-</u>	<u>-</u>

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
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**NOTES TO THE FINANCIAL STATEMENTS
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Note 5 Current Assets	Notes	2013	2012
		\$	\$
Note 5A: Cash and cash equivalents			
Cash at bank	5A (i)	136,481	244,417
Cash on hand		180	180
Other		337	188
Total cash and cash equivalents		<u>136,998</u>	<u>244,785</u>

5A (i) Cash at bank earns interest at floating rates based on daily deposit rates.

Note 5B: Trade and other receivables

Receivables from other reporting units			
CEPU - Communications Division		2,269	-
Electrical Trade Union (ETU)		-	8,542
Total receivables from other reporting units		<u>2,269</u>	<u>8,542</u>
Less provision for doubtful debts			
		-	-
Receivable from other reporting units		<u>2,269</u>	<u>8,542</u>
Other receivables:			
GST receivable from the Australian Taxation Office		-	-
Other trade receivables	5B (i)	273,131	120,000
Total other receivables		<u>273,131</u>	<u>120,000</u>
Total trade and other receivables (net)		<u>275,400</u>	<u>128,542</u>

5B (i) Other trade receivables include rentals, membership subscription and grants.

Note 5C: Held to maturity

Term deposits	5C (i)	<u>1,643,908</u>	<u>1,673,610</u>
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5C (i) Term deposits are made for varying periods of between 6 months to 1 year and earns interest from 3.0 % to 4.5% per annum.

Note 5D: Other current assets

Accrued Interest		15,560	-
Prepayments & Stock		23,270	12,720
Total other current assets		<u>38,830</u>	<u>12,720</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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	Notes	2013 \$	2012 \$
Note 6 Non-current assets			
Note 6A: Property, plant and equipment			
Cost	6A (i) & 6A (ii)	3,194,379	3,160,829
Accumulated depreciation		(874,673)	(850,218)
Total property, plant and equipment		<u>2,319,706</u>	<u>2,310,611</u>
6A (i) Land and buildings:			
Cost		2,400,190	2,383,344
Accumulated depreciation		(325,379)	(308,851)
Total land and buildings		<u>2,074,811</u>	<u>2,074,493</u>
Reconciliation of the opening and closing balances of land and buildings			
As at 1 January			
Gross book value as on 01 Jan		2,383,344	2,361,312
Accumulated depreciation and impairment		(308,851)	(293,286)
Net book value 1 January		<u>2,074,493</u>	<u>2,068,026</u>
Additions		-	-
Revaluations		-	-
Impairments		-	-
Depreciation expense		(16,528)	(15,565)
Other movement- Property Improvements		16,846	22,032
Disposals		-	-
Net book value 31 December		<u>2,074,811</u>	<u>2,074,493</u>
6A (ii) Plant and equipment			
Plant and equipment:			
At cost		794,189	777,485
Accumulated depreciation		(549,294)	(541,367)
Total plant and equipment		<u>244,895</u>	<u>236,118</u>
Reconciliation of the opening and closing balances of plant and equipment			
As at 1 January			
Gross book value		777,485	766,900
Accumulated depreciation and impairment		(541,367)	(475,774)
Net book value 1 January		<u>236,118</u>	<u>291,126</u>

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	2013	2012
	\$	\$
Note 6 Non-current assets (cont.)		
Reconciliation of the opening and closing balances of plant and equipment (cont.)		
Additions:		
From purchase	123,440	24,660
From acquisition of entities	-	-
Depreciation expense	(68,661)	(79,668)
Disposals	(106,736)	(14,075)
Other	60,734	14,075
Net book value 31 December	246,908	238,130
Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	5,231	20,644
Subtotal trade creditors	5,231	20,644
Payables to other reporting units		
CEPU - National	96,325	110,822
Subtotal payables to other reporting units	96,325	110,822
Total trade payables	101,556	131,466
Note 7B: Other payables		
Wages and salaries	32,837	21,882
Superannuation	4,932	-
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
Prepayments received/unearned	-	-
GST payable	56,703	35,238
Other	7,848	9,345
Total other payables	102,320	66,465
Note 8 Provisions		
Note 8A: Employee provisions		
Office Holders:		
Annual leave	325,601	266,970

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	2013	2012
	\$	\$
Note 8 Provisions (cont.)		
Note 8A: Employee provisions (cont.)		
Office Holders: (cont.)		
Long service leave	194,789	151,469
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	520,390	418,439
Employees other than office holders:		
Annual leave	16,231	20,469
Long service leave	32,328	30,775
Separations and redundancies	-	-
Other	-	-
Subtotal—employees other than office holders	48,559	51,244
Total employee provisions	568,949	469,683
Current	546,094	456,460
Non Current	22,855	13,223
Total employee provisions	568,949	469,683

Note 9 Cash flow

Note 9A: Cash flow reconciliation

**Reconciliation of Cash and Cash Equivalents from Operations
with deficit from Ordinary Activities after Income Tax:**

Profit/(deficit) for the year	(60,544)	(2,427)
Adjustments for non-cash items		
Depreciation	85,189	95,233
Gain on disposal of assets	16,093	-
Changes in assets/liabilities		
(Increase)/decrease in net receivables	(162,508)	(57,958)
(Increase)/decrease in prepayments/stock	(10,550)	(4,278)
Increase/(decrease) in supplier payables	(29,910)	30,354
Increase/(decrease) in other payables	35,855	2,852
Increase/(decrease) in employee provisions	99,265	46,972
Net cash from (used by) operating activities	(27,110)	110,748

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	2013	2012
	\$	\$
Note 9B: Cash flow information		
Cash inflows	-	-
Total cash inflows	<u>-</u>	<u>-</u>
Cash outflows		
Capitation Fees - CEPU National Office	177,171	167,894
Total cash outflows	<u>177,171</u>	<u>167,894</u>
Note 10 Related party disclosures		
Note 10A: Related party transactions for the reporting period		
The union does not have any related party transactions.		
Note 10B: Key management personnel remuneration for the reporting period		
Short-term employee benefits		
Salary (including annual leave taken)	259,809	223,424
Annual leave accrued	159,312	142,533
Performance bonus	-	-
Total short-term employee benefits	<u>419,121</u>	<u>365,957</u>
Post-employment benefits:		
Superannuation	51,974	62,861
Total post-employment benefits	<u>51,974</u>	<u>62,861</u>
Other long-term benefits:		
Long-service leave	103,108	91,125
Total other long-term benefits	<u>103,108</u>	<u>91,125</u>
Termination benefits	-	-
Total	<u>574,202</u>	<u>519,943</u>
Note 10C: Transactions with key management personnel and their close family members		
Loans to/from key management personnel		
None	-	-
Other transactions with key management personnel		
None	-	-

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

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

	2013	2012
	\$	\$
Note 11 Audit fees		
Audit fees	14,900	12,700
Non-audit services	-	-
Total audit fees	14,900	12,700

Note 12 Financial Support to or from another reporting entity

The CEPU Electrical Division SA branch is able to continue as a going concern without the financial support of another reporting unit. It also doesn't provide any financial support to any other reporting unit.

Note 13 Contingent liabilities, assets and commitments

Note 13A: Commitments and contingencies

Operating lease commitments—as lessee

None

Operating lease commitments—as lessor

The union has a property rental agreement for one year expiring on 31 Dec 2014 and rent is increased by 10% upon every renewal.

Future minimum rentals receivable under non-cancellable operating leases as at 31 Dec are as follows:

Within one year	46,594	42,350
After one year but not more than five years	46,684	42,350
After five years	-	-
	93,278	84,700

Capital commitments

At 31 Dec 2013, the union does not have any capital commitments.

Finance lease commitments—as lessee

None

Finance leases—lessor

None

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

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

Note 14 Financial Instruments

Note 14A - Financial Risk Management - objectives and policies

The union's financial instruments comprise cash and cash equivalents, held to maturity financial investments and liabilities. In addition, the union also has amounts receivable and amounts payable to trade and other creditors.

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

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

Note 14B: Categories of financial instruments	Notes	2013	2012
		\$	\$
Financial assets			
<u>Held-to-maturity investments:</u>			
Credit Union SA Term Deposit		470,000	470,000
Members Equity Term Deposit - 968		496,472	484,395
Members Equity Term Deposit - 505		486,094	464,088
CBA-Saver		191,342	255,127
Total held-to-maturity investments	5C	1,643,908	1,673,610
<u>Loans and receivables:</u>			
Trade and other receivables	5B	275,400	128,542
Other current assets	5D	38,830	12,720
Total		314,230	141,262
Financial liabilities			
Trade creditors and accruals	7A	101,556	131,466
Other payables	7B	102,320	66,465
Total		203,876	197,931

Note 14C: Net income and expense from financial assets

Held-to-maturity			
Interest revenue		70,666	97,413
Exchange gains/(loss)		-	-

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

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

Note 14C: Net income and expense from financial assets	Notes	2013	2012
		\$	\$
Held-to-maturity (cont.)			
Impairment		-	-
Gain/loss on disposal		-	-
Net gain/(loss) held-to-maturity		70,666	97,413

Note 14D: Credit Risk

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

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

Cash & cash equivalents	5A	136,998	244,785
Trade debtors and other receivables	5B	275,400	128,542
Other current assets	5D	15,560	-
Held to Maturity	5C	1,643,908	1,673,610
		2,071,866	2,046,937

Trade debtors and other current assets primarily comprises of property rental income, members subscription and grant income

	2013		2012	
	Gross \$	Impairment \$	Gross \$	Impairment \$
Not past due	19,410	-	-	-
Past due 0-30 days	117,550	-	128,542	-
Past due 31-120 days	154,000	-	-	-
Past due 121 days to one year	-	-	-	-
Past due more than 1 year	-	-	-	-
	290,960	-	128,542	-

Note 14E - Liquidity risk

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

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

At 31 Dec 2013

	Carrying amount	< 1 year \$	1- 2 years \$	2- 5 years \$	> 5 years \$	Total \$
Trade creditors & payable	5,231	5,231	-	-	-	5,231
Employee related	37,769	37,769	-	-	-	37,769
Payable to CEPU	96,325	96,325	-	-	-	96,325

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

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

Note 14E - Liquidity risk (cont.)

At 31 Dec 2013

	Carrying amount	< 1 year \$	1- 2 years \$	2- 5 years \$	> 5 years \$	Total \$
Other payables	64,551	64,551	-	-	-	64,551
Maturities for financial liabilities	203,876	203,876	-	-	-	203,876

At 31 Dec 2012

	Carrying amount	< 1 year \$	1- 2 years \$	2- 5 years \$	> 5 years \$	Total \$
Trade creditors & payable	20,644	20,644	-	-	-	20,644
Employee related	21,882	21,882	-	-	-	21,882
Payable to CEPU	110,822	110,822	-	-	-	110,822
Other payables	44,583	44,583	-	-	-	44,583
Maturities for financial liabilities	197,931	197,931	-	-	-	197,931

Note 14F - Market price risk

Market price risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the union's income or the value of its holdings of financial instruments. The union is exposed to two sources of market price risk – fluctuations in interest rates and fluctuations in the value of its Held to Maturity investments.

Interest rate risk

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

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

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

Fixed-rate instruments

Held-to-maturity	5C	1,643,908	1,673,610
------------------	----	-----------	-----------

Variable-rate instruments

Cash at bank	5A	136,481	244,417
		<u>1,780,389</u>	<u>1,918,027</u>

Sensitivity analysis

The union is not exposed much to variable rate instruments resulting into minimal variation in this regard.

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

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

Note 15 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or General Manager:

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

Note 16 Additional information

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

312 South Road
Richmond
South Australia 5033



30 September 2014

Mr Robert Zadow
360Private Pty Ltd
by email: contactus@360Private.com.au

Dear Mr Zadow,

**CEPU - Electrical, Energy and Services Division - South Australian Divisional Branch
Financial Report for the year ended 31 December 2013 [FR2013/426]**

I acknowledge receipt on 22 September 2014 of an amended financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Electrical, Energy and Services Division - South Australian Divisional Branch. I note that the documents have not yet been signed.

The updated report addresses some issues raised in my letter of 19 August 2014, but it appears the following have not been addressed:

Notes to the financial statements

Disclosure of accounting policies

Australian Accounting Standard *AASB 101 Presentation of Financial Statements* Paragraph 117 states:

An entity shall disclose in the summary of significant accounting policies:

- (a) the measurement basis (or bases) used in preparing the financial statements; and
- (b) the other accounting policies used that are relevant to an understanding of the financial statements.

The accounting policies for financial instruments and impairment of non-financial assets have not been provided in the amended report.

Financial instruments

Australian Accounting Standard *AASB 7 Financial Instruments: Disclosures* details the reporting disclosures required by an entity in relation to financial instruments.

This information has not been provided.

Leases - rent revenue

In addition to meeting the requirements of *AASB 7 Financial Instruments: Disclosures*, lessors have disclosure obligations under *AASB 117 Leases* Paragraph 56. I note that these requirements have not been addressed in the amended financial report.

Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows

Disclosure of financial support to or from another reporting unit

The Reporting Guidelines require the Branch to disclose:

- Whether the Branch's ability to continue as a going concern is reliant on the agreed financial support of another reporting unit (RG 10).
- Whether the Branch has agreed to provide financial support to ensure another reporting unit has the ability to continue as a going concern (RG 11).
- Any other financial support from another reporting unit (RG 15(e)).

If any of these activities have not occurred in the reporting period, a statement to this effect must be included in the statements or notes (see RGs 14 and 16).

Disclosure of receivables and/or payables with another reporting unit

Thank you for providing additional information about receivables from and payables to other reporting units at Note 5B and Note 7A. Note 5B includes a receivable from the CFMEU Construction & Mining Divisions, but Reporting Guideline 19 requires this information to be disclosed with respect to other reporting unit(s) *of the organisation*. The CFMEU Construction & Mining Divisions are not reporting units of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia.

Disclosure of cash flow to/from another reporting unit

Reporting Guideline 25 states that '[w]here another reporting unit and/or controlled entity of the organisation is the source of a cash inflow or the application of a cash outflow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit and/or controlled entity concerned'. This is in addition to the requirement to disclose capitation fees to/from another reporting unit (RGs 15(b) and 17(b)) and receipt of, or provision of, any other financial support from another reporting unit (RGs 10, 11 and 15(e)).

Note 4B discloses capitation fees paid to the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia but cash flow to other reporting units of the organisation has not been separately disclosed in the cash flow statement or notes.

Disclosure of affiliation fees

Note 4C provides a breakdown of affiliation fees, but discloses an amount of \$338 paid to 'other'. Reporting Guideline 17(c) requires separate disclosure of (i) the amount paid to each entity and (ii) *the name of each entity to which monies were paid*.

Key management personnel

Australian Accounting Standard *AASB 124 Related Party Disclosures* Paragraph 17 requires that the GPFR disclose within the statements or the notes compensation paid to key management personnel.

This normally includes a list of the organisation's key management personnel, the total amount of compensation paid to key management personnel, and totals for each of the following categories:

- Short term employee benefits.
- Post employment benefits.
- Other long term employee benefits.
- Termination benefits.
- Any share based payments.

Definitions of these categories can be found within accounting standard *AASB 119: Employee Benefits*.

Further to the above, I note that the following additional issues have been identified in the updated statements:

Statement of Comprehensive Income

Materiality

Australian Accounting Standard *AASB 101 Presentation of Financial Statements* Paragraph 97 requires material items to be presented separately. The Statement of Comprehensive Income lists \$243,526, which is considered a material amount, as "other revenue". This item is required to be further divided to ensure that any material items within other revenue are separately disclosed.

Total comprehensive income for the year

I note that this line has been left blank. Please update the statement to include the total comprehensive income.

Notes to the financial statements

Related party transactions

The report does not disclose any related party transactions. Related party transactions are required to be disclosed under Australian Accounting Standard *AASB124 Related Party Disclosures* Paragraph 18.

While it is possible that the Branch did not, during the 2013 financial year, transact with related parties, this is rare for a branch. If this is the case, the notes to the financial statements should be updated to include a specific entry stating that no transaction with related parties has occurred during the reporting period.

Note 9B

Note 9B discloses cash inflows of \$1,745,404. The Cash Flow Statement discloses receipts from members of \$1,754,404. Please confirm if the figure contained in Note 9B is correct.

Auditor's Statement

References to legislation

The second paragraph of the Audit Report, headed "Committees' Responsibility for the Financial Report" refers to the "Workplace Industrial Relations Act 1996". Please amend this to "*Fair Work (Registered Organisations) Act 2009*".

Should be addressed to members

The Audit Report is not addressed to the members of the reporting unit. Item 26 of ASA700 states '*...the Auditor's Statement on a General Purpose Financial Report is ordinarily addressed to those for whom the report is prepared..*'. Please amend the Report so it is addressed to the members of the Branch.

Committee of Management Statement

Item (f) only needs to state that "no revenue has been derived from undertaking recovery of wages activity during the reporting period". I also note that a new resolution will need to be passed by the Committee of Management with respect to the updated statements.

Designated Officer's Certificate

I note that the dates included on the certificate will need to be amended to reflect the report being recirculated to members and presented to a Committee of Management meeting.

If you have any queries regarding this letter, please contact me on (03) 8661 7942 or via email at rebecca.lee@fwc.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Rebecca Lee', with a stylized, cursive script.

Rebecca Lee
Regulatory Compliance Branch



19 August 2014

Mr Bob Donnelly
Branch Secretary

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services
Union of Australia - Electrical, Energy and Services Division - South Australian Divisional Branch
by email: bobd@cepusa.com.au

cc: Mr Robert Zadow, 360Private Pty Ltd

Dear Mr Donnelly,

**Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia - Electrical, Energy and Services Division - South Australian
Divisional Branch Financial Report for the year ended 31 December 2013 [FR2013/426]**

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 - South Australian Divisional Branch. The documents were lodged with the Fair Work Commission (FWC) on 14 April 2014.

The financial report has not been filed.

I have examined the financial report and identified a number of matters, the details of which are set out below, that you are required to address before the report can be filed.

The matters identified should be read in conjunction the *Fair Work (Registered Organisations) Act 2009* (the RO Act), *Fair Work (Registered Organisations) Regulations 2009* (the RO Regs), Reporting Guidelines (RGs) made under s.255 of the RO Act and Australian Accounting Standards. Model financial statements are also available on the FWC website to assist organisations in preparing returns.

The Reporting Guidelines and Model Financial Statements are available on the website here: <https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>

The General Purpose Financial Report (GPFR) and Operating Report will require amendments. The amended reports will need to be provided to members, presented to a Committee of Management meeting, republished on the Branch's website and lodged with the FWC.

The following issues have been identified in an examination of the financial statements:

References to legislation

The financial statements contain the heading 'registered under the South Australian Industrial & Employees Relations Act 1994 as the Electrical Trades Union of Australia South Australian Branch'. The financial statements should relate to the reporting unit of the entity registered under the *Fair Work (Registered Organisations) Act 2009*, and not an entity registered under South Australian legislation. Please confirm that this is the case.

There are a number of references to superseded legislation within the documents submitted. The Branch is required to amend the relevant references to the current legislation. The following references have been noted:

- Designated Officer's Certificate: references to the 'RAO Schedule' and the Australian Industrial Registry should be *Fair Work (Registered Organisations) Act 2009* and the Fair Work Commission respectively.
- Committee of Management Statement: reference to 'reporting guidelines of the Industrial Registrar' should be 'reporting guidelines of the General Manager'. Reference to 'Schedule 1' of the RO Act should be deleted.
- Note 2: reference should be to s.272 of the RO Act and not 'the Schedule'. Should be 'General Manager' and not 'Registrar'.

Operating Report

Review of principal activities

Subsection 254(2)(a) of the RO Act requires an Operating Report to contain a review of the principal activities of the reporting unit, the results of those activities and any significant changes in the nature of those activities. I note that the Operating Report describes some results of its principal activities, but does not list its principal activities or state whether there were any significant changes in the nature of these activities. Please note that subsection 254(2)(a) of the RO Act does not require a *financial* result nor significant *financial* changes. It requires a description of the results from providing services to members and a description of any changes to the nature of those activities.

These requirements are in addition to subsection 254(2)(b) of the RO Act which requires an Operating Report to give details of any significant changes in the reporting unit's financial affairs during the year.

Please amend the Operating Report accordingly.

Auditor's Statement

A revised Auditor's Statement, including the components set out below, will need to be issued to Members and the FWC.

Auditor's qualifications

Regulation 4 of the RO Regs provides the definition of an approved auditor. Reporting Guideline 44 requires that the Auditor's Statement include a declaration that either the auditor is an approved auditor or they are a member of a firm where at least one member is an approved auditor. The statement must also specify that the auditor holds a current Public Practice Certificate.

This information has not been included in the Auditor's Statement.

Doesn't address Statement of Changes in Equity or Committee of Management Statement

The Auditor's Statement lists the elements of the GPFR as per ASA 700(23)(c), but does not mention the Statement of Changes in Equity. The scope of the Auditor's Statement should also include the Committee of Management Statement (RO Act s.253(2)(c) and Reporting Guideline 43. The revised Auditor's Statement should include all components.

Declaration relating to management's use of the going concern basis of accounting

Reporting Guideline 45 requires that the Auditor's Statement include a declaration that as part of their audit they have concluded that management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. This declaration was not included.

Notes to the financial statements

The information below has not been disclosed in the notes to the GPFR. The notes will need to be updated accordingly.

General purpose financial report

Australian Accounting Standard AASB 1054 *Australian Additional Disclosures* paragraph 9 requires an entity to disclose in the notes whether the financial statements are general purpose financial statements or special purpose financial statements.

Although some statements, including the Committee of Management Statement, refer to a General Purpose Financial Report, the notes do not contain this disclosure.

For-profit/not-for-profit entity

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

Significant accounting judgements and estimates

Australian Accounting Standard AASB 101 *Presentation of Financial Statements* paragraph 122 requires an entity to disclose, in the summary of significant accounting policies or other notes, the judgements that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements. This information has not been provided.

Australian Accounting Standards adopted and issued but not yet effective

Australian Accounting Standard AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors paragraphs 14 and 28 require that the entity disclose:

- Australian Accounting Standards adopted during the period; and
- Australian Accounting Standards issued but not yet effective with an assessment of the future impact of the standard on the entity.

This information has not been provided.

Disclosure of accounting policies

Australian Accounting Standard AASB 101 *Presentation of Financial Statements* paragraph 117 states:

An entity shall disclose in the summary of significant accounting policies:

- (a) the measurement basis (or bases) used in preparing the financial statements; and
- (b) the other accounting policies used that are relevant to an understanding of the financial statements.

The accounting policies for revenue, leases, financial instruments, property, plant and equipment and impairment of non-financial assets have not been provided.

Financial instruments

Australian Accounting Standard AASB 7 *Financial Instruments: Disclosures* details the reporting disclosures required by an entity in relation to financial instruments.

This information has not been provided.

Property, plant and equipment

Australian Accounting Standard *AASB 116 Property, Plant and Equipment* paragraph 73(e) requires a reconciliation of the carry amount at the beginning and end of the period for each class of property, plant and equipment.

This information has not been provided.

Property Revaluation

Note 4 indicates that a revaluation has occurred however the Balance Sheet and the Statement of Changes in Equity indicates that the Property Revaluation Reserve is nil.

Please provide an explanation as to the discrepancy between these figures.

Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows

The financial statements and/or notes will need to be amended to accurately disclose the items set out below.

Disclosure of financial support to or from another reporting unit

The Reporting Guidelines require the Branch to disclose:

- Whether the Branch's ability to continue as a going concern is reliant on the agreed financial support of another reporting unit (RG 10).
- Whether the Branch has agreed to provide financial support to ensure another reporting unit has the ability to continue as a going concern (RG 11).
- Any other financial support from another reporting unit (RG 15(e)).

If any of these activities have not occurred in the reporting period, a statement to this effect must be included in the statements or notes (see RGs 14 and 16).

Disclosure of cash flow to/from another reporting unit

Reporting Guideline 25 states that '[w]here another reporting unit and/or controlled entity of the organisation is the source of a cash inflow or the application of a cash outflow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit and/or controlled entity concerned'. This is in addition to the requirement to disclose capitation fees to/from another reporting unit (RGs 15(b) and 17(b)) and receipt of, or provision of, any other financial support from another reporting unit (RGs 10, 11 and 15(e)).

The Income and Expenditure Statement discloses "sustentation fees-National", but cash flow to another reporting unit has not been separately disclosed in the cash flow statement or notes.

Please note that if another reporting unit has not been the source of a cash inflow or the application of a cash outflow, a statement to this effect must be included in the notes (RG 26).

Disclosure of receivables and/or payables with another reporting unit

Reporting Guideline 19 requires either the Statement of Financial Position or the notes to disclose any receivables from and/or liabilities owed to other reporting unit(s), including the name of the other reporting unit(s). If there are no receivables from or payables to another reporting unit, a statement to this effect must be included in the statements or notes (RG 20).

This information has not been disclosed.

Disclosure of affiliation fees

The Income and Expenditure Statement discloses the total amount paid in affiliation fees. In order to satisfy Reporting Guideline 17(c), separate disclosure needs to be made of (i) the amount paid to each entity and (ii) the name of each entity to which monies were paid.

Disclosure of employee expenses/provisions for office holders and other employees

The Reporting Guidelines require reporting units to disclose in the Statement of Comprehensive Income or in the notes employee expenses to holders of office (RG 17(f)) and to other employees (RG 17(g)). The Income and Expenditure Statement discloses wages and salaries separately for office holders and employees, but does not separately disclose superannuation, leave and other entitlements, separation and redundancies and other employee expenses relating to office holders and employees. Please note that if any of these activities have not occurred in the reporting period, a statement to this effect must be included in the statements or notes (RG 18).

The Reporting Guidelines also require either the Statement of Financial Position or the notes to disclose any liability for employee benefits in respect of office holders and other employees (item 21(c) and 21 (d)). The Balance Sheet discloses provisions for annual leave and long service leave but does not separately disclose the amounts relating to office holders and other employees. The Balance Sheet does not disclose separation and redundancies or other employee provisions relating to office holders and employees. Please note that if any of these activities have not occurred in the reporting period, a statement to this effect must be included in the statements or notes (RG 22).

Key management personnel

Australian Accounting Standard *AASB 124 Related Party Disclosures* paragraph 17 requires the GPFR to disclose within the statements or the notes compensation paid to key management personnel.

This normally includes a list of the organisation's key management personnel, the total amount of compensation paid to key management personnel, and totals for each of the following categories:

- Short term employee benefits.
- Post employment benefits.
- Other long term employee benefits.
- Termination benefits.
- Any share based payments.

Definitions of these categories can be found within accounting standard *AASB 119: Employee Benefits*.

Disclosure of audit fees

Australian Accounting Standard *AASB 1054 Australian Additional Disclosures* paragraph 10 requires the financial statements to separately disclose amounts paid to the auditor for audit fees and for non-audit services.

A total amount for accounting & audit fees appears in the income and expenditure statement. Amounts for audit and non-audit services should be separately disclosed.

Other activities under Reporting Guidelines not disclosed

Reporting Guidelines 16, 18 and 22 state that if the activities identified in Reporting Guidelines 15, 17 and 21 have not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR. I note that the following items have not been disclosed:

- Compulsory levies raised from members or as appeals for voluntary contributions for the furtherance of a particular purpose (RG 15(c)).
- Expenses incurred as consideration for employers making payroll deductions of membership subscriptions (RG 17(a)) and any payables to employers with respect to this activity (RG 21(a)).

- Compulsory levies imposed on the Branch, including the amount, a brief description of purpose and the name of the entity imposing the levy (RG 17(d)).
- Any amount paid in grants (RG 17(e)(i)).
- Fees or allowances paid to persons with respect to their attendance at conferences or other meetings as representatives of the reporting unit (RG 17(h)).
- Penalties imposed on the organisation under the RO Act with respect to the conduct of the reporting unit (RG 17(k)).
- Any payables with respect to legal costs and other expenses related to litigation or other legal matters (RG 21(b)).

Changes to the Reporting Guidelines and model financial statements

A fourth edition of the General Manager's s.253 Reporting Guidelines was gazetted on 13 June 2014. These guidelines will apply to all financial reports that end on or after 30 June 2014. A model set of financial statements for the 2013-2014 financial year is also available on the Fair Work Commission website. The Fair Work Commission 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.

The Reporting Guidelines and Model Financial Statements are available on the website here: <https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>

Please note that the references above to particular paragraphs of the Reporting Guidelines differ slightly in the fourth edition of the Guidelines.

If you have any queries regarding this letter, please contact me on (03) 8661 7942 or via email at rebecca.lee@fwc.gov.au.

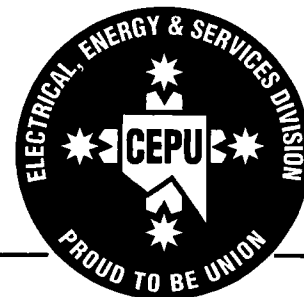
Yours sincerely,



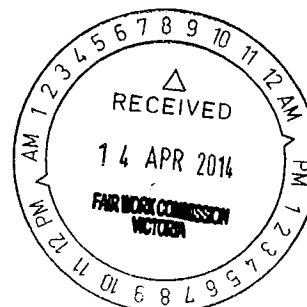
Rebecca Lee
Regulatory Compliance Branch

CEPU

COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING &
ALLIED SERVICES UNION OF AUSTRALIA - SOUTH AUSTRALIAN BRANCH



Deputy Industrial Registrar
Fair Work Commission
C/- Regulatory Compliance Branch
GPO Box 1994
MELBOURNE VIC 3001



10th April, 2014

Dear Deputy Registrar,

Please find attached the General Purpose Financial Report (GPFR) for the CEPU Electrical Division of South Australia Branch for the year ended 31st December, 2013.

This report consists of:

Committee of Management Statement
Operating Report
Independent Audit Report
The Financial Accounts and notes to those accounts for the Electrical, Energy and Services Division for the full year.

The Financial Reports were presented to the Branch Committee of Management on 18th March, 2014. The Branch Committee of Management approved:

The Committee of Management Statement and authorized the Secretary to sign it.
The Operating Report and authorized the Secretary to sign it.
The GPFR and all its attachments be placed on the union's website.

The GPFR and all its attachments were available on the web site from the 19th March, 2014.

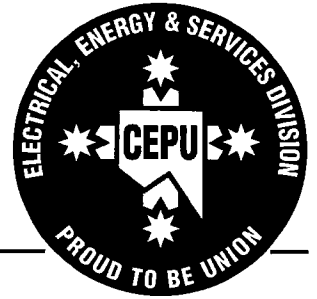
The final full report was adopted by the State Council on the 9th April, 2014.

Yours faithfully,

RG Donnelly
CEPU – Electrical and Plumbing Division
SA Branch Secretary
Mobile: 0418 814 705
Phone: (08) 8234 2130
Fax: (08) 8352 1711
Email: bobd@cepusa.com.au
Website: www.cepusa.com.au

CEPU

COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING &
ALLIED SERVICES UNION OF AUSTRALIA - SOUTH AUSTRALIAN BRANCH



SECRETARY'S CERTIFICATE

I, Robert Graham Donnelly, Branch Secretary, certify that the copies of the full report, referred to in s268 of the RAO Schedule, including, Auditors Report, accounts and statements of the Communications Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia, Electrical Energy & Services Division, South Australian Branch, for the year ended 31st December 2013 as lodged herewith the Australian Industrial Registry are copies of the documents that were presented to the CEPU State Executive on Wednesday 18th March, 2014 and a resolution was passed for the Secretary to sign the operating report and the Committee of Management Statement. The full report was provided to Members via the CEPU website on the 19th March, 2014. The full report was then presented and approved by the CEPU State Council on Wednesday 9th April, 2014.

Robert Donnelly
Branch Secretary

10th April, 2014

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GENERAL PURPOSE FINANCIAL REPORT
Year Ended 31st December, 2013

Committee of Management Statement
Operating Report
Income and Expenditure Statement
Balance Sheet
Statement of Changes in Equity
Statement of Cash Flows
Notes to the Accounts

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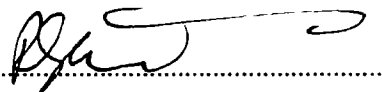
Committee Of Management Statement

On 18th March 2014 the Committee of Management of the Communication Electrical Plumbing Union, Electrical, Energy and Services Division, South Australian Branch passed the following resolution in relation to the general purpose financial (GPFR) of the reporting unit for the financial year ended 31st December 2013.

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 Industrial Registrar;
- (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 the branch; and
 - (ii) the financial affairs of the branch have been managed in accordance with the rules of the organisation including the rules of the branch; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
 - (iv) the financial records of the branch have been kept, as far as practicable, in a consistent manner to each of the other branches and national council of the organization; and
 - (v) the information sought in any request of a member of the branch or a General Manager of the Fair Work Act duly made under Schedule 1 to the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or manager; and
 - (vi) no orders have been made by the Fair Work (Registered Organisations) Act 2009 during the period.

For Committee of Management



Signature Robert Graham Donnelly, Branch Secretary

Date 18/3/2014

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OPERATING REPORT

This Operating Report covers the activities of the Communication Electrical Plumbing Union, Electrical Energy and Services Division, South Australian Branch, for the financial year ended 31 December 2013.

1. Principal Activities of the Branch

Over the year, the Branch has negotiated new Enterprise Agreements and scores of existing Enterprise Agreements. The Branch has also been involved in negotiations with different levels of Government around issues of importance to CEPU members.

Vocational training continues to be a priority involving:

- Representation on the state Energy Skills Board SA (No Board Fees)
- Representation on the Construction Industry Training Board (CITB) (Board fees paid to the union).
- Representation on the Plumbing Electrical Electronic Refrigeration Vocation Education Employment Training (PEER VEET) Board (No Board Fees).
- Representation on the Construction Industry Long Service Leave Board (Board fees paid to the union).
- Representation on the Building Industry Redundancy Trust (Board fees paid to the union).

2. The Branch's Financial Affairs

There were no changes to the financial affairs of the union..

3. Right of Members to Resign.

All Members of the Branch have the right to resign from the Union in accordance with Section B Electrical Division Rule 4.6; namely, by providing written notice addressed and delivered to the Secretary of the Branch, including by facsimile.

4. Superannuation Trustees.

The Union is represented by Bob Donnelly, who is an appointed trustee director on the Electricity Industry Superannuation Scheme, which operates in the privatised Power Industry (no Board fees paid).

5. Membership of the Branch.

There were 4,120 members of which 3,611 were financial members of the Branch as at 31st December 2013.

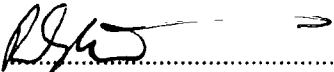
6. Employees of the Branch

As at 31st December 2013 the Branch employed 5 elected officials, 4 appointed Officials, 1 permanent clerical employee, 1 permanent part time clerical employee and 2 casual clerical employee with a total number of 12.5 employees on a fulltime equivalent basis.

7. Committee of Management

The following persons were a member of the Committee of Management of the Branch, namely the Branch Executive, during the year ending 31st December 2013;

Jason S Harrison 1st January 2013 to 31st December 2013
Geoffrey Birrell 1st January 2013 to 31st December 2013
Rodney Mills 1st January 2013 to 31st December 2013
Robert G Donnelly 1st January 2013 to 31st December 2013
Steven Rayson 1st January 2013 to 31st December 2013
Craig Clifford 1st January 2013 to 31st December 2013
Daniel Hoffrichter 1st January 2013 to 31st December 2013


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Bob Donnelly, Branch Secretary

Date 18/3/2014

INDEPENDENT AUDIT REPORT

To the Members of the Communications Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia, Electrical, Energy and Services Division, South Australian Branch.

We have audited the accompanying financial report, being a general purpose financial report which comprises the balance sheet as at 31st December 2013, the income statement and cash flow statement for the year then ended, a summary of significant accounting policies, and other explanatory notes as set out on pages 7 to 17.

The Responsibility of the Members of the Committee of Management for the Financial Report

The members of the Committee are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements which form part of the financial report to meet the financial reporting requirements of the constitution and are appropriate to meet the needs of members. The members of the Committee's responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 and fair presentation of the financial report 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 members of the Committee, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the members of the Committee's financial reporting requirements under the constitution. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit did not involve an analysis of the prudence of business decisions made by the members of the Committee or management.

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

INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Fair Work (Registered Organisations) Act 2009.

INDEPENDENT AUDIT REPORT

Audit Opinion

In our opinion the financial report of the Communications Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia, Electrical, Energy and Services Division, South Australian Branch is in accordance with:

(a) *Fair Work (Registered Organisations) Act 2009*, including:

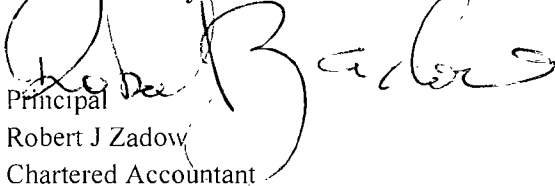
(i) giving a true and fair view of the Branch's financial position as at 31st December, 2013 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards; and

(iii) complying with any other requirements imposed by the Reporting Guidelines of the *Fair Work (Registered Organisations) Act 2009*

(b) other mandatory professional reporting requirements in Australia.

360Private Pty. Limited



Principal

Robert J Zadow
Chartered Accountant

Parkside
South Australia

Dated.....19th.....March.....2014

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INCOME AND EXPENDITURE STATEMENT YEAR ENDED 31ST DECEMBER 2013	<u>2013</u> \$	<u>2012</u> \$
INCOME		
Members contributions	1,633,637	1,563,345
Entrance fees received	767	192
Contributions Owing	99,243	120,000
Other Income:		
Trading Account	- 22,003	- 5,464
Interest received	77,367	107,961
Rent received	46,464	40,000
Director's fees	28,096	26,433
Management Fees - Protect Funding	70,081	71,837
Management Fees - JLT Funding	129,567	92,622
Sundry Revenue	9,085	811
Debt costs recovery	27,933	58,658
Profit/Loss on Sale of Assets	- 16,093	-
Grants Received	140,000	-
TOTAL INCOME	<u>2,224,144</u>	<u>2,076,396</u>
EXPENDITURE		
Payments to Members & Others		
Sustentation Fees —National	162,674	177,604
Affiliation Fees—SA Unions, ALP, FVIU	30,434	27,621
Campaigns	2,982	9,241
Ambulance service	15,255	11,780
Donations	22,553	10,450
	<u>233,899</u>	<u>236,697</u>
Executive & Other Expenses		
Motor Vehicle Expenses:		
• Registration & Insurance	11,256	11,902
• Running & Repairs	47,074	40,332
• Depreciation	44,365	51,784
	<u>102,695</u>	<u>104,018</u>
Travelling - Officers	44,822	34,490
Travelling - Delegates	2,981	
Travelling - ALP	4,948	
Executive reimbursement	2,473	2,040
Training - Delegates	21,930	14,050
	<u>77,154</u>	<u>50,580</u>

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INCOME AND EXPENDITURE STATEMENT YEAR ENDED 31ST DECEMBER 2013	<u>2013</u> \$	<u>2012</u> \$
Brought forward:		
General Expenses		
Debt Collection Expenses	4,051	6,807
Legal & Court charges	131	2,001
		4,182
Employment Expenses		
Salaries - Officials	1,032,942	894,730
Salaries - Employees	152,149	167,220
Superannuation	201,489	177,309
Long Service Leave Provision	44,872	28,330
Insurance Workcover	20,645	18,120
Payroll Tax	39,203	28,843
Fringe Benefits Tax	26,905	41,079
Annual Leave Provision	54,393	18,644
		1,572,599
Administration Expenses		
Meetings & Assoc. expenses	23,800	6,961
Awards Expenses	-	718
Power & Lighting	20,947	30,965
Cleaning & Waste removal	23,432	22,996
Contract Services	1,413	3,495
Freight & Cartage	38	99
Postage	14,961	11,305
Telephone & Facsimile	22,293	22,615
Printing & Stationery	21,678	21,814
Photocopying expenses	4,772	4,803
Computer Service & Software	24,384	29,093
Publication & Journals	8,509	21,533
Office Facilities - Depreciation	24,296	27,884
Accounting & Audit fees	14,900	12,700
Bank charges & tax	13,283	15,335
Office Expenses - Whyalla	-	4,545
OPE work expenses	8,228	7,676
Petty Cash Expenditure	-	97
Protective Clothing	225	703
Staff amenities & reimbursement	4,343	4,139
Subscriptions	7,650	9,875
Sundry expenses	805	95
Insurance — General	7,637	6,455
		247,593
		265,901

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INCOME AND EXPENDITURE STATEMENT YEAR ENDED 31ST DECEMBER 2013	<u>2013</u> \$	<u>2012</u> \$
Brought forward:		
Property Expenses		
Rates & Taxes	14,550	16,016
Insurance — Building & Contents	1,193	2,047
Repairs & Maintenance	12,279	2,509
Security Services	2,017	2,407
Depreciation	16,528	15,565
		46,566
		38,544
TOTAL EXPENDITURE		2,284,688
		2,078,822
Surplus (deficit) for Year:		- 60,544
Add Severance and Management Fees - Insurance from prior years		- 2,427
Transferred to General Funds		-
		- 60,544
		- 2,427
The attached notes form part of the accounts		

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Balance Sheet as at 31st December 2013

			<u>2013</u>	<u>2012</u>
ACCUMULATED FUNDS				
Balance 1st January 2013			3,702,563	3,704,990
Add: Surplus (Deficit) for the year			- 60,544	- 2,427
Property Revaluation Reserve				
Total Funds 31 December, 2013			<u>3,642,019</u>	<u>3,702,563</u>
Represented by:				
CURRENT ASSETS				
Cash on Hand		180		180
Petty Cash Imprest		338		188
Credit Union SA - Credit Card Account		36,516		46,000
CBA Current		98,563		197,062
Trade Debtors		160,119		8,452
Sundry Debtors		115,281		120,000
Accrued Interest		15,561		-
Prepayments & Stock		23,270		12,720
			449,827	384,602
INVESTMENTS - Note 3				
Credit Union SA - Term Deposit		470,000		470,000
CBA Online Saver		191,342		255,127
Members Equity		1,402		1,355
ME Term Deposit Account - 878783240		496,472		484,395
ME Term Deposit Account - 968050468		486,094		464,088
			1,645,310	1,674,965
FIXED ASSETS - Notes 4 & 5				
Land & Buildings		1,972,348		1,985,511
Property Improvements		102,463		88,982
Office Equipment		41,476		32,870
Office Furniture & Fittings		30,327		28,871
Office Machines		9,058		12,078
Motor Vehicles		164,034		162,299
			2,319,705	2,310,610
TOTAL ASSETS			<u>4,414,842</u>	<u>4,370,177</u>

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Statement of Changes in Equity for year ended 31st December 2013

		<u>\$</u>	<u>Total</u>
Balance at 1 January 2012		3,704,990	3,704,990
Net surplus/(deficit)		- 2,427	- 2,427
Subtotal		3,702,563	3,702,563
Property Revaluation Reserve		-	-
Balance at 31 December 2012		<u>3,702,563</u>	<u>3,702,563</u>
Balance at 1 January 2013		3,702,563	3,702,563
Net surplus/(deficit)		- 60,544	- 60,544
Subtotal		3,642,019	3,642,019
Property Revaluation Reserve		-	-
Balance at 31 December 2013		<u>3,642,019</u>	<u>3,642,019</u>

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Statement of Cash Flows for the year ended 31st December, 2013

CASH FLOW FROM OPERATING ACTIVITIES	2013	2012
Member Contributions	1,754,404	1,633,537
Management Fees	194,089	164,460
Interest Received	61,806	107,961
Grants Received	-	-
Rent Received	46,464	40,000
Sundry Income	65,114	85,902
Payment to Suppliers and Employees	- 2,148,987	- 1,921,112
Net Cash generating from Operating Activities	- 27,111	- 110,748
CASH FLOW FROM INVESTMENT ACTIVITIES		
Sale of Fixed Assets	29,909	-
Investment in Term Deposit	29,655	37,990
Payment for Fixed Assets	- 140,287	- 46,692
Net Cash used in Investing Activities	- 80,723	- 84,682
NET INCREASE (DECREASE) IN CASH HELD	- 107,834	26,066
Cash at beginning of the year	243,430	217,364
Cash at end of the year	135,596	243,430

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NOTES TO, AND FORMING PART OF THE FINANCIAL ACCOUNTS, FOR THE YEAR ENDED 31st DECEMBER, 2013

1. ACCOUNTING METHODS

The financial statements have been prepared in accordance with applicable Accounting Standards, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and the Fair Work (Registered Organisations) Act 2009.

The financial statements have also been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the economic entity in the preparation of the accounts:

- (a) Depreciation of fixed assets is calculated on both the straight line and diminishing value basis in order to write the assets off over their useful life.
- (b) Provision for employee benefits in the form of accrued Long Service Leave and Annual Leave have been made for the estimated accrued entitlements of all employees on the basis of their terms of employment. In the case of Long Service Leave, the accrual has been measured by reference to periods of service and current salary rates, as it is considered that this results in an amount not materially different to that achieved by discounting estimated future cash flows.
- (c) No provision for income tax is necessary, as industrial "Trade Unions" are exempt from income tax under Section 50.15 of the Income Tax Assessment Act 1997.

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions the Schedule, which reads as follows:

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

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NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2013

<u>3. INVESTMENTS</u>	<u>2013</u>	<u>2012</u>
Employee Entitlements - All Leave Entitlements as at 31/12/2013 were \$568,948.75 and are invested in the Members Equity term deposit account	982,566	948,483
Other Investments -	662,744	726,482
Interest bearing deposits	1,645,310	1,674,965
Note: All Retirement Redundancy Allowances are funded by the employees additional 5.8% superannuation from CBUS. There is no liability to the CEPU		
<u>4. FIXED ASSETS - REAL PROPERTY</u>		
South Road Premises -		
Book Value at 1 January 2013	1,301,937	1,301,937
Add: Revaluation	736,226	736,226
Add: Improvements	109,376	92,530
Less: Depreciation	- 72,728	- 56,200
Book Value as at 31 December, 2013	<u>2,074,811</u>	<u>2,074,493</u>

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5. FIXED ASSETS, OTHER

	Valuation at 1974 or cost since 1973	Accumulated Depreciation	Book Value 31 Dec 2012	Book Value 31 Dec 2013
Office Furniture & Fittings	101,076	70,749	28,871	30,327
Office Equipment	164,832	123,356	32,870	41,476
Office Machines	266,600	257,542	12,078	9,058
Research Library	14,074	14,074	-	-
	Book Value 1st Jan 2013	Purchases (Net) 2013	Depreciation 2013	Book Value 31 Dec 2013
Motor Vehicles	162,300	46,101	44,365	164,036

6. CONTINGENT LIABILITIES

The Union continues to fund ambulance services for financial members, subject to certain conditions. These services are self insured by the Union

7. GOODS AND SERVICES TAX

Revenues, expenses, assets and liabilities are recognised in the financial statements net of goods and services tax (GST). The net amount of GST receivable from or payable to the Australian Taxation Office at balance date is included as a separate item in the Balance Sheet.

8. RELATED PARTY INFORMATION

Elected and appointed Officials received superannuation/severance and salary sacrifice payments of \$181,186 in 2013 and \$154,438 in 2012.

9. GRANTS & MANAGEMENT FEES

Revenue for the year includes \$199,648 for managing income protection insurance for members in the electrical & plumbing contracting industry. A Birst Grant for \$140,000 was also received for the year.

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

10. STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY

- Cash Basis -for year ended 31 December 2013

	Note	2013 \$	2012 \$
Cash assets in respect of recovered money at beginning of year		nil	nil
Receipts			
Amounts recovered from employers in respect of wages etc		nil	nil
Interest received on recovered money		nil	nil
Total receipts		nil	nil
Payments			
Deductions of amounts due in respect of membership for:			
• 12 months or less		nil	nil
• greater than 12 months		nil	nil
Deductions of donations or other contributions to accounts or funds of:			
• the reporting unit -			
[name of account]		nil	nil
[name of fund]		nil	nil
[name of fund]		nil	nil
• [name of other reporting unit of the organisation] - [name of account]			
[name of account]		nil	nil
[name of fund]		nil	nil
[name of fund]		nil	nil
• [name of other entity] -			
[name of account]		nil	nil
[name of fund]		nil	nil
[name of fund]		nil	nil
Deductions of fees or reimbursements of expenses		nil	nil
Payments to workers in respect of recovered money		nil	nil
Total payments		nil	nil
Cash assets in respect of recovered money at end of year		nil	nil