



7 August 2019

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

cc. Mr Graeme Kent, Auditor

Dear Secretary,

Re: – CEPU, Electrical, Energy and Services Division, South Australian Divisional Branch - financial report for year ending 31 December 2018 (FR2018/333)

I refer to the financial report of the South Australian Divisional Branch of the Electrical, Energy and Services Division. The documents were lodged with the Registered Organisations Commission (**ROC**) on 27 June 2019.

The financial report has 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 the report for year ending 31 December 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report.

Nil activity disclosures

Item 21 of the reporting guidelines states that if any activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in an officer's declaration statement. Please note that disclosures only have to be made once. The officer's declaration statement included the following disclosures for which there was equivalent disclosure in the notes:

- RG10 - agree to receive financial support from another reporting unit to continue as a going concern [Note 1.18]
- RG11 - agree to provide financial support to another reporting unit to ensure they continue as a going concern [Note 1.18]
- RG15(a) - have a receivable with other reporting unit(s)
- RG16(b)(i) - have a payable in respect of legal costs relating to litigation [Note 7B]

The officer's declaration statement included a nil activity disclosure for RG16(b)(ii) – have a payable in respect of legal costs relating to other legal matters - which appears inconsistent with information relating to payable for other legal matters in Note 7B.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any questions about the above or the reporting requirements, please do not hesitate to contact me by 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

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 OFFICER

Certificate for the period ended 31 December 2018

I John Patrick Adley being the Branch Secretary of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – South Australian Branch certify:

- that the documents lodged herewith are copies of the full 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 31 December 2018 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 11 April 2019; and
- that the full report was presented *a meeting of the committee of management* of the reporting unit on 21 June 2019 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: Branch Secretary

Dated: 24 June 2019

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

ABN 71 649 076 521

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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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**

COMMITTEE OF MANAGEMENT'S OPERATING REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Operating Report

The Committee of Management presents its report on the operations of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division - South Australian Branch (the Branch) for the financial year ended 31 December 2018.

Principal Activities

The principal activities of the Branch during the year fell in the following categories:

- Organising existing members and new members
- Bargaining, negotiating and arbitrating for improvements in wages and conditions of employment for members of the Branch.
- Representing members in work related grievances or other matters
- Undertaking training and development for delegates of the Branch.

Over the year the Branch negotiated many Collective Agreements delivering improvements in wages and conditions to CEPU – Electrical, Energy and Services Division – South Australian Branch members.

There have been no changes in the principal activities of the Branch during the year.

Operating Result

The deficit for the financial year amounted to \$303,393 (2017: \$2,012). No provision for tax was necessary as the Branch is considered exempt.

During the year the following significant events occurred:

1. The Branch sold its land and buildings located at 312 – 314 South Road, Richmond for \$1,800,000. This result in an accounting loss of \$207,169.
2. The Branch purchased 50% of the units in the 87 St Vincent unit trust (which owns the land and buildings located at 87 St Vincent Street, Port Adelaide) for \$1,097,241.

Significant Changes in Financial Affairs

There were no significant changes to the financial affairs of the Branch during the year.

After Balance Date Events

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

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

COMMITTEE OF MANAGEMENT’S OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

After Balance Date Events

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

Future Developments

Likely developments in the operations of the Branch or 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 Branch.

Environmental Issues

The Branch’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 Branch is set out in the Rules of the CEPU – Electrical Division. A member may resign membership by written notice addressed and delivered to the Branch Secretary.

Number of Employees

The number of persons who were, at the end of the period to which the report relates, employees of the Branch, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis is 9.96 (2017: 8.90).

Number of Members

Total number of members at 31 December 2018: 3,407 (2017: 3,300).

Officer or Members who are superannuation Fund Trustees/ Directors 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:

Name	Position	Superannuation Fund
John Adley	Branch Secretary	Electricity Industry Superannuation Scheme
Benjamin Jewel	Branch Organiser, Member	Electricity Industry Superannuation Scheme (Alternate Member Director)

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

COMMITTEE OF MANAGEMENT’S OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Members of the Committee of Management

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

Name	Position	Period of Office
Jason Harrison	Branch President	01/01/18 – 31/12/18
Darren Brenton	Branch Vice President	01/01/18 – 31/12/18
John Adley	Branch Secretary	01/01/18 – 31/12/18
Daniel Ramm	Committee Member	01/01/18 – 31/12/18
Michael Allison	Committee Member	01/01/18 – 07/02/18
Bruce Chambers	Committee Member	01/01/18 – 31/12/18
Patrick Skeer	Committee Member	01/01/18 – 31/12/18
Scott Pryor	Committee Member	01/01/18 – 12/12/18
Alastair Carroll	Committee Member	12/12/18 – 31/12/18
Andrew Howes	Committee Member	12/12/18 – 31/12/18
Alex Capper	Committee Member	01/01/18 – 31/12/18
Andrew Nagel	Committee Member	01/01/18 – 31/12/18
Wayne Weekes	Committee Member	01/01/18 – 31/12/18
Carl Muegge	Committee Member	01/01/18 – 31/12/18
Tristan Hyde	Committee Member	01/01/18 – 13/02/18
Christopher Paproth	Committee Member	01/01/18 – 31/12/18
Geoff Birrell	Committee Member	01/01/18 – 31/12/18
Garth Bush	Committee Member	01/01/18 – 31/12/18
Adrian Valente	Committee Member	01/01/18 – 31/12/18
Max Mawby	Committee Member	11/04/18 – 31/12/18
Travis Payne	Committee Member	14/06/18 – 03/10/18

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

COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Indemnifying Officers or Auditors

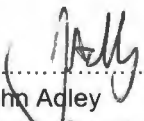
The Branch has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor:

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

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out on page 7.

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


.....
John Adley
Branch Secretary

10 April 2019

Port Adelaide

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE COMMITTEE OF MANAGEMENT OF THE
COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA –
ELECTRICAL, ENERGY AND SERVICES DIVISION – SOUTH AUSTRALIAN 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 2018; I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

M. G. I

MGI Audit Pty Ltd

G I Kent

Director – Audit & Assurance

Port Adelaide

10 April 2019

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

**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 2018

On 10 April 2019, the Committee of Management of the Branch passed the following resolution to the General Purpose Financial statements (GPFR) of the reporting unit for the financial year ended 31 December 2018.

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 any other requirements imposed the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009 (the RO Act)*;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the 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 and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation;
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the *RO Act*;
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to 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 the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - vi. where any order for inspection of financial records made by the Fair Work Commission under section 273 of the RO Act during the year, there has been compliance.

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

Name of Designated Officer: John Adley

Title of Designated Officer: Branch Secretary

Signature: 

Date: 10 April 2019

**Independent Audit 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 Audit of the Financial Report

Opinion

We have audited the financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – South Australian Branch (the Branch), which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – South Australian Branch as at 31 December 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Branch is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Branch in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Branch is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Branch's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Branch or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Branch's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Branch to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Branch's audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Declaration

I declare that I am an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

I declare that I am an auditor registered under the RO Act.

M.L.T

MGI Audit Pty Ltd



G I Kent

Director – Audit & Assurance

Port Adelaide

10 April 2019

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 \$	2017 \$
Revenue			
Membership subscription		1,777,371	1,748,409
Gain on sale of property, plant and equipment		-	6,671
Interest	3A	31,366	36,122
Rental income	3B	47,627	55,581
Funding/ project management fees	3C	110,438	100,232
Director fees	3D	25,240	27,574
Other revenue	3E	27,360	29,039
Grants or donations	3F	71,622	-
Total revenue		2,091,024	2,003,628
Expenses			
Employee expenses	4A	(1,442,386)	(1,313,198)
Sustentation fees	4B	(221,934)	(223,006)
Affiliation fees	4C	(35,556)	(33,224)
Administration expenses	4D	(344,161)	(259,690)
Audit fees	12	(22,200)	(21,177)
Legal costs	4E	(12,156)	(2,182)
Grants or donations	4F	(4,405)	(3,640)
Depreciation and amortisation	4G	(44,079)	(52,896)
Campaign expenses	4H	(8,498)	(18,258)
Finance costs	4I	(13,384)	(15,718)
Conference and meetings	4J	(12,035)	(17,554)
Other operating expenses	4K	(24,120)	(41,493)
Levies	4L	(3,630)	(3,604)
Loss on sale of property, plant and equipment		(207,170)	-
Total expenses		(2,395,712)	(2,005,640)
Deficit for the year		(304,688)	(2,012)
Other comprehensive income		-	-
Total comprehensive income for the year		(304,688)	(2,012)

The above statement should be read in conjunction with the notes.

**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 2018**

	Notes	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	2,367,026	1,385,679
Trade and other receivables	5B	89,022	37,363
Other current assets	5C	10,723	23,606
Total current assets		2,466,771	1,446,648
Non-Current Assets			
Land and buildings	6A	-	1,919,696
Property improvements	6B	-	117,554
Office equipment and furniture	6C	76,323	35,482
Motor vehicles	6D	64,328	83,627
Library	6E	-	-
Investment accounted for using the equity method	6F	1,097,241	-
Total non-current assets		1,237,892	2,156,359
Total assets		3,704,663	3,603,007
LIABILITIES			
Current Liabilities			
Trade payables	7A	248,472	41,718
Other payables	7B	264,270	155,203
Employee provisions	8A	429,103	337,350
Total current liabilities		941,845	534,271
Non-Current Liabilities			
Employee provisions	8A	13,289	14,519
Total non-current liabilities		13,289	14,519
Total liabilities		955,134	548,790
Net assets		2,749,529	3,054,217
EQUITY			
Retained earnings		2,749,529	3,054,217
Total equity		2,749,529	3,054,217

The above statement should be read in conjunction with the notes.

**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 2018**

	Notes	Retained earnings \$	Total equity \$
Balance as at 1 January 2017		3,056,229	3,056,229
Deficit for the year		(2,012)	(2,012)
Other comprehensive income		-	-
Closing balance as at 31 December 2017		3,054,217	3,054,217
Deficit for the year		(304,688)	(304,688)
Other comprehensive income		-	-
Closing balance as at 31 December 2018		2,749,529	2,749,529

The above statement should be read in conjunction with the notes.

**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 2018**

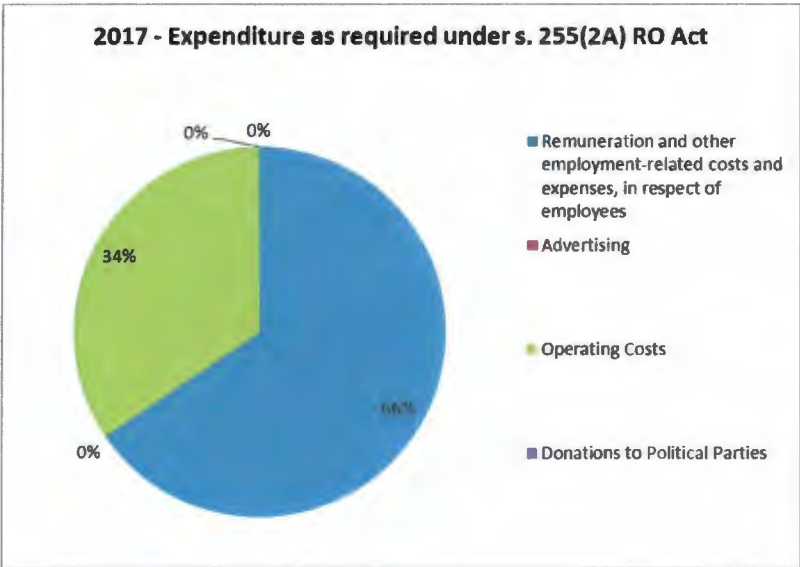
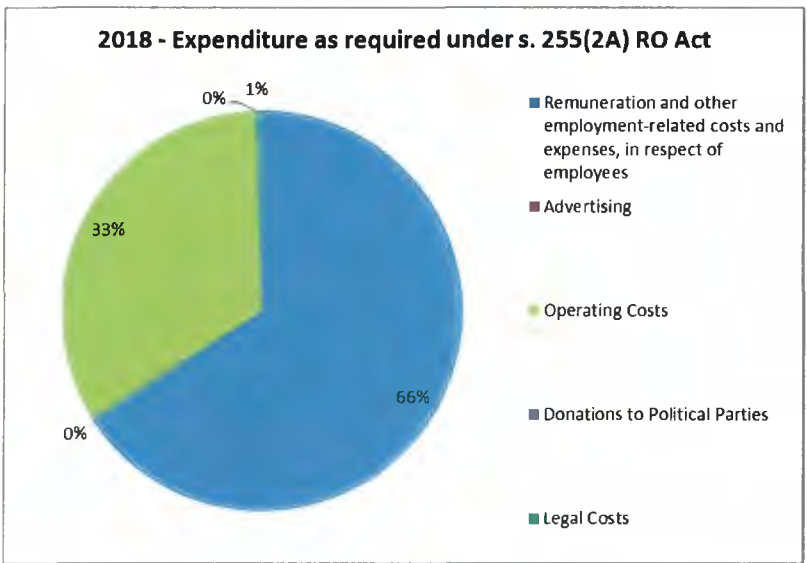
	Notes	2018 \$	2017 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	9B	60,789	94,289
Receipts from other customers		2,256,929	2,164,590
Interest received		42,461	25,980
Cash used			
Finance Costs		(13,384)	(15,718)
Payments to employees and suppliers		(1,895,171)	(1,856,441)
Payments to other reporting units	9B	(137,495)	(417,495)
Net cash provided by operating activities		314,129	(4,795)
INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		1,814,225	33,481
Payments for property, plant and equipment		(49,766)	(26,309)
Payments for investments in joint ventures	6F	(1,097,241)	-
Net cash used in investing activities		667,218	7,172
FINANCING ACTIVITIES			
		-	-
Net increase in cash held		981,347	2,377
Cash & cash equivalents at the beginning of the reporting period		1,385,679	1,383,302
Cash & cash equivalents at the end of the reporting period	9A	2,367,026	1,385,679

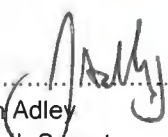
The above statement should be read in conjunction with the notes.

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

**REPORT REQUIRED UNDER SUBSECTION 255(2A) OF THE FAIR WORK (REGISTERED
ORGANISATIONS) ACT 2009
FOR THE YEAR ENDED 30 DECEMBER 2018**

The Committee of Management presents the expenditure report as required under subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009* on the Branch for the year ended 30 December 2018:



.....

 John Adley
 Branch Secretary

10 April 2019

Port Adelaide

**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 2018**

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Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Income
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**NOTES TO THE FINANCIAL STATEMENTS
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Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – South Australian Branch (the Branch) is a not-for-profit entity.

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.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Key Estimates

Impairment – general

The Branch assesses impairment at each reporting period by evaluation of conditions and events specific to the Branch that may be indicative of impairment triggers. Recoverable amounts of relevant assets are assessed using value-in-use calculations which incorporate various key assumptions.

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

Key Judgements

Useful lives of plant and equipment

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.

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Note 1 Summary of significant accounting policies (Continued)

1.3 Significant accounting judgements and estimates (Continued)

Key Judgements

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, workers compensation and payroll tax.

1.4 New Australian Accounting Standards

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

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on the Branch include:

- 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.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The Committee of Management anticipate that the adoption of AASB 16 will not have a material impact on the Branch's financial statements, given the limited number of operating leases used by the Branch.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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Note 1 Summary of significant accounting policies (Continued)

1.4 New Australian Accounting Standards (Continued)

Future Australian Accounting Standards Requirements (continued)

- AASB 1058 Income of Not-for-Profit Entities

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-to-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.

Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment).

Upon initial recognition of the asset, AASB 1058 requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as:

- Contributions by owners;
- Revenue, or a contract liability arising from a contract with a customer;
- A lease liability;
- A financial instrument; or
- A provision.

These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.

The Branch is yet to undertake a detailed assessment of the impact of AASB 1058. However, based on the Branch's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 December 2019.

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Note 1 Summary of significant accounting policies (Continued)

1.5 Revenue

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

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

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

Donation income is recognised when it is received.

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

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

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

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

1.6 Gains

Sale of assets

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

1.7 Capitation fees and levies

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

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Note 1 Summary of significant accounting policies (Continued)

1.8 Employee benefits

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

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

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

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

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

Under the rules of the Union, 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 Branch 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.

1.9 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 Branch 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 Branch 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.

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Note 1 Summary of significant accounting policies (Continued)

1.10 Cash

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

1.11 Financial instruments

The adoption of AASB 9 Financial Instruments in the 2018 financial year has not had a material impact on the classification or measurement of financial instruments from AASB 139 Financial Instruments.

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and Subsequent Measurement of Financial Assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

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Note 1 Summary of significant accounting policies (Continued)

1.11 Financial instruments (continued)

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

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.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Branch's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Branch's financial liabilities include borrowings and trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Branch designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

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Note 1 Summary of significant accounting policies (Continued)

1.11 Financial instruments (continued)

Impairment

The Branch considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between: financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer have 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 the profit or loss.

1.12 Contingent Liabilities and Contingent Assets

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

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Note 1 Summary of significant accounting policies (Continued)

1.13 Plant and Equipment

Asset Recognition Threshold

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

Property

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

Plant and equipment

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

The carrying amount of plant and equipment is reviewed annually by the Branch Executive 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 Branch and the costs of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

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

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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Note 1 Summary of significant accounting policies (Continued)

1.13 Plant and Equipment (continued)

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

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

Derecognition

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

1.14 Impairment of non-financial assets

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

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

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Note 1 Summary of significant accounting policies (Continued)

1.15 Taxation

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

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

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

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

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

1.16 Fair value measurement

The Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 14.

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 Branch. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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Note 1 Summary of significant accounting policies (Continued)

1.16 Fair value measurement (continued)

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 Branch 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 Branch has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.17 Investments in associates and joint arrangements

An associate is an entity over which the Branch has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the individual assets and obligations for the liabilities of the joint operation.

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Note 1 Summary of significant accounting policies (Continued)

1.17 Investments in associates and joint arrangements (continued)

The results and assets and liabilities of associates and its joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 'Non-current Asset Held for Sale and Discontinued Operations'. Under the equity method, an investment in an associate or joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate or joint venture exceeds the interest in that associate, the Branch discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

1.18 Going concern

The Branch is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The Branch has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

1.19 Grants

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

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

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

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Note 2 Events after the reporting period

There were no events that occurred after 31 December 2018, and/ or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

	2018	2017
	\$	\$
Note 3 Income		
Note 3A: Interest		
Deposits	31,366	36,122
Total interest	<u>31,366</u>	<u>36,122</u>
Note 3B: Rental income		
Rental income at 312-314 South Road, Richmond	47,627	55,581
Total rental income	<u>47,627</u>	<u>55,581</u>
Note 3C: Funding/ project management fees		
Protect management fee	22,992	19,979
JLT management fees	87,446	80,253
Total funding/ project management fees	<u>110,438</u>	<u>100,232</u>
Note 3D: Director Fees		
Director fees	25,240	27,574
Total directors fees	<u>25,240</u>	<u>27,574</u>
Staff and officials of the Branch sit on a number of boards, including Electrical Industry Superannuation Scheme, Building Industry Redundancy Scheme Trust – South Australia and the Construction Industry Long Service Leave Board. All board fees are paid directly to the Branch as required by the Rules of the CEPU – Electrical Division.		
Note 3E: Other revenue		
Recovery of bad debts	1,192	6,099
Sponsorship income	19,250	20,691
Other income	6,918	2,249
Total other revenue	<u>27,360</u>	<u>29,039</u>
Note 3F: Grants or donation		
BIRST grant income	71,622	-
Total grants or donation	<u>71,622</u>	<u>-</u>

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	2018	2017
	\$	\$
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	249,674	240,639
Superannuation	48,958	48,118
Leave and other entitlements	47,332	42,296
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	<u>345,964</u>	<u>331,053</u>
Employees other than office holders:		
Wages and salaries	765,725	657,090
Superannuation	139,228	136,976
Leave and other entitlements	144,165	129,316
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	<u>1,049,118</u>	<u>923,382</u>
Add: Payroll tax expense/ FBT expense	47,304	58,763
Total employee expenses	<u>1,442,386</u>	<u>1,313,198</u>
Note 4B: Sustentation fees		
CEPU – Electrical, Energy and Services Division	221,934	223,006
Total Sustentation fees	<u>221,934</u>	<u>223,006</u>
Note 4C: Affiliation fees		
Australian Labor Party (SA Branch)	24,046	23,522
SA Unions	11,192	9,143
SA Unions May Day Collective	318	-
Active Left	-	500
Whyalla Trades and Labour Council	-	59
Total affiliation fees	<u>35,556</u>	<u>33,224</u>

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	2018	2017
	\$	\$
Note 4 Expenses (Continued)		
Note 4D: Administration Expenses		
Insurance	34,875	32,707
Contractors/ consultancy expenses	55,999	18,608
Property/ occupancy expenses	72,743	51,611
Office expenses	78,343	73,944
Information technology expenses	23,104	27,633
Travel expenses	39,138	24,404
Industrial relations subscription expenses	62	3,070
Other administration expenses	39,897	27,713
	<u>344,161</u>	<u>259,690</u>
Note 4E: Legal costs		
Litigation	1,418	2,182
Other legal matters	10,738	-
Total legal costs	<u>12,156</u>	<u>2,182</u>
Note 4F: Grants or donations		
Grants:	-	-
Donations:		
Total paid that were \$1,000 or less	1,405	3,640
Total paid that exceeded \$1,000	3,000	-
Total grants or donations	<u>4,405</u>	<u>3,640</u>
Note 4G: Depreciation and amortisation		
Depreciation		
Land and buildings/ property improvements	15,855	16,906
Office equipment and furniture	8,925	9,824
Motor vehicles	19,299	26,166
Total depreciation	<u>44,079</u>	<u>52,896</u>
Amortisation expense	-	-
Total depreciation and amortisation	<u>44,078</u>	<u>52,896</u>
Note 4H: Campaign Expenses		
Industrial campaigns	8,498	18,258
Total campaign expenses	<u>8,498</u>	<u>18,258</u>

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	2018	2017
	\$	\$
Note 4 Expenses (Continued)		
Note 4I: Finance costs		
Bank and credit card transactions fees	13,384	15,718
Total finance costs	<u>13,384</u>	<u>15,718</u>
Note 4J: Conference and Meetings		
Conference expenses	1,182	5,252
Meeting expenses	266	1,200
Catering for conference and meeting expenses	10,587	11,102
Total conference and meetings	<u>12,035</u>	<u>17,554</u>
Note 4K: Other Operating Expenses		
Subscriptions	7,878	14,906
Ambulance service	6,078	15,235
Other operating expenses	10,164	11,352
Total other operating expenses	<u>24,120</u>	<u>41,493</u>
Note 4L: Levies		
Compulsory levies - CEPU – National Council	3,630	3,604
Total levies	<u>3,630</u>	<u>3,604</u>

Levy Purpose

The CEPU National Council issued a levy during the 2018 and 2017 financial year to assist in funding its day to day operations.

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	2018	2017
	\$	\$
Note 5		
Current Assets		
Note 5A: Cash and Cash Equivalents		
Cash at bank	1,588,678	269,136
Cash on hand	323	441
Term deposits	778,025	1,116,102
Total cash and cash equivalents	<u>2,367,026</u>	<u>1,385,679</u>
Note 5B: Trade and Other Receivables		
Receivables from other reporting units		
CEPU – Communications Division – SA/ NT Branch	-	3,875
Receivables from other reporting units (net)	<u>-</u>	<u>3,875</u>
Other receivables:		
Other trade receivables	50,906	997
Accrued membership/ project/ management fees	38,116	32,491
Total other receivables	<u>89,022</u>	<u>33,488</u>
Total trade and other receivables (net)	<u>89,022</u>	<u>37,363</u>
Note 5C: Other Current Assets		
Accrued interest	7,450	18,545
Prepayments	3,273	5,061
Total other current assets	<u>10,723</u>	<u>23,606</u>

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	2018	2017
	\$	\$
Note 6 Non-current Assets		
Note 6A: Land and Buildings		
Land and buildings		
At Cost	-	2,290,814
accumulated depreciation	-	(371,118)
Total Land and Buildings	-	1,919,696

Reconciliation of Opening and Closing Balances of Land and Buildings

As at 1 January		
Gross book value	2,290,814	2,290,814
Accumulated depreciation and impairment	(371,118)	(357,955)
Net book value 1 January	1,919,696	1,932,859
Additions:		
By purchase	-	-
Depreciation expense	(12,406)	(13,163)
Disposals:		
By sale	(1,907,290)	-
Net book value 31 December	-	1,919,696
Net book value as of 31 December represented by:		
Gross book value	-	2,290,814
Accumulated depreciation and impairment	-	(371,118)
Net book value 31 December	-	1,919,696

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	2018	2017
	\$	\$
Note 6B: Property Improvements		
Property improvements:		
at cost	-	139,307
accumulated depreciation	-	(21,753)
Total Property Improvements	<u>-</u>	<u>117,554</u>

Reconciliation of Opening and Closing Balances of Property Improvements

As at 1 January		
Gross book value	139,307	139,307
Accumulated depreciation and impairment	(21,753)	(18,012)
Net book value 1 January	<u>117,554</u>	<u>121,295</u>
Additions:		
By purchase	-	-
Depreciation expense	(3,449)	(3,741)
Disposals:		
By sale	(114,105)	-
Net book value 31 December	<u>-</u>	<u>117,554</u>
Net book value as of 31 December represented by:		
Gross book value	-	139,307
Accumulated depreciation and impairment	-	(21,753)
Net book value 31 December	<u>-</u>	<u>117,554</u>

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	2018 \$	2017 \$
Note 6C: Office Equipment and Furniture		
Office equipment and furniture:		
at cost	596,724	546,957
accumulated depreciation	(520,401)	(511,475)
Total Office Equipment and Furniture	76,323	35,482

Reconciliation of Opening and Closing Balances of Office Equipment and Furniture

As at 1 January		
Gross book value	546,957	546,957
Accumulated depreciation and impairment	(511,475)	(501,651)
Net book value 1 January	35,482	45,306
Additions:		
By purchase	49,766	-
Depreciation expense	(8,925)	(9,824)
Disposals:		
By sale	-	-
Net book value 31 December	76,323	35,482
Net book value as of 31 December represented by:		
Gross book value	596,724	546,957
Accumulated depreciation and impairment	(520,401)	(511,475)
Net book value 31 December	76,323	35,482

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	2018	2017
	\$	\$
Note 6D: Motor Vehicles		
Motor vehicles:		
at cost	192,657	192,657
accumulated depreciation	(128,329)	(109,030)
Total Motor Vehicles	64,328	83,627

Reconciliation of Opening and Closing Balances of Motor Vehicles

As at 1 January		
Gross book value	192,657	227,691
Accumulated depreciation and impairment	(109,030)	(117,395)
Net book value 1 January	83,627	110,296
Additions:		
By purchase	-	26,309
Depreciation expense	(19,299)	(26,166)
Disposals:		
By sale	-	(26,812)
Net book value 31 December	64,328	83,627
Net book value as of 31 December represented by:		
Gross book value	192,657	192,657
Accumulated depreciation and impairment	(128,329)	(109,030)
Net book value 31 December	64,328	83,627

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	2018	2017
	\$	\$
Note 6E: Library		
Library:		
at cost	14,074	14,074
accumulated depreciation	(14,074)	(14,074)
Total Library	<u>-</u>	<u>-</u>

Reconciliation of Opening and Closing Balances of Library

As at 1 January		
Gross book value	14,074	14,074
Accumulated depreciation and impairment	(14,074)	(14,074)
Net book value 1 January	-	-
Additions:		
By purchase	-	-
Depreciation expense	-	-
Disposals:		
By sale	-	-
Net book value 31 December	-	-
Net book value as of 31 December represented by:		
Gross book value	14,074	14,074
Accumulated depreciation and impairment	(14,074)	(14,074)
Net book value 31 December	<u>-</u>	<u>-</u>

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	2018	2017
	\$	\$
Note 6F: Investment accounted for using the equity method		
Investment in joint venture	1,097,241	-
Total investment in joint venture	1,097,241	-

The Branch has one material joint venture, being the 87 St Vincent Street Trust. The details of the joint venture are:

Name of the joint venture	Country of incorporation and principal place of business	Principal activity	Proportion of ownership interests held by the Branch
87 St Vincent Street Trust	Australia	To manage, maintain and develop the Property at 87 St Vincent Street, Port Adelaide	50%

The Branch purchased in December 2018 a 50% ownership in the 87 St Vincent Street Trust during the year. The Branch's interest in the joint venture is accounted for using the equity method in the financial statements. Summarised financial information of the joint venture, based on the financial statements, and reconciliation with the carrying amount of the investment is set out below:

Summarised statement of financial position of the 87 St Vincent Street Trust:

	2018	2017
	\$	\$
Current assets, including cash and cash equivalent \$182,101	207,821	-
Non-current assets	1,994,546	-
Total assets	2,202,367	-
Current liabilities	7,885	-
Non-current liabilities	-	-
Total liabilities	7,885	-
Equity	2,194,482	-
Branch's share in equity – 50%	1,097,241	-
Goodwill	-	-
Branch's carrying amount of the investment	1,097,241	-

Summarised statement of financial position of the 87 St Vincent Street Trust

The Branch purchased the units in the 87 St Vincent Street Trust on 19 December 2018. Therefore no material income or expense transactions occurred between acquisition date and the reporting date.

Contingent liabilities or commitments

The joint venture had no contingent liabilities or commitments at 31 December 2018.

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	2018	2017
	\$	\$
Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade creditors and accrued expenses	101,238	31,553
Subtotal trade payables	<u>101,238</u>	<u>31,553</u>
Payables to other reporting units		
CEPU – Electrical, Energy and Services Division	147,234	10,165
Subtotal payables to other reporting units	<u>147,234</u>	<u>10,165</u>
Total trade payables	<u>248,472</u>	<u>41,718</u>
Settlement is usually made within 30 days.		
Note 7B: Other payables		
Grant income/sponsorship received in advance	25,127	95,500
Legal costs		
Litigation	-	-
Other legal matters	6,864	-
Superannuation payable	17,934	15,382
PAYG payable	25,024	21,656
GST payable (net)	189,321	22,665
Total other payables	<u>264,270</u>	<u>155,203</u>
Total other payables are expected to be settled in:		
No more than 12 months	264,270	155,203
More than 12 months	-	-
Total other payables	<u>264,270</u>	<u>155,203</u>

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	2018	2017
	\$	\$
Note 8		
Provisions		
Note 8A: Employee Provisions		
Office Holders:		
Annual leave	61,521	52,218
Long service leave	77,606	69,653
Separations and redundancies	-	-
Other	-	-
<i>Subtotal employee provisions—office holders</i>	139,127	121,871
Employees other than office holders:		
Annual leave	145,079	93,675
Long service leave	158,186	136,323
Separations and redundancies	-	-
Other	-	-
<i>Subtotal employee provisions—employees other than office holders</i>	303,265	229,998
Total employee provisions	442,392	351,869
Current	429,103	337,350
Non-Current	13,289	14,519
<i>Total employee provisions</i>	442,392	351,869

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	2018	2017
	\$	\$
Note 9 Cash Flow		
Note 9A: Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	2,367,026	1,385,679
Statement of financial position	2,367,026	1,385,679
Difference	<u>-</u>	<u>-</u>
Reconciliation of surplus to net cash from operating activities:		
Deficit for the year	(304,688)	(2,012)
Adjustments for non-cash items		
Depreciation/ amortisation	44,079	52,896
Loss/ (gain) on disposal of property, plant and equipment	207,170	(6,671)
Changes in assets/liabilities		
(Increase)/ decrease in net receivables	(51,659)	6,460
(Increase)/ decrease in other current assets	12,883	(11,467)
Increase/ (decrease) in trade and other payables	315,821	(33,526)
Increase/ (decrease) in provisions	90,523	(10,475)
Net cash provided by/ (used in) operating activities	<u>314,129</u>	<u>(4,795)</u>
Note 9B: Cash flow information		
Cash inflows from other reporting units		
CEPU – Electrical, Energy and Services Division	4,360	1,293
CEPU – Communications Division – SA/ NT Branch	30,597	75,360
CEPU – Electrical, Energy and Services Division – Victoria Branch/ ETU Victoria	25,831	17,636
Total cash inflows	<u>60,789</u>	<u>94,289</u>
Cash outflows to other reporting units		
CEPU – Electrical, Energy and Services Division	(133,502)	(413,531)
CEPU – National Council	(3,993)	(3,964)
Total cash outflows	<u>(137,495)</u>	<u>(417,495)</u>

Note: Cash flow information to/ from other reporting units disclosed include 10% GST on applicable transactions.

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Note 9 Cash Flow (Continued)

Note 9C: Credit standby arrangements and loan facilities

The Branch has a credit card facility amounting to \$10,000 (2017: \$10,000). This may be terminated at any time at the option of the bank. The balance of this facility is cleared monthly and interest rates are variable.

Note 9D: Non-cash transactions

There have been no non-cash financing or investing activities during the year (2017: Nil).

Note 9E: Non-cash transactions

There have been no non-cash financing or investing activities during the year (2017: Nil).

	2018	2017
	\$	\$
Note 9F: Net debt reconciliation		
Cash and cash equivalents	2,367,026	1,385,679
Borrowings – repayable within one year	-	-
Borrowings – repayable after one year	-	-
Net debt	<u>2,367,026</u>	<u>1,385,679</u>

Note 9F: Reconciliation of movements of liabilities to cash flows arising from financing activities

	Other Assets	Liabilities from financing activities		
	Cash assets	Borrowings – due within 1 year	Borrowings – due after 1 year	Total
Net debt at 1 January 2017	1,383,302	-	-	1,383,302
Cash flows	2,377	-	-	2,377
Net debt at 31 December 2017	1,385,679	-	-	1,385,679
Cash flows	981,347	-	-	981,347
Net debt at 31 December 2018	2,367,026	-	-	2,367,026

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Note 10 Contingent Liabilities, Assets and Commitments

Note 10A: Commitments and Contingencies

Capital commitments

At 31 December 2018 the Branch did not have any capital commitments (2017: Nil).

Other contingent assets or liabilities (i.e. legal claims)

The Committee of Management is not aware of any contingent assets or liabilities that are likely to have a material effect on the results of the Branch.

Note 10B: Leasing Commitments

Operating Leases (as a lessor)

The Branch does not have any operating leases as a lessor at 31 December 2018 (2017: Nil).

Operating Leases (as a lessee)

The Branch does not have any operating leases as a lessee at 31 December 2018 (2017: Nil).

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Note 11 Related Party Disclosures

**Note 11A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units**

For financial reporting purposes, under the *Fair Work (Registered Organisations) Act 2009*, the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia is divided into the following separate reporting units (and deemed related parties):

CEPU National Council

Electrical Division

CEPU – Electrical, Energy and Services Division

CEPU – QLD Electrical Branch

CEPU – NSW Electrical Branch

CEPU – VIC Electrical Branch

CEPU – TAS Electrical Branch

CEPU – WA Electrical Branch

Plumbing Division

CEPU – Plumbing Division

CEPU – QLD Plumbing Branch

CEPU – NSW Plumbing Branch

CEPU – VIC Plumbing Branch

CEPU – WA Plumbing Branch

Communications Division

CEPU – Communications Division

CEPU – QLD Communications Branch

CEPU – NSW Communications T&S Branch

CEPU – NSW Communications P&T Branch

CEPU – VIC Communications T&S Branch

CEPU – VIC Communications P&T Branch

CEPU – SA/ NT Communications Branch

CEPU – WA Communications Branch

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

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Note 11 Related Party Disclosures (Continued)

**Note 11A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)**

	2018	2017
	\$	\$
Expenses paid to CEPU – National Council includes the following:		
Levies	3,630	3,604
Revenue received from CEPU –Electrical, Energy and Services Division includes the following:		
Reimbursement of travel expenses	3,964	1,176
Expenses paid to CEPU – Electrical, Energy and Services Division includes the following:		
Sustentation fees	221,934	223,006
Reimbursement of wage costs	-	5,518
Reimbursement of national journal costs	11,411	20,119
Reimbursement of travel expenses	7,728	2,100
Subscriptions/ research	4,321	6,638
Campaign contribution	-	10,000
Other operating costs	840	219
Amounts owed to CEPU – Electrical, Energy and Services Division includes the following:		
Reimbursement of national journal costs	12,552	10,165
Sustentation fees	134,682	-
Revenue received from CEPU – Communications Division – SA/ NT Branch includes the following:		
Rent/ occupancy costs	18,881	17,843
Reimbursement of wage costs	-	44,102
Reimbursement of ALP affiliation expenses	5,412	7,154
Amounts owed by CEPU – Communications Division – SA/ NT Branch includes the following:		
Rent/ occupancy costs	-	2,047
Reimbursement of wage costs	-	1,828

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Note 11 Related Party Disclosures (Continued)

**Note 11A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)**

	2018	2017
	\$	\$
Revenue received from CEPU – Electrical Division – Victoria Branch/ ETU Victoria includes the following:		
Protect insurance commissions	22,992	19,979

The CEPU – Electrical Division – Victoria Branch/ ETU – Victoria is a deemed a related party, given that some members of their committee of management are consistent with that of the CEPU – Electrical, Energy and Services Branch committee of management.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2018, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2017: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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Note 11 Related Party Disclosures (Continued)

**Note 11A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)**

Key Management Personnel

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

- John Adley (Branch Secretary)
- Simon Pisoni (Assistant Branch Secretary)
- All remaining members of the Committee of Management.

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

	2018	2017
	\$	\$

Note 11B: Key Management Personnel Remuneration for the Reporting Period

Short-term employee benefits

Salary (including annual leave taken)	288,332	276,177
Other	-	-

Total short-term employee benefits	288,332	276,177
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Post-employment benefits:

Superannuation	48,958	48,118
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Total post-employment benefits	48,958	48,118
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Other long-term benefits:

Long-service leave	8,674	6,758
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Total other long-term benefits	8,674	6,758
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Termination benefits

Total	345,964	331,053
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No other transactions occurred during the year with elected officers, close family members or other related parties than those related to their membership or employment and on terms no more favourable than those applicable to any other member of employee.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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	2018	2017
	\$	\$
Note 12 Remuneration of Auditors and Consultants		
Value of the services provided		
Financial statement audit services	13,300	13,000
Other services	8,900	8,177
Total remuneration of auditors	22,200	21,177

Other services relate to taxation services, accounting and non-financial statement audit services provided by MGI Audit Pty Ltd and related entities.

Note 13 Financial Instruments

Financial Risk Management Policy

The Committee of Management monitors the Branch's financial risk management policies and exposure and approves financial transactions entered into. It also reviews the effectiveness of internal controls relating to the counterparty credit risk, liquidity risk, market risk and interest rate risk. The Branch Committee of Management meets on a regular basis to review the financial exposure of the Branch.

(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 of the Branch. The Branch does not have any material credit risk exposures as its major source of revenue is the receipt of sustentation fees from state branches.

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

The Branch 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 Branch.

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

The following table details the Branch'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 Branch 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 Branch.

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

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Note 13 Financial Instruments (Continued)

Ageing of financial assets that were past due but not impaired for 2018

	0 to 30 days/ Within Trading Terms	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	89,022	-	-	-	89,022
Receivables from other reporting units	-	-	-	-	-
Total	89,022	-	-	-	89,022

Ageing of financial assets that were past due but not impaired for 2017

	0 to 30 days/ Within Trading Terms	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	33,488	-	-	-	33,488
Receivables from other reporting units	3,875	-	-	-	3,875
Total	37,363	-	-	-	37,363

The Branch has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved policy. Such policy requires that surplus funds are only invested with counterparties with a strong reputation and backed by the Commonwealth Government's bank guarantee. At 31 December 2018, all funds were held by financial institutions backed by the Commonwealth Government's bank guarantee.

Collateral held as security

The Branch does not hold collateral with respect to its receivables at 31 December 2018 (2017: Nil).

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FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 13 Financial Instruments (Continued)

(b) Liquidity Risk

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

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

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

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

Financial Instrument Composition and Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade payables	248,472	41,718	-	-	-	-	248,472	41,718
Other payables	264,270	155,203	-	-	-	-	264,270	155,203
Total expected outflows	512,742	196,921	-	-	-	-	512,742	196,921
Financial assets – cash flow receivable								
Cash and cash equivalents	2,367,026	1,385,679	-	-	-	-	2,367,026	1,385,679
Trade and other receivables	89,022	37,363	-	-	-	-	89,022	37,363
Total anticipated inflows	2,456,048	1,423,042	-	-	-	-	2,456,048	1,423,042
Net inflow on financial instruments	1,943,306	1,226,121	-	-	-	-	1,943,306	1,226,121

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Note 13 Financial Instruments (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 Branch is also exposed to earnings volatility on floating rate instruments.

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

	Weighted Average Effective Interest Rate			
	2018	2017	2018	2017
	%	%	\$	\$
Floating rate instruments				
Cash and cash equivalents	0.93	1.19	2,367,026	1,385,679

ii. Foreign exchange risk

The Branch is not exposed to direct fluctuations in foreign currencies.

iii. Price risk

The Branch is no exposed to any material commodity price risk.

iv. Interest rate risk

The Branch 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.

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Note 13 Financial Instruments (Continued)

v. Sensitivity Analysis

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

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

	Profit \$	Equity \$
Year ended 31 December 2018		
+1% in interest rates	+23,656	+23,656
-1% in interest rates	-7,939	-7,939
Year ended 31 December 2017		
+1% in interest rates	+13,852	+13,852
-1% in interest rates	-11,188	-11,188

No sensitivity analysis has been performed on foreign exchange risk as the Branch has no material direct exposures to currency risk. There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

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

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FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 14 Fair Value Measurement

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 Branch. 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 Branch.

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

	Footnote	2018		2017	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	2,367,026	2,367,026	1,385,679	1,385,679
Accounts receivable and other debtors	(i)	89,022	89,022	37,363	37,363
Total financial assets		<u>2,456,048</u>	<u>2,456,048</u>	<u>1,423,042</u>	<u>1,423,042</u>
Financial liabilities					
Trade payables	(i)	248,472	255,336	41,718	41,718
Other payables	(i)	264,270	257,406	155,203	155,203
Total financial liabilities		<u>512,742</u>	<u>512,742</u>	<u>196,921</u>	<u>196,921</u>

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

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

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 14 Fair Value Measurement (Continued)

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 Branch did not have any assets or liabilities that were recorded using the above fair value hierarchy at 31 December 2018 and 31 December 2017.

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

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

Information to be provided to members or Commission:

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

Note 16 Branch Details

The registered office of the Branch is:

CEPU – Electrical Division – South Australian Branch
87 St Vincent Street
Port Adelaide SA 5015

Note 17 Segment Information

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

The Branch operates from one reportable geographical segment being South Australia.

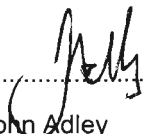
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OFFICER DECLARATION STATEMENT

I John Adley, being the Branch Secretary of the Communications, Electrical, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division – South Australian Branch, declare that the following did not occur during the reporting period ended 31 December 2018:

The reporting unit did not:

- Agree to receive financial support from another reporting unit to continue as a going concern (refer to agreement regarding financial support not dollar amounts)
- Agree to provide financial support to another reporting unit to ensure they continued as a going concern (refer to agreement regarding financial support not dollar amounts)
- Acquired an asset or liability due to an amalgamation Under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination of revocation by the General Manager, Fair Work Commission
- Receive capitation fees from another reporting unit
- Receive revenue via compulsory levies
- Receive a donation
- Receive revenue from undertaking recovery of wages activity
- Incur fees as consideration for employers making payroll deductions of membership subscriptions
- Pay a grant that was \$1,000 or less
- Pay a grant that exceeds \$1,000
- Pay a person fees or allowances to attend conferences or meetings as a representative of the reporting unit.
- Pay a penalty imposed under the RO Act or the *Fair Work Act 2009*
- Have a receivable with other reporting unit(s)
- Have a payable in respect of legal costs relating to litigation
- Have a payable to an employer for that employer making payroll deductions of membership subscriptions
- Have a payable in respect of legal costs relating to other legal matters
- Have a fund of account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- Transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- Have another entity administer the financial affairs of the reporting unit
- Make a payment to a former related party of the reporting unit


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John Adley

Branch Secretary

10 April 2019