



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



5 July 2016

Mr John Adley
Divisional Branch Secretary
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia – Electrical, Energy and Services Division – South Australian
Divisional Branch
312 South Road
RICHMOND SA 5033

via email: johna@cepusa.com.au

Dear Mr Adley

**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 2015 - [FR2015/442]**

I acknowledge receipt of the financial report for the year ended 31 December 2015 for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – South Australian Divisional Branch (the reporting unit). The financial report was lodged with the Fair Work Commission (FWC) on 20 June 2016. I also acknowledge the supplementary information you provided on 5 July 2016 in relation to the notes to the financial statements and the amended designated officers certificate.

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

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

Please note that the financial report for the year ending 31 December 2016 may be subject to an advanced compliance review.

Reporting Requirements

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

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4681 or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a horizontal line that tapers to the right.

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch



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

FINANCIAL REPORT
AS At 31 Dec 2015

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

**FINANCIAL REPORT
AS At 31 DECEMBER 2015**

CONTENTS	Page #
Independent Audit Report	3
Certificate by Prescribed Designated Officer	5
Operating Report	6
Committee of Management Statement	8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Recovery of Wages Activity	13
Notes to the Financial Statements	14 36

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 Communications Electrical Plumbing Union (CEPU), Electrical Division SA Branch, which comprises the Statement of Financial Position as at 31 December 2015, 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 audit. I conducted my audit in accordance with the Australian Auditing Standards. Those Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 Communications Electrical Plumbing Union (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 2015 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

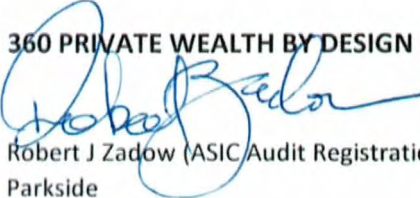
(b) other mandatory professional reporting requirements in Australia.

(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...*30th May 2016*.....

**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 2015

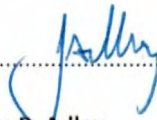
I John P. Adley being the Branch Secretary of CEPU Electrical Division SA Branch, certify:

· that the documents lodged herewith are copies of the full report for CEPU Electrical Division SA Branch, for the period ended 31 December 2015 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 30th MAY 2016; and

8th JUNE 2016 that the full report was presented to a meeting of the committee of management of the reporting unit on 8th JUNE 2016 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer



Name of prescribed designated officer: **John P. Adley**

Title of prescribed designated officer: **Branch Secretary**

Dated 14th JUNE 2016

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

**OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

The committee presents its report on the reporting unit for the financial year ended 31 December 2015

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 represent the interests of its members in advancing and protecting terms and conditions of employment as well as collective and individual workplace rights. This is achieved through industrial organisation and representation as well as political and community campaigning. 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 John P. Adley, 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 4003 members of which 3299 were financial members of the Branch as at 31st December 2015.

Number of employees

As at 31st December 2015 the Branch employed 7 elected officials, 1 permanent part time clerical employee and 3 casual clerical employees with a total number of 11 employees.

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

2015 was a quadrennial election year, consequently terms of elected office holders ceased on the 28th of August 2015. The election results were declared by the Australian Electoral Commission on the 31st of September 2015. The new State Council met on the 10th of November 2015 and elected executive committee members on that date.


The following persons were a member of the Committee of Management of the Branch, namely the Branch Executive, during the year ending 31 December 2015:

Name of Member	Position held	Period
Robert G. Donnelly	Divisional Branch Secretary	1/1/15 – 28/8/2015
Jason Harrison	Divisional Branch President	1/1/15 – 28/8/2015
Geoff Birrell	Executive Member	1/1/15 – 28/8/2015
John McNichol	Executive Member	1/1/15 – 28/8/2015
Anthony Borg	Executive Member	1/1/15 – 28/8/2015
Steven Rayson	Executive Member	1/1/15 – 28/8/2015
Rodney Mills	Executive Member	1/1/15 – 28/8/2015

COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
ELECTRICAL DIVISION SA BRANCH

OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

Name of Member	Position held	Period
Robert G. Donnelly	Divisional Branch President	28/8/2015 – 31/12/2015
John P. Adley	Divisional Branch Secretary	28/8/2015 – 31/12/2015
Jason Harrison	Executive Member	10/11/2015 – 31/12/2015
Geoff Birrell	Executive Member	10/11/2015 – 31/12/2015
Anthony Borg	Executive Member	10/11/2015 – 31/12/2015
Darren Brenton	Executive Member	10/11/2015 – 31/12/2015
Tristan Hyde	Executive Member	10/11/2015 – 31/12/2015
Barry Grimes	Executive Member	10/11/2015 – 31/12/2015
Michael Heffernan	Executive Member	10/11/2015 – 31/12/2015

Signature of designated officer 

Name and title of designated officer: **John P. Adley - The Branch Secretary**

Dated **30th May 2016**

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

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015**

On the 30th May 2016 the Committee of Management of CEPU Electrical Division SA Branch passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 31 December 2015:

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 organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner 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: **John P. Adley -The Branch Secretary**

Dated 30th May 2016.

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015 \$	2014 \$
Revenue			
Membership subscription	3A	1,959,878	1,862,327
Capitation fees	3B		
Levies	3C		
Interest	3D	52,619	67,143
Rental revenue	3E	46,345	39,383
Other revenue	3F	202,302	275,560
Total revenue		2,261,144	2,244,413
Other Income			
Grants and donations	3G	-	-
Total income		2,261,144	2,244,413
Expenses			
Employee expenses	4A	1,707,517	1,709,025
Capitation fees	4B	247,763	215,095
Affiliation fees	4C	37,765	41,061
Administration expenses	4D	250,958	270,316
Grants or donations	4E	500	25,000
Depreciation	4F	81,696	85,243
Finance cost	4G	14,553	13,569
Legal costs	4H	18,800	
Auditor's remuneration	11	19,460	17,000
Net losses from sale of assets	4I	997	6,123
Other expenses	4J		
Total expenses		2,380,010	2,382,432
Loss for the year		(118,866)	(138,019)
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Gain on revaluation of land & buildings			
Total comprehensive income for the year		(118,866)	(138,019)

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 2015**

	Notes	2015 \$	2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	151,500	283,409
Trade and other receivables	5B	66,271	107,668
Held to Maturity	5C	1,269,671	1,503,401
Other current assets	5D	20,129	31,830
Total current assets		1,507,521	1,926,308
Non-Current Assets			
Property and equipment	6A	2,255,934	2,355,436
Total non-current assets		2,255,934	2,355,436
Total Assets		3,763,455	4,281,744
LIABILITIES			
Current Liabilities			
Trade payables	7A	7,050	131,210
Other payables	7B	101,276	69,377
Employee provisions	8A	212,942	491,835
Total current liabilities		321,268	692,422
Non-Current Liabilities			
Employee provisions	8A	57,055	85,323
Total non-current liabilities		57,055	85,323
Total Liabilities		378,323	777,746
Net assets		3,385,132	3,503,998
EQUITY			
Retained Earnings		3,385,132	3,503,998
Total Equity		3,385,132	3,503,998

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 2015

	General fund	Retained Earnings	Total equity
	\$	\$	\$
Balance as at 1 January 2014	-	3,642,018	3,642,018
Adjustment for errors	-	-	
Adjustment for changes in accounting policies	-		
Loss for the year	-	(138,019)	(138,019)
Other comprehensive income for the year	-	-	
Transfer from retained earnings	-	-	
Balance as at 31 December 2014	-	3,503,998	3,503,998
Adjustment for errors	-	-	
Adjustment for changes in accounting policies	-		
Loss for the year	-	(118,866)	(118,866)
Other comprehensive income for the year	-		
Transfer from retained earnings	-	-	
Balance as at 31 December 2015	-	3,385,132	3,385,132

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
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received			
Receipts from members		1,907,349	1,789,024
Interest		55,103	70,211
Receipts from other reporting entities	9B	4,067	3,044
Other		242,096	241,179
		2,208,615	2,103,458
Cash Used			
Employees		(1,819,177)	(1,077,841)
Suppliers		(322,588)	(646,894)
Payments to other reporting entities	9B	(445,298)	(245,723)
		(2,587,063)	(1,970,458)
Net cash from (used by) operating activities	9A	(378,448)	133,000
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Received			
Proceeds from sale of motor vehicles		24,544	61,564
Investment matured		233,730	120,000
		258,274	181,564
Cash Used			
Purchase of motor vehicle		-	(169,131)
Improvement in property		(7,735)	(15,350)
Purchase of furniture & fixture		-	(4,179)
Amount invested for term deposits		-	(170,835)
		-	(170,835)
Net cash used by investing activities		250,539	(177,931)
FINANCING ACTIVITIES			
Cash flow from financing activities			
		(127,910)	(44,931)
Net increase (decrease) in cash held			
Cash & cash equivalents at the beginning of the reporting period		283,409	328,340
Cash & cash equivalents at the end of the reporting period	5A	155,500	283,409

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
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
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 to	-	-
Fund or account operated for recovery of wages		

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Note 1. Union Information

CEPU Electrical Division SA Branch is to represent the interests of its members in advancing and protecting terms and conditions of employment as well as collective and individual workplace rights. Please refer to branch council operating report for further details.

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. 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 significant financial impact on 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 2015**

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 union 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 recognised on an accrual basis and recorded as expense in the year to which it relates.

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.

**COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
ELECTRICAL DIVISION SA BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Note 2. Summary of significant accounting policies (cont.)

2.9 Employee benefits (cont.)

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.

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.

2.11 Financial instruments

Financial assets and financial liabilities are recognised when 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.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Note 2. Summary of significant accounting policies (cont.)

2.12 Financial assets (cont.)

Fair value through profit or loss (cont.)

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.

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.

COMMUNICATIONS ELECTRICAL PLUMBING UNION (CEPU)
ELECTRICAL DIVISION SA BRANCH

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Note 2. Summary of significant accounting policies (cont.)

2.12 Financial assets (cont.)

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.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Note 2. Summary of significant accounting policies (cont.)

2.12 Financial assets (cont.)

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:

- 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 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 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Note 2. Summary of significant accounting policies (cont.)

2.13 Financial liabilities (cont.)

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 and equipment

Asset recognition

Each class of property and equipment is recognised at historical cost. Purchases of property and equipment are recognised 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.

Depreciation

Depreciable property and equipment assets are written-off to their estimated residual values over their estimated useful lives using following method of depreciation against each class of asset. 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 along with depreciation method are based on the following useful lives:

	2015	2014
Land & Building	40 years	40 years
Office equipment & Furniture	1 to 5 years	1 to 5 years
Motor Vehicle	4 years	4 years

Derecognition

An item of buildings 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Note 2. Summary of significant accounting policies (cont.)

2.15 Property and equipment (cont.)

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.

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

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

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Note 2 Summary of significant accounting policies (cont.)

2.20 Fair value measurement (cont)

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 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.

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, 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 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Note 2 Summary of significant accounting policies (cont.)

2.21 Leases (cont)

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

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

2.22 Going concern

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

2.23 Events after the reporting period

There were no events that occurred after 31 Dec 2015, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of CEPU Electrical Division SA Branch.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015 \$	2014 \$
Note 3 Income			
Note 3A: Membership subscription			
Membership subscription comprises of contributions from members during the year giving an average of \$594 p.a from each member; Members are charged at different rates depending upon their employment status and category in which they fall.			
Note 3B: Capitation fees			
None			
Total capitation fees		<u><u>-</u></u>	<u><u>-</u></u>
Note 3C: Levies			
Branch levies			
Total levies		<u><u>-</u></u>	<u><u>-</u></u>
Note 3D: Interest			
Interest income		52,619	67,143
Total interest		<u><u>52,619</u></u>	<u><u>67,143</u></u>
Note 3E: Rental income			
Rental income from property	3E (i)	46,345	39,383
Total rental revenue		<u><u>46,345</u></u>	<u><u>39,383</u></u>

3E (i) The union rents part of its building to generate another source of income.

Note 3F: Other revenue

Funding/project management	3F (i)	155,058	194,989
Directors fees		22,420	43,866
Debt cost recovery		12,922	29,102
Sundry revenue		11,902	7,603
Total other revenue		<u><u>202,302</u></u>	<u><u>275,560</u></u>

3F (i) Funding /project management primarily represents fees for the income protection insurance.

Note 3G: Grants and donations

Grants			
Donations			
Total grants and donations		<u><u>-</u></u>	<u><u>-</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
Note 4 Expenses	\$	\$
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	1,009,953	1,097,576
Superannuation	174,512	190,812
Leave and other entitlements	46,452	6,357
Separation and redundancies		
Other employee expenses	-	-
	1,230,917	1,294,745
Other employee expenses		
Payroll Tax	61,544	47,260
Fringe Benefits Tax	29,818	19,092
Work cover	17,958	20,727
Motor Vehicle Expenses	54,137	66,055
Travel	25,719	35,693
Training	7,182	1,750
Executive reimbursement	-	650
	196,358	191,227
Subtotal employee expenses holders of office	1,427,275	1,485,972
Employees other than office holders:		
Wages and salaries	216,403	195,839
Superannuation	38,316	25,362
Leave and other entitlements	(2,405)	1,852
Separation and redundancies	27,929	-
Other employee expenses	-	-
Subtotal employees other than office holders	280,242	223,053
Total employee expenses	1,707,517	1,709,025
Note 4B: Capitation fees		
Capitation fees - National office	247,763	215,095
Total capitation fees	247,763	215,095
Note 4C: Affiliation fees		
Australian Labour Party	21,043	28,236
SA Unions	16,448	12,825
National office	274	
Others	-	
Total affiliation fees/subscriptions	37,765	41,061

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
Note 4 Expenses (cont.)		
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	-	
Compulsory levies	-	
Conference and meeting expenses	21,422	7,526
Contractors/consultants	10,432	14,311
Property expenses	19,439	28,463
Office expenses	126,634	149,378
Information communications	37,282	36,925
Insurance	8,819	7,410
Other	26,930	26,303
Total administration expense	250,958	270,316
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	500	
Total paid that exceeded \$1,000	-	25,000
Total grants and donations	500	25,000
Note 4F: Depreciation		
Land and building	16,910	16,734
Office equipment & furniture	15,726	21,452
Motor vehicle	49,060	47,057
Total depreciation	81,696	85,243
Note 4G: Finance costs		
Finance cost	14,553	13,569
Total finance costs	14,553	13,569
Note 4H: Legal costs		
Legal expenses	4H (i)	18,800
Total legal costs		18,800
4H (i) This represents CEPU SA members in an industrial dispute before the FWC.		
Note 4I: Net losses from sale of assets		
Motor vehicle	997	6,123
Total net losses from asset sales	997	6,123
Note 4J: Other expenses		
Penalties - via RO Act or RO Regulations		-
Total other expenses		-

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

		2015	2014
Note 5 Current Assets	Notes	\$	\$
Note 5A: Cash and cash equivalents			
Cash at bank	5A (i)	150,894	282,941
Cash on hand		606	468
Total cash and cash equivalents		151,500	283,409

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-Communication		2,360	
CEPU National Office		-	640
Total receivables from other reporting units		-	3,000

Less provision for doubtful debts

		-	-
Receivable from other reporting units		-	3,000

Other receivables:

GST receivable from the Australian Taxation Office			
Other trade receivables	5B (i)	66,221	104,668
Total other receivables		66,221	104,668

Total trade and other receivables (net)		66,221	107,668
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5B (i) Other trade receivables primarily include membership subscriptions and income protection.

Note 5C: Held to maturity

Term deposits		1,269,671	1,503,401
Total	5C (i)	1,269,671	1,503,401

5C (i) Term deposits are made from 6 months to 3 years period earning interest rate ranging from 2.65% to 3.8% per annum.

Note 5D: Other current assets

Accrued Interest		10,008	12,492
Prepayments		10,122	19,338
Total other current assets		20,129	31,830

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015 \$	2014 \$
Note 6 Non-current assets			
Note 6A: Property and equipment			
Cost	6A (i), 6A (ii) & 6A (iii)	3,405,388	3,397,653
Accumulated depreciation		(1,149,454)	(1,042,217)
Total property, plant and equipment		2,255,934	2,355,436
6A (i) Land and buildings:			
Cost		2,423,275	2,415,540
Accumulated depreciation		(359,023)	(342,113)
Total land and buildings		2,064,252	2,073,427

Reconciliation of the opening and closing balances

As at 1 January			
Gross book value		2,415,540	2,400,190
Accumulated depreciation and impairment		(342,113)	(325,379)
Net book value 1 January		2,073,427	2,074,811
Additions		7,735	15,350
Revaluations		-	
Impairments		-	
Depreciation expense		(16,910)	(16,734)
Other movement- Property Improvements			
Disposals			
Net book value 31 December		2,064,252	2,073,427

6A (ii) Office equipment & furniture

At cost		550,761	550,761
Accumulated depreciation		(502,898)	(487,172)
Total office equipment & furniture		47,863	63,589

Reconciliation of the opening and closing balances

As at 1 January			
Gross book value		550,761	546,582
Accumulated depreciation and impairment		(487,172)	(465,720)
Net book value 1 January		63,589	80,862

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
Note 6 Non-current assets (cont.)		
Reconciliation of the opening and closing balances of office equipment and furniture (cont.)		
Additions		4,179
Depreciation expense	(15,726)	(21,452)
Disposals	-	
Other		
Net book value 31 December	47,863	63,589
6A (iii) Motor Vehicle:		
Cost	431,352	431,352
Accumulated depreciation	(287,533)	(212,932)
Total Motor vehicle	143,819	218,420
Reconciliation of the opening and closing balances		
As at 1 January		
Gross book value	431,352	262,221
Accumulated depreciation and impairment	(212,932)	(98,188)
Net book value 1 January	218,420	164,033
Additions	-	169,131
Revaluations		
Impairments		
Depreciation expense	(49,060)	(47,057)
Other adjustment	-	
Disposals	(25,541)	67,687
Net book value 31 December	143,819	218,420
Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade payable and accruals	7,050	6,548
Subtotal trade creditors	7,050	6,548
Payables to other reporting units		
National office	-	124,662
Subtotal payables to other reporting units	-	124,662
Total trade payables	7,050	131,210

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
Note 7 Current Liabilities (cont.)		
Note 7B: Other payables		
Wages and salaries	52,790	32,099
Superannuation	21,289	/60
Consideration to employers for payroll deductions	-	
Legal costs		
Prepayments received/unearned		
GST payable	27,197	36,518
Other		
Total other payables	101,276	69,377
Note 8 Provisions		
Note 8A: Employee provisions		
Office Holders:		
Annual leave	128,590	296,909
Long service leave	98,100	229,839
Separations and redundancies	-	
Other	-	
Subtotal employee provisions—office holders	226,690	526,748
Employees other than office holders:		
Annual leave	16,905	16,972
Long service leave	26,401	33,439
Separations and redundancies		
Other	-	
Subtotal—employees other than office holders	43,307	50,411
Total employee provisions	269,997	577,159
Current	212,942	491,835
Non Current	57,055	85,323
Total employee provisions	269,997	577,159

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
Note 9 Cash flow		
Note 9A: Cash flow reconciliation		
Reconciliation of Cash and Cash Equivalents from Operating Activities to the surplus for the year		
Loss for the year	(118,866)	(138,019)
Adjustments for non-cash items		
Depreciation	81,696	85,243
Loss on disposal of assets	997	6,123
	(36,173)	(46,653)
Changes in assets/liabilities		
(Increase)/decrease in net receivables	41,447	167,732
(Increase)/decrease in other current assets	11,701	7,000
Increase/(decrease) in payables	(92,261)	(3,289)
Increase/(decrease) in employee provisions	(303,162)	8,210
Net cash from (used by) operating activities	(378,448)	133,000
Note 9B: Cash flow information		
Cash inflows		
CEPU National Office	4,067	3,044
Total cash inflows	4,067	3,044
Cash outflows		
Capitation Fees National Office	445,298	245,723
Total cash outflows	445,298	245,723
Note 10 Related party disclosures		
Note 10A: Related party transactions for the reporting period		
The union does not have any related party transaction.		
Note 10B: Key management personnel remuneration for the reporting period		
Short-term employee benefits		
Salary	1,009,953	1,097,576
Annual leave accrued	32,383	(27,952)
Performance bonus		
Total short-term employee benefits	1,042,336	1,069,624

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
Post-employment benefits:		
Superannuation	174,512	190,812
Total post-employment benefits	174,512	190,812
Other long-term benefits:		
Long-service leave	11,663	36,161
Total other long-term benefits	11,663	36,161
Termination benefits	-	-
Total	1,228,511	1,296,597

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

Note 11 Auditor's remuneration

Audit fees	15,000	15,000
Non-audit services	4,460	2,000
Total auditor's remuneration	19,460	17,000

Note 12 Financial Support to or from another reporting entity

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

The union has a property rental agreement for one year and rent is negotiated at the end of agreement.

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

Within one year	54,078	52,503
After one year but not more than five years	55,700	54,078
After five years	-	-
	109,779	106,581

Operating lease commitments—as lessor

None

Capital commitments

At 31 Dec 2015, 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 2015**

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.

Note 14B: Categories of financial instruments	Notes	2015	2014
		\$	\$
Financial assets			
<u>Held-to-maturity investments:</u>			
Term Deposit - Credit Union		350,000	350,000
Term Deposits - ME		919,671	1,153,401
Total held to maturity investments	5C	1,269,671	1,503,401
<u>Loans and receivables:</u>			
Trade and other receivables	5B	66,221	107,668
Other current assets	5D	20,129	31,830
Total		86,350	139,498
Financial liabilities			
Trade creditors and accruals	7A	7,050	131,210
Other payables	7B	101,276	69,377
Total		108,326	200,587

Note 14C: Net income and expense from financial assets

Held-to-maturity

Interest income	52,619	67,143
Exchange gains/(loss)	-	-

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Note 14C: Net income and expense from financial assets	Notes	2015	2014
		\$	\$
Held-to-maturity (cont.)			
Impairment		-	-
Gain/loss on disposal		-	-
Net gain/(loss) held-to-maturity		52,619	67,143

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	151,500	283,409
Trade debtors and other receivables	5B	66,221	107,668
Other current assets	5D	20,129	31,830
Held to Maturity	5C	1,269,671	1,503,401
		1,507,521	1,926,308

Credit quality of financial instruments not past due or individually determined as impaired:

	2015		2014	
	Gross	Impairment	Gross	Impairment
	\$	\$	\$	\$
Not past due	-	-	-	-
Past due 0-30 days	76,228	-	120,159	-
Past due 31-120 days	10,122	-	19,339	-
Past due 121 days to one year	-	-	-	-
Past due more than 1 year	-	-	-	-
	86,350	-	139,498	-

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 2015	Carrying amount	< 1 year	1– 2 years	2– 5 years	> 5 years	Total
		\$	\$	\$	\$	\$
Trade creditors & payable	7,050	7,050	-	-	-	7,050
Employee related Payable to National Office	74,079	74,079	-	-	-	74,079
	-	-	-	-	-	-

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

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

Note 14E - Liquidity risk (cont.)

At 31 Dec 2015	Carrying amount	< 1 year \$	1– 2 years \$	2– 5 years \$	> 5 years \$	Total \$
Other payables	27,197	27,197	-	-	-	27,197
Maturities for financial liabilities	108,326	108,326	-	-	-	108,326

At 31 Dec 2014	Carrying amount	< 1 year \$	1– 2 years \$	2– 5 years \$	> 5 years \$	Total \$
Trade creditors & payable	6,548	6,548	-	-	-	6,548
Employee related	32,859	32,859	-	-	-	32,859
Payable to National Office	124,662	124,662	-	-	-	124,662
Other payables	36,518	36,518	-	-	-	36,518
Maturities for financial liabilities	200,587	200,587	-	-	-	200,587

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	1,269,671	1,503,401
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Variable-rate instruments

Cash at bank	5A	151,500	283,409
		<u>1,421,171</u>	<u>1,786,810</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 2015**

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



9 June 2016

Mr Bob Donnelly
Branch President

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

Dear Mr Donnelly,

Lodgement of Financial Report - Reminder to lodge on or before 15 July 2016

The Fair Work Commission's (the Commission) records disclose that the financial year 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 reporting unit) ended on the 31 December 2015.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the completion of the financial reporting process is six months and 14 days after the expiry date of its financial year (s.253, s.254, s.265, s.266, s.268). For your reporting unit that requires lodgement of its financial report on or before **15 July 2016, and in any event no later than 14 days after the relevant meeting.**

The Commission encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the General Manager instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the General Manager following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$54,000 per contravention on the organisation and up to \$10,800 per contravention on an officer whose conduct led to the contravention.

Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

We encourage you to lodge the full financial report directly to orgs@fwc.gov.au. That is the official email address for electronic lodgements of material related to registered organisations matters.

Should you seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,

Sam Gallichio
Regulatory Compliance Branch

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au



15 January 2016

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

Dear Mr Donnelly,

**Re: Lodgement of Financial Report - [FR2015/442]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year 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 reporting unit) ended on 31 December 2015.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, namely 15 July 2016 (being the expiry date of 6 months and 14 days from the end of the financial year).

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Further, the General Manager's updated Reporting Guidelines that apply to all financial reports prepared on or after 30 June 2014 are also available on the website supported by a webinar presentation.

The Fair Work Commission has developed a model set of financial statements. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

I request that the financial report and any statement of loans, grants or donations made during the financial year (statement must be lodged within 90 days of end of financial year) be emailed, rather than posted, to orgs@fwc.gov.au. A sample statement of loans, grants or donations is available at [sample documents](#).

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$51,000 for a body corporate and \$10,200 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you wish to seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,

Sam Gallichio
Adviser
Regulatory Compliance Branch

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
<p>(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.</p> <p>(b) A # designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).</p>	/ /	As soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<p>Within a reasonable time of having received the GPFR</p> <p>(NB: Auditor's report must be dated on or after date of Committee of Management Statement</p>
<p>Provide full report free of charge to members – s265</p> <p>The full report includes:</p> <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /	<p>(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,</p> <p>or</p> <p>(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.</p>
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.