

26 September 2019

Mr Chris Enright  
Executive Director  
Registered Organisations Commission  
GPO Box 2983  
MELBOURNE VIC 3001

By email: [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)

Dear Mr Enright

**CEPU Plumbing Division – Victorian Branch  
Amendment to the Branch Operating Report  
for the period ended 31 March 2019**

I refer to the above and enclose a:

- Declaration correcting a date for which an office holder held office during the reporting period ending 31 March 2018.

The Victorian Branch of the CEPU Plumbing Division lodged the Branch's full financial report, including the operating report, for the period ended 31 March 2019 with the Registered Organisations Commission (ROC) on 27 June 2019 in FR2019/17.

With respect to the operating report, an error was made in dates and names reported for a member of the committee of management who held office during the reporting period.

To correct this error, the Branch Committee of Management, in a meeting held **24 September 2019**, authorised the submission of a declaration to the Registered Organisations Commission (ROC) amending the operating report to reflect the correct date.

This amendment has been published to our website for the information of members.

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

Yours faithfully



Earl Setches  
Branch Secretary

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

*Fair Work (Registered Organisations) Act 2009*

**DECLARATION - CORRECTION TO**  
**CEPU Plumbing Division – Victorian Branch Operating Report**  
lodged pursuant to s.268

I, Earl Setches of 52 Victoria Street Carlton South, in the state of Victoria 3053, declare:

- I am the Branch Secretary of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Plumbing Division, Victorian Branch, a branch of an organisation registered under the *Fair Work (Registered Organisations) Act 2009* (the Act).
- Pursuant to s.268 of the Act, for the period ended 31 March 2019 the full financial report, including the operating report, of the branch was lodged with the Registered Organisations Commission (ROC) on 27 June 2019 in FR2019/17.
- With respect to the operating report, an error was made in the dates and members reported for the members of the committee of management who held office during the reporting period.
- At a meeting held on the 24 September 2019 the Branch Committee of Management authorized an amendment to the list of the members of the committee of management detailed in the operating report for the reporting period

**CEPU Plumbing Division, Victorian Branch Committee of Management**

During the financial year ended 31 March 2019 the following persons were members of the committee of management:

Name	Period held Office	
	from	to
Nazza Ottobre	01.04.2018	31.03.2019
Con Delikadis	01.04.2018	31.03.2019
Russell Menzies	01.04.2018	31.03.2019
Billy Jovanovski	01.04.2018	31.03.2019
Scott Bamford	01.04.2018	24.04.2018
Ian Marris	01.04.2018	31.03.2019
Dean Saunders	01.04.2018	24.04.2018
Julian Sanders	<del>09.05.2018</del> 1.04.2018	31.03.2019
Earl Setches	01.04.2018	31.03.2019
Paddy McCrudden	01.04.2018	31.03.2019
Terry Smart	01.04.2018	31.03.2019
Robert Vaughan	01.04.2018	31.03.2019
Bruno Rendina	01.04.2018	31.03.2019
Max Robbins	01.04.2018	31.03.2019
Kevin Fitzgerald	01.04.2018	31.03.2019
C.May	26.06.2018	31.01.2019
P.Andriske	26.06.2018	31.01.2019

Signed:



Name:

Mr Earl Setches

Date:

24 Sept 19



31 July 2019

Earl Setches  
Branch Secretary  
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services  
Union of Australia-Plumbing Division Victorian Divisional Branch

Sent via email: [info@pteu.asn.au](mailto:info@pteu.asn.au)  
CC: [michael.shulman@stannards.com.au](mailto:michael.shulman@stannards.com.au)

Dear Earl Setches,

**Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia-Plumbing Division Victorian Divisional Branch  
Financial Report for the year ended 31 March 2019 – (FR2019/17)**

I acknowledge receipt of the financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia-Plumbing Division Victorian Divisional Branch (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 27 June 2019.

The financial report has now been filed.

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

Please note that the financial report for the year ending 31 March 2020 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. The ROC will confirm these matters have been addressed prior to filing next year's report.

**General purpose financial report (GPFR)**

Nil activities disclosure

Item 21 of the reporting guidelines (**RGs**) states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. The notes contained nil activity information for all prescribed RG categories except the following:

- Receiving revenue from undertaking recovery of wages activity (RG13(e)); and
- Paying to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit (RG14(h))

Please ensure in future years that the above mentioned items are disclosed in either the financial statements, the notes or in the officer's declaration statement as per the RGs.

#### Fund Analysis

Note 3 and 27 to the GPFR both refer to *Fund Analysis*. In future, these notes should be consolidated into one to ensure that this information is clearly disclosed to members of the reporting unit.

#### **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 RGs 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 RGs and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at [kylie.ngo@roc.gov.au](mailto:kylie.ngo@roc.gov.au).

Yours sincerely,



**Kylie Ngo**  
**Registered Organisations Commission**

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY,  
INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION  
OF AUSTRALIA**

**PLUMBING DIVISION – VICTORIA BRANCH**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2019**

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

<u>Contents</u>	<u>Page</u>
Committee of Management Operating Report	1
Certificate of Committee of Management	3
Certificate by Prescribed Designated Officer	4
Officer Declaration Statement	5
Auditors Independence Declaration	6
Expenditure Report	7
Income Statement	8
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Cash Flow Statement	13
Notes to the Financial Statements	14
Independent Audit Report	35

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**OPERATING REPORT  
FOR THE YEAR ENDED 31 MARCH 2019**

**Principal activities**

The principal activities of the CEPU Victoria Branch during the financial year were to provide representation and support to the members. There were no significant changes to the principal activities during the year.

**Review of results**

The net result of operations for the year was a profit of \$55,880 (2018: profit of \$373,769). The organisation continued to represent its members in industrial and other matters, focusing particularly on training and educational projects to advance the industry. During the year, it continued to pay particular attention to corporate governance, ensuring that it complies with legislative requirements. As at reporting date, it had accumulated net assets of \$13.17 million (2018: \$13.12 million) and had reduced interest-bearing debt from the prior year. The organisation is well placed to meet the future needs of the industry and moreover its members, through enhanced representation and training services, the latter arising given the ongoing developments at PICAC Ltd. Close alignment with the U.A. (USA) also continues to enhance member services and delivery.

**Significant Changes in the State of Affairs**

In the opinion of the Members of the Committee of Management, there were no significant changes in the organisation's state of affairs during the financial year.

**Resignation of Members**

A member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

**Number of Members**

As at 31 March 2019, the number of members of the organisation recorded in the register of members was 9,666.

**Number of Employees**

As at 31 March 2019, the number of full time equivalent employees was 26 (2018: 24).

**Committee of Management**

The Committee of Management members are as follows: -

N Ottobre	(1.4.18 – 31.3.19)	E Setches	(1.4.18 -- 31.3.19)
C Delidakis	(1.4.18 – 31.3.19)	P McCrudden	(1.4.18 – 31.3.19)
R Menzies	(1.4.18 – 31.3.19)	T Smart	(1.4.18 – 31.3.19)
B Jovanovski	(1.4.18 – 31.3.19)	R Vaughan	(1.4.18 – 31.3.19)
I Marris	(1.4.18 – 31.3.19)	B Rendina	(1.4.18 – 31.3.19)
J Sanders	(9.5.18 – 31.3.19)	M. Robbins	(1.4.18 – 31.3.19)
K Fitzgerald	(1.4.18 – 31.3.19)		

During the year, the following Committee of Management members retired: -

S Bamford	(1.4.18 – 24.4.18)
D Saunders	(1.4.18 – 24.4.18)

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**OPERATING REPORT  
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)**

**Officers & employees who are directors of a company or a member of a board**

Details of officers and employees, who held positions as a superannuation fund trustee or director of a company that is a superannuation fund trustee, are as follows: -

<b>Name of Officeholder</b>	<b>Name of Company or Board</b>	<b>Position Held</b>	<b>Principal Activity of Company or Board</b>	<b>Position Held because officer or employee of Union or nominated by Union or Peak Council</b>
Earl Setches	CBUS	Director	Superannuation	Yes
Paddy McCrudden	Co-Invest	Director	Long Service Leave	Yes

**Future Developments**

In the opinion of the Committee of Management, there is not likely to be any future development that will materially affect the Union's operations in subsequent years.

Signed in accordance with a resolution of the Committee of Management.



.....  
Earl Setches - Secretary  
Designated Officer

Dated this 7<sup>th</sup> day of May 2019



COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH

CERTIFICATE OF COMMITTEE OF MANAGEMENT

The Committee of Management of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union Of Australia, Plumbing Division – Victoria Branch passed the following resolution on 7<sup>th</sup> May 2019 in relation to the general purpose financial report of the reporting unit for the financial year ended 31 March 2019.

The Committee of Management declares in relation to the general purpose financial report that in its opinion:

- (a) the financial statements and notes comply with Australian Accounting Standards and the Reporting Guidelines of the Commissioner, Registered Organisations Commission including any other requirements imposed by Part 3 of Chapter 8 of the Fair Work (Reporting Organisations) Act;
- (b) 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;
- (c) 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;
- (d) during the financial year to which the general purpose financial report relates and since the end of that year:
  - i. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned;
  - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned;
  - iii. the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009;
  - iv. the information sought in any request of a member of the reporting unit or the Commissioner, Registered Organisations Commission duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the Commissioner, Registered Organisations Commission;
  - v. there have been no orders for inspection of financial records made by the Registered Organisations Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period; and
  - vi. where the Union comprises of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable in a manner consistent with each of the other reporting units of the organisation.

Resolved for the Committee of Management:

  
Earl Setches - Secretary  
Designated Officer

Dated this 7<sup>th</sup> day of May 2019

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER  
FOR THE YEAR ENDED 31 MARCH 2019

I, Earl Setches, being the Secretary of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing And Allied Services Union Of Australia Plumbing Division - Victoria Branch certify:

- (i) That the documents lodged herewith are copies of the full report for the CEPU (VIC Plumbing Division) for the period ended referred to in Section 268 of the *Fair Work (Registered Organisations) Act 2009*; and
- (ii) That the full report was provided to members of the reporting unit on 17 May 19; and
- (iii) That the full report was presented to a meeting of the committee of management of the reporting unit on 25 June 19 in accordance with Section 266 of the *Fair Work (Registered Organisations) Act 2009*.



Earl Setches - Secretary  
Designated Officer

Dated this 26 day of June 2019

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH

OFFICER DECLARATION STATEMENT

I, Earl Setches, being the Secretary of the Branch, declare that all activities required to be disclosed during the reporting period ended 31 March 2019 have been disclosed in the financial report.

*Earl Setches*

.....  
Earl Setches - Secretary  
Designated Officer

Dated: *7<sup>th</sup> May 2019* .....

**AUDITOR'S INDEPENDENCE DECLARATION**

**TO THE COMMITTEE OF MANAGEMENT OF COMMUNICATIONS, ELECTRICAL, ELECTRONIC,  
ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION  
VICTORIA BRANCH**

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2019 there have been: -

- (i) no contraventions of the auditor independence requirements in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Stannards Accountants and Advisors



MB Shulman  
Registered Company Auditor (163888)  
Holder of Current Public Practice Certificate  
Approved Auditor (FWC Act and Regulations – AA2017/45)

Dated this 7<sup>th</sup> day of May 2019

**Partners**

Marino Angelini, CA  
Michael Shulman, CA  
Nello Traficante, CPA  
Jason Wall, CA  
Peter Angelini, CA



COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH

EXPENDITURE REPORT  
FOR THE YEAR ENDED 31 MARCH 2019

The Committee of Management of the Branch presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 March 2019.

	2019 \$	2018 \$
<b>CATEGORIES OF EXPENDITURE</b>		
Remuneration and other employment-related costs and Expenses - employees	4,177,467	3,905,226
Advertising	179,066	93,126
Operating Costs	2,237,879	2,196,623
Donations to Political Parties	206,500	65,000
Legal Costs	29,889	130,836
<b>Total</b>	<b>6,830,801</b>	<b>6,390,811</b>



Earl Setches - Secretary  
Designated Officer

Dated this 7<sup>th</sup> day of May 2019

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Membership Subscriptions	4,347,014	4,114,811
Enrolment Fees	-	-
Rental Income from Investment Property Activities	589,917	570,805
Directors' Fees	163,583	174,645
Work Safe and Aboriginal Grants Income	432,811	506,706
Costs Recovered from Training, Education Centres and Others	1,381,332	1,164,963
Sundry Income	175,649	227,525
Profit on disposals of fixed assets	13,200	41,660
Donations	-	-
Grants	-	-
Levies	-	-
Capitation Fees	-	-
<b>Total Revenue</b>	<b>7,103,506</b>	<b>6,801,115</b>
<b>Expenses</b>		
Affiliations		
ALP (Political Party)	61,108	62,818
CEPU National Office	-	32,231
VTHC	91,230	90,197
Regional Trade Councils / Other	9,485	7,983
Administrative Services		
Advertising	179,066	93,126
Audit Fees – Financial Report	10,000	10,000
– Other Services	700	7,160
Compliance Fees	600	11,875
Bank and Other Finance Charges	44,018	36,309
Bad Debts and Doubtful Debts	-	62,558
Cleaning and Security Services	60,946	67,038
Committee Fees	4,220	8,424
Computer Programming Expenses	59,133	91,628
Depreciation & Amortisation (includes assets <\$1,000 written off)	313,767	260,997
Fringe Benefit Tax	115,686	72,591
Grants	-	-
Interest Paid	990	2,380
Insurance	111,270	131,069
Land Tax	(50,301)	40,356
Legal Fees – Litigation	29,889	51,784
Legal Fees – Other Matters	-	79,052
Professional Services	193,994	173,930
Electricity	10,172	9,490
Repairs and Maintenance	15,279	30,700
Motor Vehicles Expenses	112,020	157,374
Payroll Tax	209,390	190,110
Penalties – via RO Act or Regulations	-	-
Postage and Mail Outs	51,093	28,180
Printing and Stationery	337,785	281,130
Annual Leave	37,671	22,751
Long Service Leave and Retiring Allowances	103,425	254,312

The accompanying notes form part of this Financial Report

(continued)

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Rates	7,573	16,131
Rent	6,269	1,263
Salaries and Wages	3,571,568	3,183,085
Staff Training	116,136	7,450
Sundries	116,777	45,751
Superannuation	464,803	445,078
Telephone and Internet Services	64,134	46,009
Travel and Accommodation	60,597	53,376
Fines	3,139	1,805
Fitness and Clothing Allowances	22,543	19,996
Other Allowances	17,027	16,499
Debt Collection Expenses	-	-
Staff Amenities	7,213	5,592
Consideration to Employers For Making Payroll Deductions	-	-
Compulsory Levies	-	-
Meetings and Conferences	-	-
Work Safe Expenses	-	6,033
	<u>6,570,415</u>	<u>6,215,621</u>
Per Capita Payment to National Office	<u>260,386</u>	<u>175,190</u>
Total Expenses	<u>6,830,801</u>	<u>6,390,811</u>
Profit / (Loss) for Year	272,705	410,304
Fair Value Adjustments to Property	<u>-</u>	<u>-</u>
Net Profit / (Loss) available for appropriation between General and Incidental Fund	272,705	410,304
Net (Expenses) / Revenue from other Funds	<u>(216,825)</u>	<u>(36,535)</u>
Net Profit for the Year	<u>55,880</u>	<u>373,769</u>

The accompanying notes form part of this Financial Report

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Profit / (Loss) for the period	55,880	373,769
Other comprehensive income for the period	-	-
Total comprehensive income for the period	55,880	373,769
Total comprehensive income attributable to: Members of the organisation	55,880	373,769

To be read in conjunction with the Notes to and forming part of the financial statements



**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2019**

	Notes	2019 \$	2018 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	4	1,893,826	4,308,523
Receivables	5	6,633,380	5,608,590
Inventory	1(b)	64,277	77,562
Other	6	70,089	66,696
Loan - CEPU WA		67,278	67,278
Total Current Assets		8,728,850	10,128,649
<b>Non Current Assets</b>			
Receivables	5	863,367	-
Property, Plant and Equipment	7	2,467,160	2,573,092
Investment Property	9	5,218,757	5,293,488
Website Development	8	12,740	16,780
Total Non Current Assets		8,562,024	7,883,360
Total Assets		17,290,874	18,012,009
<b>Current Liabilities</b>			
Payables	10	345,049	1,336,751
Interest Bearing Debt	13	12,140	12,140
Non Interest Bearing Liabilities	11	961,293	876,107
Provisions	12	2,706,678	2,566,673
Total Current Liabilities		4,025,160	4,791,671
<b>Non Current Liabilities</b>			
Provisions	12	74,000	72,909
Interest Bearing Debt	13	23,095	34,690
Total Non Current Liabilities		97,095	107,599
Total Liabilities		4,122,255	4,899,270
Net Assets		13,168,619	13,112,739
<b>Equity</b>			
Defence Fund		3,033,285	3,021,352
General Fund		5,347,679	5,145,463
Incidental Fund		2,848,943	2,747,285
Special Purpose Fund		180,860	440,787
Asset Revaluation Reserve		1,757,852	1,757,852
Total Equity		13,168,619	13,112,739

To be read in conjunction with the Notes to and forming part of the financial statements

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Accumulated Profit / (Deficit) – Beginning of Year	-	-
Profit / (Loss) for the Year	55,880	373,769
Distribution to: -		
Defence Fund	(11,933)	(23,360)
General Fund	(202,216)	(311,202)
Incidental Fund	(101,658)	(156,951)
Special Purpose Fund	259,927	117,744
Total Accumulated Profit / (Deficit) – End of the Year	-	-

	<b>Defence Fund</b>	<b>General Fund</b>	<b>Incidental Fund</b>	<b>Special Purpose Fund</b>	<b>Asset Revaluation Reserve</b>	<b>Total</b>
<b>2019</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance – Start of Period	3,021,352	5,145,463	2,747,285	440,787	1,757,852	13,112,739
Net Surplus / (Deficit)	11,933	202,216	101,658	(259,927)	-	55,880
Balance – End of Period	3,033,285	5,347,679	2,848,943	180,860	1,757,852	13,168,619

	<b>Defence Fund</b>	<b>General Fund</b>	<b>Incidental Fund</b>	<b>Special Purpose Fund</b>	<b>Asset Revaluation Reserve</b>	<b>Total</b>
<b>2018</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance – Start of Period	2,997,992	4,834,261	2,590,334	558,531	1,757,852	12,738,970
Net Surplus / (Deficit)	23,360	311,202	156,951	(117,744)	-	373,769
Balance – End of Period	3,021,352	5,145,463	2,747,285	440,787	1,757,852	13,112,739

To be read in conjunction with the Notes to and forming part of the financial statements

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 Inflows/ (Outflows) \$	2018 Inflows/ (Outflows) \$
<b>Cash flows from Operating Activities</b>			
Contributions and enrolment fees from Members		4,129,104	4,114,811
Interest Received		44,665	85,561
Grants Received		432,811	506,706
Levies Received		-	-
Other Income		175,649	227,525
Directors' Fees		163,583	174,645
Rent Received – Investment Property		589,917	570,805
Amounts recharged and recouped		1,317,355	860,769
Payments to Suppliers and Employees		(6,883,024)	(4,834,727)
Interest Paid		(990)	(2,380)
Net Cash Provided by Operating Activities	16	(30,930)	1,703,715
<b>Cash flows from Investing Activities</b>			
Payments for Property, Plant and Equipment and Investment Properties		(164,064)	(187,981)
Proceeds from Sale of Property, Plant and Equipment		13,200	48,136
Net Cash Provided by / (Used in) Investing Activities		(150,864)	(139,845)
<b>Cash flows from Financing Activities</b>			
Borrowings		(11,595)	(9,596)
Payments by/(to) employees		-	(5,000)
Payments by/(to) Federal Office		(176,013)	(83,365)
Payments by/(to) CEPU WA Branch		(12,095)	(44,164)
Payments by/(to) PJTF Ltd		(63,977)	116,498
Loans by/(to) CEPUTEC Ltd		(1,000,000)	(2,220,000)
Payments by/(to) CEPUTEC Ltd		(58,763)	6,230
Loans by/(to) CEPU NSW Branch		(897,500)	-
Payments by/(to) PICAC Ltd		(12,960)	115,588
Net Cash Provided by/(Used) in Financing Activities		(2,232,903)	(2,123,809)
Net Increase in Cash and Cash Equivalents		(2,414,697)	(559,939)
<b>Cash and Cash Equivalents at Beginning of Year</b>		4,308,523	4,868,462
<b>Cash and Cash Equivalents at End of Year</b>	16	1,893,826	4,308,523

To be read in conjunction with the Notes to and forming part of the financial statements

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**1. Statement of Significant Accounting Policies**

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Fair Work (Registered Organisations) Regulations 2009 and Fair Work (Registered Organisations) Act 2009.

**Basis of Preparation**

The financial report complies with Australian Accounting Standards which include Australian Equivalents to International Financial Reporting Standards (AIFRS). Comparative information has been restated where necessary to comply with current year presentation of the financial report.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. The Union is a 'not for profit' organisation.

Cost is based on fair values of consideration given in exchange for assets.

The accounting policies set out below have been consistently applied, unless otherwise stated.

**Accounting Policies**

**(a) Property, Plant and Equipment**

*Cost and valuation*

Freehold land and buildings that constitute investment properties are measured at cost or on a 'fair value' basis. At each reporting date, the value of assets in this asset class is reviewed to ensure that it does not differ materially from the asset's book value at that date. Any significant increase or decrease is recognised in accordance with accounting standards.

All other fixed assets are also measured at the lower of cost and fair value.

*Depreciation*

Depreciation is calculated on the prime cost and diminishing value methods and is brought to account over the estimated economic lives of all buildings, motor vehicles, equipment, furniture and fittings. Depreciation rates applied are:

	<b>2019</b>	<b>2018</b>
Buildings	2.5%	2.5%
Motor Vehicles	25%	25%
Furniture and Office Equipment	10-50%	10-50%
Fixtures and Fittings	13-20%	13-20%

**(b) Inventories**

Inventories are valued at the lower of cost and net realisable value (cost is based on a FIFO basis).

**(c) Income Tax**

No provision for income tax is necessary as "Trade Unions" are exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997. An obligation for fringe benefits tax and goods and services tax still exists and has been accounted for by the Union.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)**

**1. Statement of Significant Accounting Policies (cont'd)**

**(d) Employee Benefits**

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled in full within one year together with entitlements arising from wages and salaries, have been measured at the nominal amounts expected to be paid when the liability is settled plus relates on-costs. Other employee benefits payable have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Retiring allowance, applicable only to officials, is accrued in accordance with clause 51.4 & 51.5 of the Rules.

Long service leave provisions in relation to officials is recognised in the accounts, in accordance with clause 51.7 and 51.9 of the Rules. Long service leave for non-officials is accrued based on probability of pay-out and years of service.

Contributions made by the Union to employee superannuation funds are charged as expenses when incurred.

The number of employees at the end of the year was 24.

**(e) Revenue Recognition**

Contributions from members are shown net of refunds and are accounted for on an accruals basis. Any contribution received in advance for the next period is included in deferred income. Subscriptions are levied semi-annually in respect of membership.

Interest revenue is recognised on an accrual basis.

Revenue arising from the disposal of non-current assets is recognised when the Union and the buyer are both committed to a contract and settlement has occurred.

Investment property revenue is recognised on a straight-line basis over the lease term.

All other revenue is recognised on an accruals basis.

No change to comparative information was required given the adoption of AABS15: Revenue from Contracts with Customers.

All revenue is recognised at the point of service recognition, and is sourced in Australia. There are no unsatisfied performance obligations

**(f) Goods and Services Tax (GST)**

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

**(g) Cash and Cash Equivalents**

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash on hand, cash at bank and investments in money market instruments.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)**

**1. Statement of Significant Accounting Policies (cont'd)**

**(h) Trade and other receivables**

Trade and other receivables are recognised initially at fair value and are generally due for settlement within 30 days.

The collectability of debts is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Union will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income statement as an expense.

**(i) Trade and other payables**

Trade payables and other accounts payable are recognised when the Union becomes obliged to make future payments resulting from the purchase of goods and services. Trade accounts payable are normally settled within 30 days.

**(j) Capitation Fees**

These fees are recognised on an accruals basis, and recorded as an expense in the year to which they relate.

**(k) Critical Accounting Estimates and Judgements**

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

*Key Estimates – Impairment*

The Union assesses impairment at each reporting date by evaluating conditions specific to it that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined and reflected in the Financial Report.

**(l) Fair value measurement**

The Union measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Union would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific 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.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs).

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)**

**1. Statement of Significant Accounting Policies (cont'd)**

**(l) Fair value measurement (Cont'd)**

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

**(m) Financial Instruments**

Financial Instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs. Financial instruments are classified and measured as set out below:

**(i) Receivables**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

**(ii) Financial Liabilities**

Non-derivative financial liabilities are measured at amortised cost using the effective interest rate method.

**(iii) Impairment**

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired, impairment losses are recognised in the statement of comprehensive income.

**(iv) Fair Value**

The Union measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the Union would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific 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.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the Union at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs).

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)**

**1. Statement of Significant Accounting Policies (cont'd)**

**(m) Financial Instruments (Cont'd)**

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

**(n) Going Concern**

The Union is not reliant on the agreed financial support of any entity nor has it agreed to provide financial support to any entity so they can continue as a going concern other than PTEU WA Branch. Such support to that Branch is being provided indefinitely and is interest free.

**(o) New Accounting Standards for Application in Future Periods**

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Union, together with an assessment of the potential impact of such pronouncements on the Union when adopted in future periods, are discussed below:

- AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

The Union has chosen not to early-adopt AASB 16. However, the Union has conducted a high-level assessment of the impact of this new standard, as follows.

A core change under AASB 16: *Leases* is that most leases will be recognised on the balance sheet by lessees, as the new standard does not differentiate between operating and finance leases.

An asset and a financial liability are recognised in accordance with this new standard. There are, however, two exceptions allowed. These are short-term and low-value leases.

Given that the Union's activities as a lessor and lessee will not be materially impacted by this new standard, the Union does not expect any significant impact on its financial statements from this perspective. Nonetheless, starting next year, additional disclosures will be required.

AASB 16 will be applied by the Union from its mandatory adoption date of 1 January 2019. The simplified transition approach will be the Union's chosen approach.

**2. Information to be provided to Members or Commissioner, Registered Organisations Commission**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-section (1), (2) and (3) of Section 272 which reads as follows:-

- (1) A Member of an organisation, or the Commissioner, Registered Organisations Commission, may apply to the organisation for specified prescribed information in relation to the organisation 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 organisation.
- (3) An organisation must comply with an application made under subsection (1).



**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)**

**3. Fund Analysis**

	2019 \$	2018 \$
<b>3.1 Defence Fund</b>		
<b>INCOME</b>		
Interest Received	11,933	23,360
Levies	-	-
Total Income	11,933	23,360
<b>MOVEMENT</b>		
Surplus for Year	11,933	23,360
Surplus B/Fwd	3,021,352	2,997,992
Accumulated Surplus	3,033,285	3,021,352
<b>3.2 General Fund</b>		
<b>INCOME</b>		
Interest Received	20,322	37,666
Net Surplus/(Deficit) transferred (2/3 of Net Profit / (Loss) from Ordinary Activities)	181,894	273,536
Total Income	202,216	311,202
<b>MOVEMENT</b>		
Surplus/(Deficit) for Year	202,216	311,202
Surplus B/Fwd	5,145,463	4,834,261
Accumulated Surplus	5,347,679	5,145,463
<b>3.3 Incidental Fund</b>		
<b>INCOME</b>		
Interest Received	10,850	20,183
Net Surplus/(Deficit) transferred (1/3 of Net Profit/ (Loss) from Ordinary Activities)	90,808	136,768
Total Income	101,658	156,951
<b>MOVEMENT</b>		
Surplus/(Deficit) for the Year	101,658	156,951
Surplus B/Fwd	2,747,285	2,590,334
Accumulated Surplus	2,848,943	2,747,285
<b>3.4 Special Purpose Fund</b>		
<b>INCOME</b>		
Interest Received	1,741	4,352
Sales of t-shirts / windcheaters	20,087	12,703
Total Income	21,828	17,055
<b>EXPENDITURE</b>		
Donations	227,450	103,158
Functions -- staff and other	-	3,201
T-shirts / windcheater purchases	54,305	28,440
Total Expenditure	281,755	134,799
<b>MOVEMENTS</b>		
(Deficit) / Surplus for the year	(259,927)	(117,744)
Surplus B/Fwd	440,787	558,531
Accumulated Surplus	180,860	440,787

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)**

**3. Fund Analysis (cont'd)**

**General Fund**

Pursuant to the Rules of the Union, the General Fund includes all enrolment fees, contributions, levies and fines (except as specifically prescribed in the rules) and except with the previous permission of the Divisional Council or Divisional Executive shall only be used for the payment of allowances and general expenditures necessarily incurred in the working of the Branch.

**Incidental Fund**

Pursuant to the Rules of the Union, the surplus allocated in the General Fund at the close of each financial period is divided into three equal parts with one part being allocated to the Incidental Fund and two parts of the General Fund. This Fund is wholly at the disposal of the Branch for any purpose whatsoever.

**Defence Fund**

This fund represents the accumulated levy made on members of the Victorian Branch. Legal fees incurred where deemed to be for the defence of the Union can be written off against this fund.

**Special Purpose**

This reserve is used for specific purposes approved by the Divisional Council or Divisional Executive. It incorporates levies in respect of the Federal Office, and membership transactions.

**4. Cash and Cash Equivalents**

	<u>2019</u> \$	<u>2018</u> \$
Cash at Bank	1,889,226	4,303,923
Cash on Hand	4,600	4,600
	<u>1,893,826</u>	<u>4,308,523</u>

**5. Receivables**

	<u>2019</u> \$	<u>2018</u> \$
Sundry Debtors and Accrued Income	221,458	387,198
GST Receivable	(149,896)	(177,082)
Amounts due from related parties (Including Training Centres)	6,561,818	5,398,474
	<u>6,633,380</u>	<u>5,608,590</u>
Received – Non current		
Amounts due from related parties (Secured)	863,367	-
Total Receivables	<u>7,496,747</u>	<u>5,608,590</u>

No receivables were impaired at reporting date (2018: \$nil).

Receivables are aged as follows: -

Days	<u>2019</u> \$	<u>2018</u> \$
0 – 30	71,562	210,116
No set terms*	7,425,185	5,398,474
	<u>7,496,747</u>	<u>5,608,590</u>

\* No specific repayment terms set.

No significant credit risk exists with any single counterparty, nor is there any collateral over receivables except as stated.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)**

**6. Other Current Assets**

	<u>2019</u> \$	<u>2018</u> \$
Prepayments	70,089	66,696

**7. Property, Plant and Equipment**

	<u>2019</u> \$	<u>2018</u> \$
Freehold Land		
At Valuation	1,105,650	1,105,650
At Cost	-	-
	1,105,650	1,105,650
Buildings on Freehold Land		
At Valuation	900,000	900,000
At Cost	591,801	591,801
Less: Accumulated Depreciation	(451,087)	(413,792)
	1,040,714	1,078,009
Motor Vehicles		
At Cost	793,120	762,034
Less: Accumulated Depreciation	(521,746)	(438,754)
	271,374	323,280
Furniture and Equipment		
At Cost	902,684	870,822
Less: Accumulated Depreciation	(853,599)	(806,940)
	49,085	63,882
Fixtures and Fittings		
At Cost	45,431	45,431
Less: Accumulated Depreciation	(45,094)	(43,160)
	337	2,271
<b>Total Property, Plant and Equipment (Non Current)</b>	<b>2,467,160</b>	<b>2,573,092</b>

Freehold land and buildings located at 50-52 Victoria Street, Carlton North were valued by D Brindley, Certified Practising and Sworn Valuers of Woodards (Network) Pty Ltd on 31 March 2013. The basis of valuation of the property was the capitalisation of estimated net rental at the rate that reflects the risks relating to such property classes in the location. Property acquired subsequently is measured at cost. The Committee of Management believe the current written down value of land and buildings is appropriate as a basis on which to measure fair value.

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current year.

2018	Freehold Land \$	Buildings \$	Motor Vehicles \$	Furniture & Equipment \$	Fixtures & Fittings \$	Total \$
Carrying amount at beginning of year	1,105,650	1,074,359	306,603	104,241	3,781	2,594,634
Additions	-	40,415	126,645	10,821	-	177,881
Disposals	-	-	(6,477)	-	-	(6,477)
Transfer to Website development	-	-	-	(10,100)	-	(10,100)
Depreciation Expense	-	(36,765)	(103,491)	(41,080)	(1,510)	(182,846)
Carrying amount at end of year	1,105,650	1,078,009	323,280	63,882	2,271	2,573,092

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)**

**7. Property, Plant and Equipment (cont'd)**

2019	Freehold Land	Buildings	Motor Vehicles	Furniture & Equipment	Fixtures & Fittings	Total
	\$	\$	\$	\$	\$	\$
Carrying amount at beginning of year	1,105,650	1,078,009	323,280	63,882	2,271	2,573,092
Additions	-	-	114,702	31,862	-	146,564
Disposals	-	-	-	-	-	-
Depreciation Expense	-	(37,295)	(166,608)	(46,659)	(1,934)	(252,496)
Carrying amount at end of year	1,105,650	1,040,714	271,374	49,085	337	2,467,160

**8. Website Development Costs**

	2019 \$	2018 \$
Website development costs	20,200	20,200
Less: Accumulated amortisation	(7,460)	(3,420)
	12,740	16,780

**9. Investment Property**

	2019 \$	2018 \$
Carrying amount at the beginning of year	5,858,191	5,875,691
Less: Accumulated Depreciation	(639,434)	(582,203)
Carrying amount at the end of year	5,218,757	5,293,488

\* (Valued by Jones Lang LaSalle, Certified Practising Valuers on 23 March 2010 on a 'market value for mortgage security' basis). No market valuation decrement is believed to have occurred from the previous valuation, based on market information available.

**10. Payables**

	2019 \$	2018 \$
Creditors and accruals	345,049	1,327,410
Consideration to employers for payroll deductions	-	-
Legal Costs - litigation	-	-
Legal Costs - other matters	-	9,341
	345,049	1,336,751

**11. Non Interest Bearing Liabilities**

	2019 \$	2018 \$
Amount Payable to Federal Office	961,293	876,107
	961,293	876,107

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)**

**12. Provisions**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<i>Current</i>		
Annual Leave	402,790	365,119
Long Service Leave and Retiring Allowances	2,303,888	2,201,554
	<u>2,706,678</u>	<u>2,566,673</u>
<i>Non Current</i>		
Long Service Leave and Retiring Allowances	74,000	72,909

Of the amounts owing above, they are payable as follows:-

	<b>Annual Leave</b>		<b>Long Service Leave and Retirement Allowance</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Officeholders	138,434	126,218	847,198	696,094	985,632	822,312
Other Staff	264,356	238,901	1,530,690	1,578,369	1,795,046	1,817,270
Total	<u>402,790</u>	<u>365,119</u>	<u>2,377,888</u>	<u>2,274,463</u>	<u>2,780,678</u>	<u>2,639,582</u>

There are no other provisions for separation and redundancy or other provisions for officeholders or other employees (2018: \$nil)

**Provision for Employee Benefits**

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Union does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Union does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

**13. Interest Bearing Debt**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Current	12,140	12,140
Non Current	23,095	34,690
	<u>35,235</u>	<u>46,830</u>

This debt repayable over 12 years is secured by a first registered mortgage over the land and buildings located at 22-28 Phoenix Street, Brunswick and Units 6,7,8, 306 Albert Street, Brunswick.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)**

**14. Employee Benefits**

Employee benefits paid/accrued during the year

	Officeholders		Employees		Total	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
Wages and Salaries	547,235	532,184	3,024,333	2,650,901	3,571,568	3,183,085
Annual Leave	12,216	56,585	25,455	(33,834)	37,671	22,751
Long Service Leave and Retirement Allowance	151,104	65,702	(47,679)	188,610	103,425	254,312
Superannuation	69,380	73,669	395,423	371,409	464,803	445,078
<b>Total</b>	<b>779,935</b>	<b>728,140</b>	<b>3,397,532</b>	<b>3,177,086</b>	<b>4,177,467</b>	<b>3,905,226</b>

No separation or redundancy costs or other expenses were incurred this year for officeholders or other employees (2018: \$nil).

**15. Cash Flow Information**

**a. Reconciliation of Cash**

Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows: -

	2019	2018
	\$	\$
Cash at Bank	1,889,226	4,303,923
Cash on Hand	4,600	4,600
	<b>1,893,826</b>	<b>4,308,523</b>

**b. Reconciliation of Net Cash Provided by Operating Activities to Net Profit**

	Note	2019	2018
		\$	\$
Net Profit / (Loss)			
Defence Fund	3.1	11,933	23,360
General Fund	3.2	202,216	311,202
Incidental Fund	3.3	101,658	156,951
Special Purpose Fund	3.4	(259,927)	(117,744)
		<b>55,880</b>	<b>373,769</b>
Non Cash Items			
Depreciation & Amortisation		313,767	260,997
Provisions		141,096	277,064
(Profit) / Loss on Disposal of Non Current Assets (nett)		(13,200)	(41,660)
Per Capita Charge		260,386	175,190
Other Non Cash Related Party Items		34,641	-
Changes in Operating Assets and Liabilities			
(Increase)/Decrease in Prepayments		(3,393)	(10,799)
(Increase)/Decrease in Inventory		13,285	4,998
Increase/(Decrease) in Trade Creditors and Accruals		(1,050,274)	846,349
(Increase)/Decrease in Sundry Debtors and GST Receivables		216,882	(182,193)
<b>Net Cash Provided by Operating Activities</b>		<b>(30,930)</b>	<b>1,703,715</b>

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)**

**16. Related Party Information**

- a. The names or persons who formed part of the Committee of Management at any time during the year were: -

President

N. Ottobre

Vice-President

T. Smart

Trustee

C. Delidakis

Trustee

R. Vaughan

Secretary

E. Setches

Assistant Secretary

P. McCrudden

Committee of Management

I. Marris      B. Jovanovski

R. Menzies      B. Redina

S. Bamford\*      M. Robbins

D. Saunders\*      K. Fitzgerald

\*Now retired

- b. Key Management Personnel Remuneration for the Reporting Period

Remuneration for the Reporting Period	2019 \$	2018 \$
<b>Short-term employee benefits</b>		
Salary	547,235	532,184
Annual leave	12,216	56,585
Performance bonus	-	-
<b>Total short-term employee benefits</b>	<b>559,451</b>	<b>588,769</b>
<b>Post-employment benefits</b>		
Superannuation	69,380	73,669
<b>Total post-employment benefits</b>	<b>69,380</b>	<b>73,669</b>
<b>Other long-term benefits</b>		
Long-service leave	151,104	65,702
<b>Total long-term benefits</b>	<b>151,104</b>	<b>65,702</b>
Termination benefits	-	-
<b>Total Remuneration</b>	<b>779,935</b>	<b>728,140</b>

No termination benefit or share based payments or bonuses were received by key personnel or other officeholders.

The officeholders received no 'non cash' benefits not included in remuneration (2018: \$nil). No officeholder of the Branch during the year and/or in the prior year had any material personal interest in a matter that he/she has or did acquire, or a relative of the officeholder has or did acquire.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)**

**16. Related Party Information (Cont'd)**

**c. Key Management Personnel Remuneration for the Reporting Period (Cont'd)**

No officeholder or officer of the Branch (this year or last year) received any remuneration in their own name because they were a member of, or held position with a Board or other organisation because: -

- i) The officeholder held such a position with the Board or other organisation only because they were an officeholder of the Branch; or
- ii) They were nominated for the position by the Branch; or
- iii) They received remuneration from any third party, in connection with the performance of their duties as an officeholder of the Branch.

Directors fees received by officeholders in their positions as directors of other entities and passed on directly to the Union amounted to \$163,583 (2018: \$174,645).

- d. All transactions between the Committee Members and the Union were conducted on normal commercial terms in respect of subscriptions and the supply of other goods and services.

- e. Transactions with Federal Office, Branches and Related entities.

**Per Capital Payment**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
During the year, the Victorian Branch of the Union paid to the Federal Office a per capital payment calculated in accordance with the rules.	260,386	175,190
It received service fees from NSW Branch of the Union on commercial terms and conditions.	112,837	6,038
Rental Income on Investment Properties - PICAC Ltd	569,268	557,829
Rental Income on office – CEPU National Office	20,649	12,976

- f. Related Party balances at year end.

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Amounts receivable/(payable) at reporting date – Federal office and other branches		
PTEU Federal Branch	(960,480)	(876,107)
PTEU Western Australia Branch	66,901	54,806
PTEU New South Wales Branch	908,954	-
CEPU National Office	500	500
CEPU Electrical Division	2,392	1,196
CEPU Communications Division	(47,294)	-
	<u>(29,027)</u>	<u>(819,605)</u>
Training Fees receivable – related entity PJTF Ltd	378,474	314,497
Cost recoverable – related entity PICAC Ltd	12,960	-
Other Receivables/(Payables) – related entities CEPU TEC Ltd	6,128,005	5,069,242

\* All related entity loans are unsecured, except if stated otherwise.



**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)**

**16. Related Party Information (Cont'd)**

**g. Branch Receivables / Payables - Movements**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Balance Reconciliation - Branches		
Federal Office		
Carrying amount at beginning of the year	(876,107)	(784,282)
Capita charge	(260,386)	(175,190)
Receipts	-	(212,796)
Payments made	176,013	296,161
Carrying amount at end of the year	(960,480)	(876,107)
Western Australia Branch		
Carrying amount at beginning of the year	54,806	11,575
Levy charge	-	-
Sundry charges	-	(933)
Sundry income	-	-
Receipts	-	(13,050)
Loans made	-	42,471
Payments made	12,095	14,743
Carrying amount at end of the year	66,901	54,806
New South Wales Branch		
Carrying amount at beginning of the year	-	-
Payments Made	920,000	-
Interest Charged	11,454	-
Receipts	(22,500)	-
Carrying amount at end of the year	908,954	-
CEPU National Office		
Carrying amount at beginning of the year	500	500
Sundry income	-	-
Receipts	-	-
Carrying amount at end of the year	500	500
CEPU Electrical Division		
Carrying amount at beginning of the year	1,196	-
Sundry income	1,196	1,196
Receipts	-	-
Carrying amount at end of the year	2,392	1,196
CEPU Communications Division		
Carrying amount at beginning of the year	-	-
Sundry charges	(47,294)	-
Carrying amount at end of the year	(47,294)	-

**17. Donations**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Political Parties	206,500	65,000
Other	20,950	38,158
	227,450	103,158
Donations < \$1,000	1,890	7,018
Donations > \$1,000	225,560	96,140
	227,450	103,158

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)**

**18. Affiliation Fees**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Australian Labour Party - Victorian Branch	61,108	62,818
CEPU National Office	-	32,231
Victorian Trades Hall Council	91,230	90,197
North East & Border Trades & Labour Council	880	880
Golburn Valley Trades & Labour Council	338	56
South West Trades & Labour Council	300	186
Geelong & Region Trade Hall Council	4,849	3,539
Ballarat Trades Hall Council	2,114	2,318
Gippsland Trades & Labour Council	464	464
Bendigo Trades Hall Council	540	540
	<b>161,823</b>	<b>193,229</b>

**19. Commitments**

Capital expenditure commitments as at 31 March 2019 are \$nil (2018: \$nil).

**20. Contingent Liability**

There was no contingent liability at 31 March 2019 (2018: \$nil).

**21. Segment Reporting**

The Union Provides services to members employed in executing plumbing, gas fitting, pipe fittings and domestic engineering works in the state of Victoria.

**22. Other Matters**

The Union does not have any agreement to provide financial support to another reporting unit to ensure its ability to continue as a going concern other than PTEU WA Branch. It did not receive any financial support from any other reporting unit.

The Union has not acquired an asset or liability as a result of an amalgamation under Part 2 of Chapter 3 of the Fair Work (Registered Organisations) Act 2009, a restructure of reporting units, or a determination or revocation by the General Manager, Fair Work Commission.

The Union did not acquire assets or liabilities as part of a business combination.

The affairs of the Branch were not administered by another reporting unit. No payments were made by the reporting unit to former related parties in 2019 (2018 :\$nil).

**23. Union's Details**

The principal place of business of the branch is:

52 Victoria Street  
CARLTON VIC 3053.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)

24. Financial Instruments

a. **Financial Risk Management**

The Union's financial instruments consist of deposits with banks, short-term investments, accounts receivables and payable.

The Union's does not have any derivative instruments at 31 March 2019 (2018: \$nil).

The purpose of the financial instruments is to raise finances for the operations of the entity.

i) **Treasury Risk Management**

The Committee of Management meets on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

ii) **Financial Risk**

The main risks the Union's is exposed to through its financial instruments are liquidity risk, interest rate risk and credit risk.

*Foreign Currency*

The Union's is not exposed to fluctuations in foreign currency.

*Liquidity Risk*

The Union's manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

*Credit Risk*

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of provisions for impairment of those assets as disclosed in the statement of financial position and notes to the financial statements.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)**

**24. Financial Instruments (cont'd)**

**iii) Interest Rate Risk**

The Union's exposure to interest rate risks and the effective interest rates of financial assets and liabilities both recognised and unrecognised are as follows:

Financial instruments	Floating Interest Rate		Fixed Interest Rate maturing in: less than 1 year		Fixed Interest Rate maturing in: 1 year or more		Non Interest Bearing		Total Carrying Amount as per Statement of Financial Position		Weighted Average Effecting Interest Rate	
	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$	2019 %	2018 %
Financial Assets												
Cash and Cash Equivalents	1,889,226	4,303,923	-	-	-	-	4,600	4,600	1,893,826	4,308,523	1.75	1.70
Receivables	-	-	45,587	-	863,367	-	6,633,380	5,608,590	7,496,747	5,608,590		
Other Financial Assets	-	-	-	-	-	-	-	-	-	-		
<b>Total</b>	<b>1,889,226</b>	<b>4,303,923</b>	<b>-</b>	<b>-</b>	<b>863,367</b>	<b>-</b>	<b>6,637,980</b>	<b>5,613,190</b>	<b>9,390,573</b>	<b>9,917,113</b>		
Financial Liabilities												
Interest Bearing Debt	-	-	12,140	12,140	23,095	34,690	-	-	35,235	46,830	4.84	4.84
Payables	-	-	-	-	-	-	345,049	1,336,751	345,049	1,336,751		
Non Interest Bearing Liabilities	-	-	-	-	-	-	961,293	876,107	961,293	876,107		
<b>Total</b>	<b>-</b>	<b>-</b>	<b>12,140</b>	<b>12,140</b>	<b>23,095</b>	<b>34,690</b>	<b>1,306,342</b>	<b>2,212,858</b>	<b>1,341,577</b>	<b>2,259,688</b>		
<b>Net Financial Assets/(Liabilities)</b>	<b>1,889,226</b>	<b>4,303,923</b>	<b>(12,140)</b>	<b>(12,140)</b>	<b>840,272</b>	<b>(34,690)</b>	<b>5,331,638</b>	<b>3,400,332</b>	<b>8,048,996</b>	<b>7,657,425</b>		

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)**

**24. Financial Instruments**

**b. Net Fair Values**

The net fair value of investments in commercial bills/securities at 31 March 2019 is estimated at \$nil (carrying amount \$nil). The net fair value of the Union's other financial assets and financial liabilities are not significantly different from the class of assets and liabilities as disclosed above and recognised in the statement of financial position as at 31 March 2019.

**c. Sensitivity Analysis**

**Interest rate risk**

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

**Interest rate sensitivity analysis**

At 31 March 2019, the effect on profit and equity as a result of changes in the interest, with all other variable remaining constant, would be as follows:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Change in profit		
Increase in interest rate by 2%	37,785	86,078
Decrease in interest rate by 2%	(37,785)	(86,078)
Change in equity		
Increase in interest rate by 2%	37,785	86,078
Decrease in interest rate by 2%	(37,785)	(86,078)

**25. Fair Value Measurement**

The Union measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- freehold land and buildings.

The Union does not subsequently measure any assets or liabilities at fair value on a non-recurring basis.

**a. Fair Value Hierarchy**

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

<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)**

**25. Fair Value Measurement (Cont'd)**

**a. Fair Value Hierarchy (Cont'd)**

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.

**Valuation Techniques**

The Union selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected are consistent with one or more of the following valuation approaches:-

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Union gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the Union's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation with the fair value hierarchy.

Note	31 March 2019			Total
	Level 1 \$	Level 2 \$	Level 3 \$	
<b>Recurring fair value measurements</b>				
<i>Financial assets</i>				
Financial assets at fair value through profit or loss:	-	-	-	-
Available-for-sale financial assets:	-	-	-	-
<b>Total financial assets recognised at fair value</b>	-	-	-	-
<i>Non-financial assets</i>				
Freehold land & buildings	-	7,365,121	-	-
<b>Total non-financial assets recognised at fair value</b>	-	7,365,121	-	-

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)**

**25. Fair Value Measurement (Cont'd)**

**a. Fair Value Hierarchy (Cont'd)**

	Note	Level 1 \$	31 March 2018 Level 2 \$	Level 3 \$	Total \$
<b>Recurring fair value measurements</b>					
<i>Financial assets</i>					
Financial assets at fair value through profit or loss:		-	-	-	-
Available-for-sale financial assets:		-	-	-	-
<b>Total financial assets recognised at fair value</b>		-	-	-	-
<i>Non-financial assets</i>					
Freehold land & buildings		-	7,477,147	-	-
<b>Total non-financial assets recognised at fair value</b>		-	7,477,147	-	-

**b. Valuation Techniques and Inputs Used to Measure Level 2 Fair Values**

Description	Fair Value at 31 March 2019 \$	Fair Value at 31 March 2018 \$	Valuation Technique(s)	Inputs Used
<i>Non-financial assets</i>				
Financial assets at fair value through profit or loss:	7,365,121	7,477,147	Market approach using recent observable market data or income approach using discounted cash flows	Price per square metre, market borrowing rate
Available-for-sale financial assets:	-	-	Market approach using recent observable market data or discounted cashflows	Price per share, market borrowing rate
	7,365,121	7,477,147	-	-

**c. Disclosed Fair Value Measurements**

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values approximate book value as disclosed in the notes:-

- accounts receivable and other debtors;
- accounts payable and other payables; and
- hire purchase liabilities.

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation techniques(s) and inputs used:

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019 (cont'd)**

**25. Fair Value Measurement (Cont'd)**

**c. Disclosed Fair Value Measurements (cont'd)**

<b>Description</b>	<b>Fair Value at Hierarchy Level</b>	<b>Valuation Technique(s)</b>	<b>Inputs Used</b>
<i>Assets</i>			
Accounts receivable and other debtors	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets

<b>Description</b>	<b>Fair Value at Hierarchy Level</b>	<b>Valuation Technique(s)</b>	<b>Inputs Used</b>
<i>Liabilities</i>			
Accounts payable and other payables	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets
Hire purchase liabilities	2	Income approach using discounted cash flow methodology	Current commercial borrowing rates for similar instruments

**26. Events Subsequent to Reporting Date**

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

**27. Fund Analysis**

For the financial year ended 31 March 2019, there was no applicable fund or account operated in respect of compulsory levies, voluntary contributions or required by the rules of the Branch and there was no transfer and/or withdrawal from a fund, account, asset or controlled entity which is kept for a specific purpose unless otherwise described in this report.



**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**INDEPENDENT AUDIT REPORT**

To the Members of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia Plumbing Division – Victorian Branch

**Report on the Audit of the Financial Report**

***Auditor's Opinion***

We have audited the accompanying general purpose financial report of the Branch, which comprises the statement of financial position as at 31 March, 2018, and the statement of comprehensive income, statement of cash flows, statement of changes in equity for the year then ended, a summary of significant accounting policies, other explanatory notes, the Committee of Management Statement, the subsection 255(2A) and the Officer Declaration Statement.

In our opinion under the Fair Work (Registered Organisations) Act 2009 (RO Act), the general purpose financial report is presented fairly in accordance with any of the following that apply in relation to the reporting unit:

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

In our opinion, there were kept by the organisation satisfactory accounting records detailing the source and nature of all income and the nature of all expenditure.

As part of our audit of the organisation for the year ended 31 March 2019, we are of the opinion that the Committee of Management's use of the going concern basis of accounting in the preparation of its financial statements is appropriate.

***Basis for Opinion***

We conducted our audit in accordance with Australian Auditing Standards. Our responsibility 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 independence requirements of Corporations Act 2001 and 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 responsibilities in accordance with the Code.

We confirm that the independence declaration, which has been given to the Committee of Management, would be in the same terms if given to the Committee as at the time of this auditor's report.

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

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND  
ALLIED SERVICES UNION OF AUSTRALIA  
PLUMBING DIVISION - VICTORIA BRANCH**

**INDEPENDENT AUDIT REPORT  
(Cont'd)**

***Committee of Management Responsibility for the Financial Report***

The Branch Committee of Management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the RO Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and true and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making estimates that are responsible in the circumstances.

In preparing the financial report, the Committee of Management are 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 intends to liquidate the Branch or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Branch's financial reporting process.

***Auditor's Responsibilities for the Audit of the Financial Report***

Our objectives are 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 our 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 auditing 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 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 audit. We remain solely responsible for our audit opinion.

### INDEPENDENT AUDIT REPORT (Cont'd)

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.

We also provide the Committee of Management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>.

We declare that Michael Shulman is a registered auditor under the RO Act.



Stannards Accountants and Advisors



Michael Shulman  
Registered Company Auditor (163888)  
Holder of Current Public Practice Certificate  
Approved Auditor (FWC Act and Regulations – AA2017/45)  
Dated: 7 May 2019



3 April 2019

Earl Setches

Branch Secretary

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services

Union of Australia-Plumbing Division Victorian Divisional Branch

Sent via email: [info@pteu.asn.au](mailto:info@pteu.asn.au)

Dear Earl Setches,

**Re: Lodgement of Financial Report - FR2019/17**  
***Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia-Plumbing Division Victorian Divisional Branch (the reporting unit) ended on 31 March 2019. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

### **Loans Grants and Donations Statement**

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 29 June 2019.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

### **Financial report**

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on your rules) no later than 30 September 2019 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported. The financial report must break down the amounts of

grants and donations and these figures will be compared to the loans, grants and donations statement (see attached *Loans Grants and Donations* fact sheet FS 009).

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

### **Auditor's report**

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (which can also be located on our website).

## **REMINDER**

### **YOUR AUDITOR MUST BE REGISTERED (s.256)**

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

### **Contact**

Should you require any clarification in relation to the above, please email [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au).

Yours faithfully,

**Kylie Ngo**  
**Registered Organisations Commission**

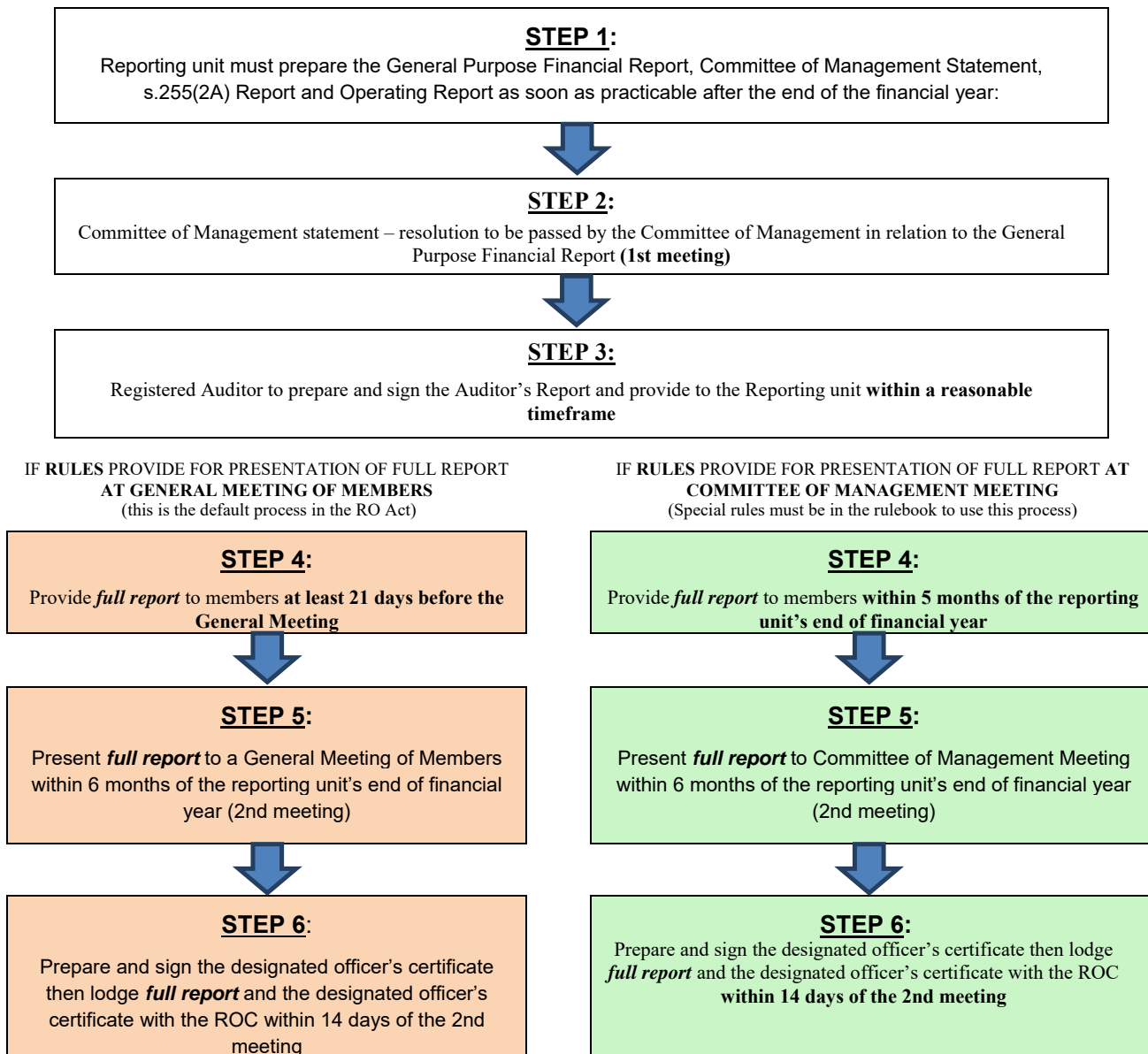


## Fact sheet

### Summary of financial reporting timelines – s.253 financial reports



















#### General Information:

- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).



## Misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Financial Reporting Process. They include:

Misconception	Requirement
 The Committee of Management statement is just copied from the Reporting Guidelines	 The Committee of Management statement must have the date of the Committee of Management resolution recorded upon it and it must be signed and dated BEFORE the auditor signs their report  Further, if any of the statements within it need to be modified to suit the reporting unit (for instance not holding meetings) these changes must also be made
 The Auditor's Report does not need to be signed until just before it is lodged with the ROC	 The Auditor's Report must be signed and dated BEFORE the full report (including the Auditor's Report) is sent to members and presented to the second meeting
 The Designated Officer's Certificate must be signed before the report is sent to members	 The Designated Officer's Certificate declares what the reporting unit HAS ALREADY DONE to provide the report to members and present it to the meeting. It must be signed and dated AFTER sending the report to members and the second meeting
 Documents can be dated when they should have been signed or when the events in the document occurred	 Documents must always be dated at the date they are actually signed by an officer or auditor
 Any auditor can audit a financial report	 Only registered auditors can audit the financial report
 The Committee of Management statement can be signed at any time	 The resolution passing the Committee of Management Statement must occur and the statement signed and dated BEFORE the auditor's report is signed and dated
 Any reporting unit can present the Full Report to a second COM meeting	 Only reporting units with a 5% rule in their rulebook are able to present their report to a second Committee of Management Meeting. Otherwise, it must be presented to a General Meeting of members
 Everything can be done at one Committee of Management meeting	 If the rules allow for presenting the report to the Committee of Management, there must still be <u>two meetings</u> . The first meeting resolves the Committee of Management statement (including signing and dating it). Between the two meetings the Auditor's report is signed and dated. Only then can the full report be presented to the second Committee of Management meeting (if the rules allow)
 The reporting unit has 6 months and 14 days to lodge their financial report with the ROC	 The reporting unit must lodge the financial report within 14 days of the second meeting

© Commonwealth of Australia 2018

This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.



## **Fact sheet**

### Loans, Grants & Donations

#### **The Loans, Grants & Donations Requirements**

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the Commissioner's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

#### **The Loans, Grants & Donations Statement**

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:

- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,\* and
- the arrangements for repaying the loan.\*







\*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL.



## Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.
 Statements can be lodged with the financial report.	 The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

## Grants & Donations within the Financial Report

Item 14(e) of the Commissioner's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [ROC's Model Statements](#) the note appears as follows:

### Note 4E: Grants or donations\*

	2017	2016
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>

The Commissioner's Reporting Guidelines requires that these line items appear in the financial statements, the notes or in the officer's declaration statement, even if the figures are NIL.

## **Implications for filing the Financial Report**

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

## **Further information**

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)