



4 July 2017

Mr John Adley
Secretary, South Australian Divisional Branch
Electrical, Energy and Services Division,
CEPU

By email: JohnA@cepusa.com.au

CC: Auditor, Graeme Kent

Dear Mr Adley,

**CEPU, Electrical, Energy and Services Division, South Australian Divisional Branch -
Financial Report for the year ended 31 December 2016 - [FR2016/381]**

I acknowledge receipt of the financial report of the South Australian Divisional Branch of the Electrical, Energy and Services Division of the CEPU. The documents were lodged with the Registered Organisations Commission ('the ROC') on 15 June 2017.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming whether 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 period ending 31 December 2017 may be subject to an advanced compliance review.

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

New Format for Auditor's Statement

The Auditing and Assurance Standards Board (AUASB) has released new requirements for auditor reports effective for financial reporting periods ending on or after 15 December 2016. The Auditor's Statement for the organisation/branch was not prepared in accordance with the new format required by ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

Please ensure that the auditor's statement in relation to next year's financial report is prepared in accordance with ASA 700.

Reporting Requirements

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC 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](#).

Please note that new Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

If you have any queries regarding this letter, please contact me via email at stephen.kellett@roc.gov.au.

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett
Financial Reporting
Registered Organisations Commission

From: KELLETT,Stephen
Sent: Tuesday, 4 July 2017 2:04 PM
To: 'JohnA@cepusa.com.au'
Cc: 'gkent@mgisq.com.au'
Subject: Attention Mr John Adley - financial reporting - y/e 31 December 2016 - filing
[SEC=UNCLASSIFIED]

Dear Mr Adley,

Please see attached my letter in relation to the above.

Yours faithfully

STEPHEN KELLETT
Senior Adviser
Financial Reporting
Registered Organisations Commission

Tel: (02) 6746 3283
Email: stephen.kellett@roc.gov.au

GPO Box 2983, MELBOURNE VIC 3001 | Level 13, 175 Liverpool Street, Sydney NSW 2000

www.roc.gov.au



Australian Government
Registered Organisations Commission

Please consider the environment before printing this message



CEPU SA FR2016
381 (primary final).pdf

From: John Adley [<mailto:JohnA@cepusa.com.au>]
Sent: Thursday, 15 June 2017 5:23 PM
To: ROC - Registered Org Commission
Cc: Graeme Kent; Karen Huet
Subject: HPRM: ON CMS FR2016/381 CEPU SA 2016 Audited Financial Report

[FR2016/381](#)

Good afternoon,

Please find attached the CEPU SA Branch audited Annual Financial Report.

Regards,

John Adley
Branch Secretary
CEPU Electrical Energy and Services Division
S.A. Branch

P: (08) 8234 2130

M: 0447 803 299

E: JohnA@cepusa.com.au



Designated officer
certificate.pdf



Notes to the CEPU
SA 2016 financial rep



CEPU SA 2016
Financial Report.pdf

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

s.268 *Fair Work (Registered Organisations) Act 2009*

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER¹

Certificate for the period ended 31st December 2016

I, John Patrick Adley, being the Divisional 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 declare:

- that the documents lodged herewith are copies of the full 2016 financial report for the Communications Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia – Electrical Energy and Services Division South Australian Branch for the period ended 31st December 2016 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 12th April 2017; and
- that the full report was presented to a *meeting of the committee of management* of the reporting unit on 14th June 2017 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer: John Patrick Adley

Title of prescribed designated officer: CEPU SA Branch Secretary



Dated: 15th June 2017

¹ Regulation 162 of the Fair Work (Registered Organisations) Regulations 2009 defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:
(a) the secretary; or
(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA –
ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN
BRANCH**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND
SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

CONTENTS

	Page No
General Fund	
Independent Auditor's Report.....	1
Committee of Management's Operating Report.....	3
Committee of Management Statement.....	6
Auditor's Independence Declaration	7
Statement of Profit and Loss and Other Comprehensive Income	8
Statement of Financial Position.....	9
Statement of Changes in Equity.....	10
Statement of Cash Flows	11
Statement of Receipts and Payments for Recovery of Wages.....	12
Notes to the Financial Statements	13
Objects of the Union	39

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

Report on the Financial Report

We have audited the accompanying 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 (the Union), which comprises the statement of financial position as at 31 December 2016, statement of profit and loss and other comprehensive income, statement of receipts and payments for recovery of wages and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the Committee of Management's declaration.

Committee of Management's Responsibility for the Financial Report

The Committee of Management of the Union is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009* and for such internal controls as the Committee of Management determine is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error. In Note 1, the Committee of Management also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

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

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

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of the Union for the year ended 31 December 2016 included on the Union's website. The Union's Committee of Management is responsible for the integrity of the Union's website. We have not been engaged to report on the integrity of this website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to / from these statements. If users of this report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

Independence

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

Declarations

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

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

Auditor's Opinion

In our opinion:

- (1) The financial statements of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – South Australian Branch are in accordance with the *Fair Work (Registered Organisations) Act 2009*, including:
 - (i) giving a true and fair view of the Union's financial position as at 31 December 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards.
- (2) The financial report also complies with International Financial Reporting Standards as detailed in Note 1.
- (3) The Union has kept satisfactory accounting records for the financial year including records of:
 - (i) the sources and nature of the Union's income, including membership subscriptions and other income from members; and
 - (ii) the nature of and reasons for the Union's expenditure.
- (4) All the information and explanations that officers or employees of the Union were required to provide have been provided.
- (5) There was no deficiency, failure or shortcoming in any matters referred to in (1) to (4) above.
- (6) The Union's use of the going concern basis of accounting used in the preparation of the financial statements is appropriate.
- (7) The Union did not undertake wages recovery during the year.

M. G. I

MGI Audit (Q) Pty Ltd



G I Kent
Director

Richmond

12 April 2017

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH

**COMMITTEE OF MANAGEMENT OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

Operating Report

In accordance with section 254 of the *Fair Work (Registered Organisations) Act 2009* ("Act") the Committee of Management ("the Committee") presents its Operating Report on the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – South Australian Branch ("Union"), for the year ended 31 December 2016.

Principal Activities

The principal activity of the Union was to act on behalf of members in pursuit of the Objects of the Union (detailed at page 38 of the financial report).

No significant change in the nature of these activities occurred during the year.

Operating Results

The deficit for the financial year amounted to \$328,903 (2015 deficit: \$118,866).

Review of Operations

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

Significant Changes in the Unions Affairs

No significant changes to in the Union affairs occurred during the financial year.

Events Subsequent to the End of the Reporting Period

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

Likely Developments and Expected Results of Operations

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

Environmental Regulation

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

Members Right to Resign

The right of members to resign from the Union is set out in the Rules of the CEPU – Electrical Division and on the reverse side of the application to join form.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH

**COMMITTEE OF MANAGEMENT OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

Officers or Members who are Superannuation Fund Trustees/ Director of a Company that is a Superannuation Fund Trustee

Those who hold a position of trustee or director of an entity, scheme or company as described in s.254 (2) (d) of the *Fair Work (Registered Organisations) Act 2009*, where a criterion of such entity is that the holder of such position must be a member or official of a registered organisation are as follows:

- John Adley - Member and Branch Secretary of the Union
 - Director of Electrical Industry Superannuation Scheme
- Robert Donnelly - Member and Branch President of the Union
 - Alternate Director of Electrical Industry Superannuation Scheme

Number of Employees

The number of persons who were, at the end of the period to which the report relates, employees of the consolidated group, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis is 11.15 (2015: 11.0).

Wages Recovery

There were no wages recoveries for the year.

Number of Members

The number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for s.230 of the Act and who are taken to be members of the Union under s.244 of the Act is: 3,604 (2015: 3,999). The 2015 Operating Report reported the membership as 4,003. After an independent audit this number was changed to 3,999.

Members of the Committee of Management

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

Name	Period of appointment
*ADLEY, John	Whole Period
*BIRRELL, Geoffrey	Whole Period
*BORG, Anthony	Whole Period
*BRENTON, Darren	Whole Period
BUSH, Garth	Appointed 13 July 2016
CAPPER, Alex	Appointed 12 October 2016
*CHAMBERS, Bruce	Whole Period
*GRIMES, Barry	Whole Period
*HARRISON, Jason	Whole Period
*HEFFERNAN, Michael	Whole Period
*HYDE, Tristan	Whole Period
MILLS, Rodney	Whole Period
MUEGGE, Carl	Whole Period

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND
SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH**

**COMMITTEE OF MANAGEMENT OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

Members of the Committee of Management (Continued)


Name	Period of appointment
NAGEL, Andrew	Whole Period
PAPROTH, Christopher	Whole Period
PISONI, Simon	Whole Period
PRYOR, Scott	Whole Period
RAMM, Daniel	Whole Period
SMITH, Keith	Resigned 4 July 2016
STEFFAN, Scott	Appointed 13 July 2016
SWEENEY, Jarryd	Whole Period
WEEKES, Wayne	Whole Period

**Member of the Divisional Branch Executive*

Other Information

There is no other information that the Union considers relevant.

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


.....
John Adley
Branch Secretary

12 April 2017

Richmond

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

On 12 April 2017, the Committee of Management of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – South Australian Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2016:

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

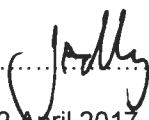
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position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

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

For the Committee of Management: John Adley

Title of Office held: Branch Secretary

Signature:


.....

Date:

12 April 2017

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

As lead auditor for the audit of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – South Australian Branch for the year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

M.C.T

MGI Audit (Q) Pty Ltd



G I Kent
Director

Richmond

12 April 2017

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND
SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH**

**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
Revenue	2	2,042,443	2,261,144
Employee benefits expense	3(l)	(1,574,595)	(1,602,521)
Depreciation and amortisation expenses	3(b)	(63,291)	(81,696)
Finance costs	3(a)	(18,347)	(21,993)
Affiliation fees	3(k)	(35,262)	(37,765)
Compulsory Levies	3(e)	-	-
Capitation Fees	3(h)	(238,651)	(247,763)
Administration expenses	3(f)	(314,324)	(269,833)
Grants & Donations	3(g)	(19,300)	(500)
Conference and meeting expenses	3(d)	(17,071)	(21,423)
Campaign expenses	3(c)	(4,625)	(8,044)
Legal expenses	3(j)	(62)	(18,800)
Consideration to employers for payroll deductions	3(m)	-	-
Penalties – via RO Act or RO Regulations	3(j)	-	-
Loss on sale of assets		-	(997)
Other expenses	3(n)	(85,818)	(68,675)
Deficit before income tax		(328,903)	(118,866)
Income tax expense	1(a)	-	-
Deficit for the year		<u>(328,903)</u>	<u>(118,866)</u>
Other Comprehensive Income			
Other comprehensive income (net of income tax)		-	-
Total comprehensive income for the year		<u>(328,903)</u>	<u>(118,866)</u>
Deficit attributable to:			
Members of the union		<u>(328,903)</u>	<u>(118,866)</u>
Total comprehensive income attributable to:			
Members of the union		<u>(328,903)</u>	<u>(118,866)</u>

The accompanying notes form part of these financial statements

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND
SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,383,302	1,421,171
Trade and other receivables	5	43,823	66,221
Other current assets	6	<u>12,139</u>	<u>20,129</u>
TOTAL CURRENT ASSETS		<u>1,439,264</u>	<u>1,507,521</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	<u>2,209,756</u>	<u>2,255,934</u>
TOTAL NON-CURRENT ASSETS		<u>2,209,756</u>	<u>2,255,934</u>
TOTAL ASSETS		<u>3,649,020</u>	<u>3,763,455</u>
CURRENT LIABILITIES			
Trade and other payables	8	230,447	108,326
Provisions	9	<u>329,880</u>	<u>212,942</u>
TOTAL CURRENT LIABILITIES		<u>560,327</u>	<u>321,268</u>
NON-CURRENT LIABILITIES			
Provisions	9	<u>32,464</u>	<u>57,055</u>
TOTAL NON-CURRENT LIABILITIES		<u>32,464</u>	<u>57,055</u>
TOTAL LIABILITIES		<u>592,791</u>	<u>378,323</u>
NET ASSETS		<u>3,056,229</u>	<u>3,385,132</u>
MEMBERS EQUITY			
Retained Earnings		<u>3,056,229</u>	<u>3,385,132</u>

The accompanying notes form part of these financial statements

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND
SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2015	3,503,998	3,503,998
Deficit attributable to members of the Union	(118,866)	(118,866)
Other comprehensive income	-	-
Balance at 31 December 2015	<u>3,385,132</u>	<u>3,385,132</u>
Balance at 1 January 2016	3,385,132	3,385,132
Deficit attributable to members of the Union	(328,903)	(328,903)
Other comprehensive income	-	-
Balance at 31 December 2016	<u>3,056,229</u>	<u>3,056,229</u>

The accompanying notes form part of these financial statements

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND
SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
Cash Flows from Operating Activities			
Receipts from Membership and Other Customers		2,225,284	2,153,512
Interest received		41,424	55,103
Payments to employees and suppliers		(2,287,464)	(2,591,063)
Net cash used in operating activities	10(b)	<u>(20,756)</u>	<u>(382,448)</u>
Cash Flows from Investing Activities			
Payment for property, plant & equipment		(17,113)	(7,735)
Proceeds from sale of property, plant & equipment		-	24,544
Net cash used in investing activities		<u>(17,113)</u>	<u>16,809</u>
Cash Flows from Financing Activities			
		-	-
Net decrease in cash held		(37,869)	(365,639)
Cash at beginning of financial year		<u>1,421,171</u>	<u>1,786,810</u>
Cash at end of financial year	10(a)	<u>1,383,302</u>	<u>1,421,171</u>

The accompanying notes form part of these financial statements

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND
SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH**

**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
Cash assets in respect of recovery money at Beginning of year			
Receipts			
Amount recovered from employees 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 Union		-	-
- other entity		-	-
Deductions of fees or reimbursements of expenses		-	-
Payments to workers in respect of recovered money		-	-
Total Payments		<u>-</u>	<u>-</u>
Cash assets in respect of recovery money at end of year		<u>-</u>	<u>-</u>

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Preparation

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

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

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

The financial statements were authorised for issue on 12 April 2017 by the Committee of Management of the Union.

(a) Income Tax

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

(b) Property, Plant and Equipment

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

Plant and equipment

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

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

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

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Property, Plant and Equipment (Continued)

Plant and equipment (Continued)

Depreciation

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

The depreciation rates used for each class of assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Buildings	2.5%
Office equipment and Furniture	20% - 100%
Motor Vehicles	20% - 25%

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

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

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

(c) Cash and Cash Equivalents

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

(d) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND
SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (Continued)

Classification and subsequent measurement (Continued)

Amortised cost is calculated as:

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

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

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

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

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND
SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (Continued)

Classification and subsequent measurement (Continued)

(iv) Available-for-sale financial assets

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

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

(v) Financial liabilities

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

Fair Value

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

Impairment

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

Derecognition

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

(e) Impairment of Assets

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

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

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Employee Benefits

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

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

(g) Provisions

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

(h) Leases

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

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

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

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

(i) Revenue

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

Revenue from membership contributions is recognised on an accrual basis and is recorded as revenue in the year to which it relates.

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

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

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

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Trade and Other Receivables

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

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

(k) Trade and Other Payables

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

(l) Borrowing Costs

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

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

(m) Goods and services tax (GST)

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

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

(n) Comparative Figures

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

(o) Critical accounting estimates and judgement

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

Key Estimates – Impairment

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

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Critical accounting estimates and judgement (Continued)

Key Judgements

Useful lives of property, plant and equipment

Property, plant and equipment are depreciated over the useful life of the asset and the depreciation rates are assessed when the asset are acquired or when there is a significant change that affects the remaining useful life of the asset.

Provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

On-cost for employee entitlement provision

The Branch revised its estimate for on-costs for employee provision during the year to include superannuation, workcover and payroll tax.

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

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

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

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

(q) New Accounting Standards for application in Future Periods

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

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

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

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

The main changes are described below:

- a. Financial assets that are debt instruments will be classified based on:
 - (1) the objective of the entity's business model for managing the financial assets;
 - (2) the characteristics of the contractual cash flows.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair option.

Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows:

- The change attributable to changes in credit risk are presented in other comprehensive income (OCI)
- The remaining changes is presented in profit or loss

AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount.

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

- AASB 2016-2: The standard amends AASB 107 *Statement of Cash Flows* (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.
- AASB 2016-4: Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities. This standard amends AASB 136 to remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities and clarify that not-for-profit entities holding non-cash-generating specialised assets at fair value in accordance with AASB 13 [under the revaluation model in AASB 116 and AASB 138] no longer need to consider AASB 136. Not –for-profit entities holding such assets at cost will determine recoverable amounts using current replacement cost in AASB 13.
- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) **New Accounting Standards for application in Future Periods (Continued)**

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019). When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and additional disclosure requirements.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding leases.

- AASB 1058 – Income for Not-for-Profit Entities – AASB 1058 and AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities* will defer income recognition in some circumstances for NFP entities, particularly where there is a performance obligation or any other liability. In addition, certain components in an arrangement, such as donations, may be separated from other types of income and recognised immediately. The standard also expands the circumstances in which NFP entities are required to recognise income for goods and services received for consideration that is significantly less than the fair value of the asset principally to enable the entity to further its objectives (discounted goods and services), including for example, peppercorn leases.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

AASB 1004 *Contributions* is also amended, with many of its requirements being revised and relocated AASB 1058. The scope of AASB 1004 is effectively limited to address issues specific to government entities and contributions by owners in a public sector entity context.

AASB 1058 will be effective for annual period beginning on or after 1 January 2019. Early application is permitted, provided AASB 15 *Revenue from Contracts with Customers* is applied on or before the date of initial application.

The Union is still determining whether any adoption of these standards will have any impact on the future reporting periods. Although the committee of management anticipates that the adoption of these standards may have an impact on the union's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

(r) Gains

Sale of assets

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

(s) Capitation fees and levies

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

(t) Contingent Liabilities and Contingent Assets

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

(u) Going Concern

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

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

(v) Acquisition of Assets and Liabilities

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

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

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

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Recovery of Wages

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

(x) Fair Value Measurement

The Union measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as investment properties, at fair value at each balance sheet date.

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 Union. 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.

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the 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 Union 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.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND
SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 2 – REVENUE	2016	2015
	\$	\$
Membership income	1,779,726	1,959,878
Capitation fees	-	-
Directors Fees	39,746	22,420
Funding/Project management fees	2(i) 113,071	155,058
Grants and donations	-	-
Levies	-	-
Rental revenue	47,853	46,345
Interest income	39,819	52,619
Recovery of bad debts	5,669	12,922
Sponsorship income	13,500	8,088
Sundry income	3,059	3,814
	<u>2,042,443</u>	<u>2,261,144</u>

2(i) – Funding/Project management primarily fee represents commissions received for income protection insurance policies.

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

NOTE 3 – EXPENSES

(a) Finance Costs – External (Bank fees and Charges)	18,347	21,993
(b) Depreciation and amortisation expense		
- Motor vehicles	33,523	49,060
- Buildings	16,942	16,910
- Office equipment and Furniture	12,826	15,726
	<u>63,291</u>	<u>81,696</u>
(c) Campaign expenses	4,625	8,318
(d) Conference and meeting expenses	17,071	21,423
(e) Compulsory Levies	-	-
(f) Administration expenses		
- Insurance	47,124	42,601
- Contractors/consultants	14,291	7,231
- Property expenses	72,256	56,703
- Office expenses	73,885	87,953
- Information communications technology	28,457	18,184
- Travel	50,180	25,719
- Other	28,131	31,442
	<u>314,324</u>	<u>269,833</u>

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL,
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND
SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 3 – EXPENSES (CONTINUED)	2016	2015
	\$	\$
(g) Grants and Donations		
- Grants	-	-
- Donations	19,300	500
Split of Grants and Donations:		
Grants:		
- Total paid that were \$1,000 or less	-	-
- Total paid that exceeded \$1,000	-	-
Donations:		
- Total paid that were \$1,000 or less	2,300	500
- Total paid that exceeded \$1,000	17,000	-
	<u>19,300</u>	<u>500</u>
(h) Capitation fees		
- National Office (CEPU –Electrical, Energy and Services Division)	238,651	247,763
(i) Legal Costs		
- Litigation	-	-
- Other Matters	62	18,800
	<u>62</u>	<u>18,800</u>
(j) Penalties – via RO Act or RO Regulations	-	-
(k) Affiliation fees		
- Australian Labor Party (SA Branch)	18,281	21,043
- SA Unions	16,044	16,448
- SA May Day Collective	937	274
	<u>35,262</u>	<u>37,765</u>
(l) Employee benefits expense		
Holders of Office:		
- Salaries and wages	264,798	257,845
- Leave and other entitlements	31,806	27,749
- Superannuation	51,880	45,361
- Separation and redundancies	-	-
- Other employee expenses	-	-
	<u>348,484</u>	<u>330,955</u>
Employees other than office holders:		
- Salaries and wages	941,001	996,441
- Leave and other entitlements	60,541	16,297
- Superannuation	152,557	167,466
- Separation and redundancies	-	-
- Other employee expenses	-	-
	<u>1,154,099</u>	<u>1,180,204</u>
Add: Payroll and Fringe Benefits tax expense	72,012	91,362
Total Employee benefits expense	<u>1,574,595</u>	<u>1,602,521</u>

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 3 – EXPENSES (CONTINUED)	2016	2015
	\$	\$
(m) Consideration to employers for payroll deductions	-	-
(n) Other Operating Expenses		
- External Audit and Accounting Expenses (Note 12)	26,950	19,460
- Fees/ allowances – meetings & conferences	-	-
- Conference and meeting expenses	-	-
- Subscriptions	10,798	14,508
- Ambulance Service	25,020	18,768
- Other Expenses	23,050	15,939
	<u>85,818</u>	<u>68,675</u>

NOTE 4 – CASH AND CASH EQUIVALENTS

Cash on hand	700	606
Cash at bank	171,879	150,894
Term Deposits	<u>1,210,723</u>	<u>1,269,671</u>
	<u>1,383,302</u>	<u>1,421,171</u>

NOTE 5 – TRADE AND OTHER RECEIVABLES

Receivables from other reporting units		
- CEPU-SA Communications Branch	<u>3,326</u>	-
	3,326	-
Less provision for doubtful debts	-	-
Total Receivable from other reporting units	<u>3,326</u>	-
Other receivables		
- Other Trade receivables	9,078	1,604
- Accrued membership / Protect / Management fees	<u>31,419</u>	<u>64,617</u>
Total other receivables	<u>40,497</u>	<u>66,221</u>
Total trade and other receivables	<u>43,823</u>	<u>66,221</u>

Credit Risk – Trade and Other Receivables

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

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

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

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

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 5 – TRADE AND OTHER RECEIVABLES (CONTINUED)

	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)			Within initial trade terms
	\$	\$	< 30	31-60	60+	\$
2016						
Receivables from other reporting units	3,326	-	-	-	-	3,326
Other trade receivables	40,497	-	-	-	-	40,497
Total	43,823	-	-	-	-	43,823
2015						
Receivables from other reporting units	-	-	-	-	-	-
Other trade receivables	66,221	-	-	-	-	66,221
Total	66,221	-	-	-	-	66,221

Collateral held as security

The Union does not hold collateral with respect to its receivables at 31 December 2016 (2015 Nil)

NOTE 6 – OTHER CURRENT ASSETS

Accrued Interest	8,403	10,007
Prepayments	3,736	10,122
	12,139	20,129

NOTE 7 – PROPERTY, PLANT AND EQUIPMENT

	\$	\$
Land and Buildings:		
At cost	2,290,814	2,290,814
Accumulated depreciation	(357,955)	(344,792)
Total land and buildings	1,932,859	1,946,022
Property Improvements:		
At cost	139,307	132,461
Accumulated depreciation	(18,012)	(14,231)
Total Property improvements	121,295	118,230
Office equipment and Furniture:		
At cost	546,957	536,686
Accumulated depreciation	(501,651)	(488,824)
Total furniture, fittings and office equipment	45,306	47,862
Motor vehicles:		
At cost	227,691	431,353
Accumulated depreciation	(117,395)	(287,533)
Total motor vehicles	110,296	143,820
Library:		
At cost	14,074	14,074
Accumulated depreciation	(14,074)	(14,074)
Total Library	-	-
Total property, plant & equipment	2,209,756	2,255,934

On 21 March 2016 financial year, the Union's land and buildings were valued by an independent valuer. The fair value of the buildings was determined to be \$2,400,000. However, the committee have determined to record land and build at cost in accordance with accounting policies described in Note 1 (b).

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA –
ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 7 – PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Movement in Carrying Amounts

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

	Land and Buildings	Property Improvements	Office Equipment and Furniture	Motor Vehicles	Library	Total
Balance at 1 January 2015	1,959,185	114,242	63,589	218,420	-	2,355,436
Additions	-	7,735	-	-	-	7,735
Disposals	-	-	-	(25,541)	-	(25,541)
Depreciation expense	(13,163)	(3,747)	(15,726)	(49,060)	-	(81,696)
Carrying amount at 31 December 2015	1,946,022	118,230	47,863	143,819	-	2,255,934
Additions	-	6,844	10,269	-	-	17,113
Disposals	-	-	-	-	-	-
Depreciation expense	(13,163)	(3,779)	(12,826)	(33,523)	-	(63,291)
Carrying amount at 31 December 2016	1,932,859	121,295	45,306	110,296	-	2,209,756

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 8 – TRADE AND OTHER PAYABLES	Note	2016	2015
		\$	\$
Trade payables to other reporting units			
- CEPU - Electrical, Energy and Services Division		130,405	-
Other payables			
- Other trade payables		22,598	7,050
- GST payable		34,935	27,197
- Legal costs payable			
- Litigation		-	-
- Other Matters		-	-
- Superannuation payable		17,813	21,289
- Consideration to employers for payroll deductions		-	-
- PAYG withholding payable		24,696	52,790
		<u>230,447</u>	<u>108,326</u>
Total Trade and other Payables		<u>230,447</u>	<u>108,326</u>

NOTE 9 – PROVISIONS

	Annual Leave	Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 January 2016	145,496	124,501	269,997
Additional provisions raised during the year	101,132	49,029	150,161
Amounts used	(54,530)	(3,284)	(57,814)
Balance at 31 December 2016	<u>192,098</u>	<u>170,246</u>	<u>362,344</u>
		\$	\$

Analysis of total provisions

Current			
Provision for annual leave		192,098	145,496
Provision for long service leave		137,782	67,446
		<u>329,880</u>	<u>212,942</u>
Non-current			
Provision for long service leave		32,464	57,055
		<u>32,464</u>	<u>57,055</u>

Non-current provisions represent long service leave entitlements owing to employees who have not completed 3 continuous years of service with the Union.

Holders of Office

- Annual leave	60,866	35,961
- Long service leave	47,943	41,042
- Separations and redundancies	-	-
- Other	-	-
	<u>108,809</u>	<u>77,003</u>

Employees other than office holders

- Annual leave	131,232	109,535
- Long service leave	122,303	83,459
- Separations and redundancies	-	-
- Other	-	-
	<u>253,535</u>	<u>192,994</u>

Total Provisions

	<u>362,344</u>	<u>269,997</u>
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COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
NOTE 10 –CASH FLOW INFORMATION			
(a) Reconciliation of Cash and Cash Equivalents			
For the purposes of the Statement of cash flows, cash and cash equivalents includes cash on hand, at banks and deposits or any other cash held that can be readily convertible to known amount of cash and be subject to an insignificant risk of changes in value. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:			
Cash on hand		700	606
Cash at bank		171,879	150,894
Term deposits		1,210,723	1,269,671
		<u>1,383,302</u>	<u>1,421,171</u>
(b) Reconciliation of Net Cash Provided by Operating Activities to Surplus after Income Tax			
Deficit after income tax		(328,903)	(118,866)
Non cash flows in surplus after income tax			
- Depreciation & amortisation		63,291	81,696
- Loss on disposal of property, plant and equipment		-	997
Changes in assets and liabilities			
(Increase)/ decrease in trade receivables		22,398	41,447
(Increase)/ decrease on other assets		6,385	11,701
Increase)/ decrease on accrued interest		1,605	-
Increase)/ decrease on GST		7,738	-
Increase/ (decrease) in trade payables and accruals		114,382	(92,261)
Increase/ (decrease) in provisions		92,348	(307,162)
Net cash used in operating activities		<u>(20,756)</u>	<u>(382,448)</u>
(c) Cash flows to/from other reporting units			
Included in the statement of cash flows under operating activities are the following receipts and payments to other reporting units			
Receipts from other reporting units			
- CEPU - Electrical, Energy and Services Division		2,231	4,474
- CEPU - SA Communications Branch		21,865	-
- CEPU - Tasmania Divisional Branch		517	-
Total receipts from other reporting units		<u>24,613</u>	<u>4,474</u>
Payments to other reporting units			
- CEPU - Electrical, Energy and Services Division		(166,719)	(302,695)
- CEPU - National Council		(3,552)	(3,924)
Total Payments to other reporting units		<u>(170,271)</u>	<u>(306,619)</u>
Net cash paid to other reporting units		<u>(145,658)</u>	<u>(302,145)</u>

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
NOTE 11 – COMMITMENTS AND CONTINGENCIES			
(a) Operating lease commitments – as lessee			
Receivable – minimum lease payments			
- not later than 12 months		54,127	54,078
- between 12 months and 5 years		-	55,700
- greater than 5 years		-	-
Minimum lease payments		<u>54,127</u>	<u>109,778</u>

The lease relates to rental agreement for the property located at 312-314 South Road, Richmond, SA.

(b) Contingent liabilities and commitments
There are no material contingent liabilities or commitments.

(c) Capital expenditure commitments
There are no capital expenditure commitments at 31 December 2016 (2015: nil).

NOTE 12 – ACCOUNTANTS AND AUDITORS REMUNERATION

Amounts received or due and receivable by the auditor of the Union for:

(a) audit of the financial report of the Union			
- 360 Private Wealth by Design Pty Ltd		-	15,000
- MGI Audit (Q) Pty Ltd		12,500	-
(b) other services (360 Private Wealth by Design Pty Ltd)			
- preparation of the financial statements		-	4,460
- Other tax and accounting services		14,450	-
		<u>26,950</u>	<u>19,460</u>

NOTE 13 – RELATED PARTY TRANSACTIONS

The Union's main related parties are as follows:

(a) Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any committee of management member of the Union, is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 15.

(b) Other Related Parties

Other related parties include other Communication, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Divisions and Branches.

For details of the transactions with other related parties refer to Note 14.

(c) Transactions with Related Parties

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

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
NOTE 14 – RELATED PARTY TRANSACTIONS			
Transactions with other branches of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia (CEPU) are on terms and conditions no more favourable than those available to other parties unless otherwise stated.			
<i>(a) CEPU - Electrical, Energy and Services Division</i>			
- Revenue			
Reimbursement of accommodation and travel costs		2,028	4,067
- Expenditure			
Sustentation fees		238,651	247,763
Reimbursement of National Journal costs		17,704	24,140
Contribution for political campaigns		1,979	8,044
Reimbursement of wage costs		2,229	2,229
Other reimbursements			
Divisional Council & Officers Expenses		1,131	-
Subscription		4,943	3,911
Accommodation		3,477	1,452
<i>(b) CEPU - SA Communications Branch</i>			
- Revenue			
Reimbursements for property cost		6,112	-
Reimbursements for energy cost		7,358	-
Reimbursements for payroll tax cost		1,030	-
Reimbursements ALP affiliation cost		5,378	-
<i>(c) Electrical Trades Union - Victoria</i>			
- Revenue			
Protection Insurance Commissions		37,057	62,524
<i>(d) CEPU - Tasmania Divisional Branch</i>			
- Revenue			
Reimbursement of accommodation and travel costs		470	-
<i>(e) CEPU - National Council</i>			
- Expenditure			
Sustentation fees		3,229	3,567
Note: The above transactions are all exclusive of GST			
<i>(f) Receivables from other reporting units</i>			
- CEPU - SA Communications Branch	5	3,326	-
<i>(g) Payable to other reporting units</i>			
- CEPU - Electrical, Energy and Services Division	8	130,405	-

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 15 – KEY MANAGEMENT PERSONNEL

2016
\$

2015
\$

Key management personnel comprise those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Union. The Union has determined that key management personnel comprise of:

- Branch Secretary
- Branch Assistant Secretary
- All remaining members of the Committee of Management

During the year, the key management personnel of the Union were remunerated as follows:

Short-term employee benefits	296,604	285,594
Post-employment benefits	51,880	45,361
Other long-term benefits	-	-
	<u>348,484</u>	<u>330,955</u>

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

NOTE 16 – EVENTS AFTER BALANCE DATE

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

NOTE 17 – FINANCIAL RISK MANAGEMENT

The Union's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable, loans to related entities and leases.

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

	Note		
Financial Assets			
Cash and cash equivalents	4	1,383,302	1,421,171
Trade and other receivables	5	<u>43,823</u>	<u>66,221</u>
Total financial assets		<u>1,427,125</u>	<u>1,487,392</u>
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	8	<u>230,447</u>	<u>108,326</u>
Total financial liabilities		<u>230,447</u>	<u>108,326</u>

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION
– SOUTH AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 17 – FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Risk Management Policies

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

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

(a) Credit Risk

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

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits and monitoring the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

Credit Risk Exposures

The maximum exposure to credit risk is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Union has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 5.

Credit risk relating to balances with banks and other financial institutions is managed by the Committee of Members.

(b) Liquidity Risk

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Union manages liquidity risk by monitoring forecast cash flows, holding adequate cash reserves and ensuring that adequate finance facilities are maintained.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect the Committee of Management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that financing facilities will be rolled forward.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA –
ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 17: FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Liability and Financial Asset Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
Financial liabilities due for payment								
Trade and other payables	230,447	108,326	-	-	-	-	230,447	108,326
Total Financial Liabilities	230,447	108,326	-	-	-	-	230,447	108,326
Financial assets - cash flow realisable								
Cash and cash equivalents	1,383,302	1,421,171	-	-	-	-	1,383,302	1,421,171
Trade and other receivables	43,823	66,221	-	-	-	-	43,823	66,221
Total anticipated inflows	1,427,125	1,487,392	-	-	-	-	1,427,125	1,487,392
Net inflow of financial instruments	1,196,678	1,379,066	-	-	-	-	1,196,678	1,379,066

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 17 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market Risk

i. Interest Rate Risk

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

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

	Note	Weighted Average Effective Interest Rate		2016 \$	2015 \$
		2016	2015		
		%	%		
Floating rate instruments					
Cash and cash equivalents		2.81%	2.94%	1,383,302	1,421,171

ii. Foreign Exchange Risk

The Union is not exposed to fluctuations in foreign currencies.

iii. Price Risk

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

(d) Net Fair Values

Fair value estimation

No financial assets and financial liabilities are readily traded on organised markets. The net fair values of assets and liabilities approximate their carrying value. There are no financial assets where the carrying value exceeds net fair values.

(e) Sensitivity Analysis

Interest rate risk

The Union has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

Interest rate sensitivity analysis

	2016 \$	2015 \$
Change in profit		
- Increase in interest rate by 1%	52,758	54,845
- Decrease in interest rate by 1%	(26,808)	(27,920)
Change in equity		
- Increase in interest rate by 1%	52,758	54,845
- Decrease in interest rate by 1%	(26,808)	(27,920)

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 17 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Fair Values

Fair value estimation

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

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

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

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

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

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

Fair value hierarchy – 31 December 2016

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

Fair value hierarchy – 31 December 2015

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

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 18 – SEGMENT INFORMATION

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

The Union operates from one reportable geographical segment being Australia.

NOTE 19 – UNION DETAILS

The Union operates from:

312 South Road
Richmond, South Australia 5033

NOTE 20 - INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER

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

Information to be provided to members or the General Manager of Fair Work Commission:

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

The purposes for which the Union are established are:

- (a) To advance the trade interests of members and secure a proper classification of the workers in the industry.
- (b) To obtain adequate pay for its members and the institution and maintenance of the apprenticeship system.
- (c) To afford legal protection to its members in industrial matters.
- (d) To publish a trade union journal or newspaper.
- (e) To establish a Branch or Branches of the Union and Sub-Branches of Branches and Agencies of Branches.
- (f) To organise the electrical workers into Branches or Sub-Branches of the Union throughout the Commonwealth of Australia.
- (g) To financially assist Branches and Sub-Branches.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

**NOTE 20 - INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER
(CONTINUED)**

- (h) To provide for the acquisition or leasing of property.
- (i) To secure preference of employment of Unionists.
- (j) To advance the living and working conditions of workers and their families, and to assist kindred Unions and to support other bodies having these objects, and such projects for the advancement of labour as the Union may determine.
- (k) The abolition and prevention of contract and piecework schemes and the restriction and control of incentive and bonus systems in industry.
- (l) To establish funds to assist members in distress through sickness or accident or who are lawfully out of employment.
- (m) To make financial provision for carrying out the objects set out herein.
- (n) To make such provision for superannuation payments or retiring allowances and/or long service leave to full-time officers and/or employees of the Union as the Union may determine.
- (o) To establish a fund for sustenance of members involved in industrial disputes.
- (p) To establish an Electrical Workers' Award.
- (q) To provide legal representation for:
 - (i) A member in a compensation claim and/or action for damages arising out of injuries sustained in the course of his employment.
 - (ii) Dependants of a deceased member at an inquest or inquiry in a compensation claim and/or action for damages arising from the death of a member.

NOTE 21 – COMPULSORY LEVY FUNDS

The Union did not operate any funds where compulsory levies were raised during the year (2015: Nil).