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

ABN 13 511 341 559

FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2019

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

Section 268 *Fair Work (Registered Organisations) Act 2009*

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 31 March 2019

I, Susan Riley, being the Secretary of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Victorian Telecommunications and Services Branch (Communications Workers Union, Victorian Telecommunications and Services Branch) certify:

- that the documents lodged herewith are copies of the full report for the Communications Workers Union, Victorian Telecommunications and Services Branch for the period ended 31 March 2019 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and

- the full report was provided to members of the reporting unit on the 5 August 2019 in accordance with s.265 of the *Fair Work (Registered Organisations) Act 2009*; and

- the full report was presented to a general meeting of members of the reporting unit on 27 August 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: Susan Riley

Name of prescribed designated officer: Susan Riley

Office Held: Branch Secretary, Communications Workers Union, Victorian Telecommunications and Services Branch

Date: 27th August 2019

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, TELECOMMUNICATIONS AND SERVICES BRANCH (VICTORIA)
ABN 13 511 341 559

REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 31 MARCH 2019

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

Categories of expenditures	**2019** **$**	**2018** **$**
Remuneration and other employment-related costs and expenses - employees	306,115	355,586
Advertising	-	-
Operating costs	147,972	128,907
Donations to political parties	-	-
Legal costs	53,730	5,655

Signature of prescribed designated officer: ....Susan Riley........

Name of prescribed designated officer: ....SUSAN RILEY........

Title of prescribed designated officer: ....BRANCH SECRETARY........

Dated: ....01/08/19........

OPERATING REPORT

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 ("Act") the Committee of Management present their Operating Report on Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Telecommunications and Services Branch (Victoria) ("the Union"), the relevant Reporting Unit for the financial year ended 31 March 2019.

Principal activities
The principal activities of the Union during the financial year were to provide industrial and organising services to members of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Telecommunications and Services Branch (Victoria), consistent with the objectives of the Union and particularly the objective of protecting and improving the interests of the members.

Operating result
The results of the principal activities of the Union during the financial year was to further the interests of communications workers through improvements in wages and conditions, health and safety, legal rights and company compliance with Australian labour standards.

The operating profit of the Union for the financial year was $32,233 (2018: $250,634). No provision for tax was necessary as the Union is exempt from income tax.

The other comprehensive income of the Union for the financial year was a loss of $254 (2018: $27,420 loss). The other comprehensive income was in regards to the revaluation of financial assets at the end of the financial year.

The total comprehensive income of the Union for the financial year was $31,979 (2018: $223,214).

Significant changes in financial affairs
There were no significant changes in the principal activities or financial affairs of the Union during the financial year.

Rights of members to resign
Pursuant to the Reporting Unit Rule 21 and Section 174 of the Fair Work (Registered Organisations) Act 2009, members have the right to resign from membership by providing written notice addressed to and delivered to the Secretary of the Reporting Unit.

A notice of resignation from membership of the Union takes effect:

(a) where the member ceases to be eligible to become a member of the Union
- (i) on the day on which the notice is received by the Union
- (ii) on the day specified in the notice which is a day not earlier than the day when the member ceases to be eligible to become a member;

whichever is the later, or

(b) in any other case:
- (i) at the end of two weeks after the notice is received by the Union, or
- (ii) on the day specified in the notice

whichever is the later.

Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

No other officer or member of the Union is:

(a) is a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
(b) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

OPERATING REPORT continued

Other Prescribed Information

In accordance with Regulation 159 of the Fair Work (Registered Organisations) Regulations 2009 ("Regulations"):

(a) the number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for Section 230 of the Act and who are taken to be members of the Union under section 244 of the Act was 1,555 (2018: 1,584).

(b) the number of persons who were, at the end of the financial year to which the report relates, employees of the Union, where the number of employees includes both full-time and part-time employees, measured on a full-time equivalent basis was 2.6.

(c) the names of each person who have been a member of the Committee of Management of the Union at any time during the reporting period, and the period for which he or she held such a position were;

Name	
Kelvin Welbourn	Branch President (Honorary)
Amy Stubberfield	Branch Vice-President (Honorary)
Susan Riley	Branch Secretary
Christopher John Ellery	Branch Assistant Secretary
Paul Lightfoot	Committee of Management Technical Division
Neil Johnson	Committee of Management Technical Division
Ian McCallum	Committee of Management Technical Division
Robert Parker	Committee of Management Technical Division
David Smithwick	Committee of Management Technical Division
Mark Dennis	Committee of Management Technical Division
Scott Thomson	Committee of Management Technical Division
David Francey	Committee of Management Technical Division
Andrew Young	Committee of Management Technical Division
Maureen Parker	Committee of Management Operator Division

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

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

For Committee of Management: Susan Riley
Title of Office held: Branch Secretary

Signature: Susan Riley

Dated: 01/08/19

Melbourne

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, TELECOMMUNICATIONS AND SERVICES BRANCH (VICTORIA)
ABN 13 511 341 559

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

On 30 July 2019 the Committee of Management of the Communications, Electrical, Electronic, Energy,Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Telecommunications and Services Branch (Victoria) passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 March 2019:

The Committee of Management declares that in its opinion:

(a) the financial statements and notes comply with the Australian Accounting Standards;

(b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);

(c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;

(d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and

(e) during the financial year to which the GPFR relates and since the end of that year:

   (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and

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

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

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

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

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

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

Signature of designated officer: Susan Riley

Name and title of designated officer: Susan Riley - Branch Secretary

Dated: 01/08/19

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, TELECOMMUNICATIONS AND SERVICES BRANCH (VICTORIA)
ABN 13 511 341 559

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 $	2018 $
Revenue			
Membership subscription		**697,413**	706,771
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	**771**	-
Contributions	3D	-	190,966
Other revenue		**28,429**	41,780
Total revenue		**726,613**	939,517
Other Income			
Grants and/or donations	3E	-	-
Revenue from recovery of wages activity	3F	-	-
Total other income		-	-
Total income		**726,613**	939,517
Expenses			
Employee expenses	4A	**306,115**	355,586
Capitation fees	4B	**146,412**	161,656
Affiliation fees	4C	**4,956**	6,067
Administration expenses	4D	**147,972**	128,907
Grants or donations	4E	-	182
Depreciation and amortisation	4F	**9,997**	6,326
Legal costs	4G	**53,730**	5,655
Audit fees	13	**18,580**	18,050
Write-down and impairment of assets	4H	**2,064**	507
Net losses from sale of assets	4I	-	1,532
Other expenses	4J	**4,554**	4,415
Total expenses		**694,380**	688,883
Profit (loss) for the year		**32,233**	250,634
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss		-	-
Gain/(loss) on revaluation of financial assets		**(254)**	(27,420)
Total comprehensive income/(loss) for the year		**31,979**	223,214

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

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, TELECOMMUNICATIONS AND SERVICES BRANCH (VICTORIA)
ABN 13 511 341 559

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Notes	2019 $	2018 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	**156,690**	113,422
Trade and other receivables	5B	**20,311**	12,500
Other current assets	5C	**3,727**	3,482
Total current assets		**180,728**	129,404
Non-Current Assets			
Plant and equipment	6A	**27,354**	25,618
Intangibles	6B	**565**	870
Other financial assets	6C	**617,691**	627,041
Total non-financial assets		**645,610**	653,529
Total assets		**826,338**	782,933
LIABILITIES			
Current Liabilities			
Trade payables	7A	**34,918**	32,404
Other payables	7B	**35,147**	28,251
Employee provisions	8A	**125,043**	123,027
Total current liabilities		**195,108**	183,682
Non-Current Liabilities			
Employee provisions	8A	**-**	-
Total non-current liabilities		**-**	-
Total liabilities		**195,108**	183,682
Net assets		**631,230**	599,251
EQUITY			
Financial reserves	9A	**8,566**	8,820
Retained earnings		**622,664**	590,431
Total equity		**631,230**	599,251

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

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

	Notes	Fair value reserve for financial assets at FVTOCI*	Retained earnings	Total equity
		$	$	$
Balance as at 1 April 2017		36,240	339,797	376,037
Profit for the year		-	250,634	250,634
Other comprehensive income for the year		(27,420)	-	(27,420)
Closing balance as at 31 March 2018		8,820	590,431	599,251
Profit for the year		**-**	**32,233**	**32,233**
Other comprehensive loss for the year		**(254)**	**-**	**(254)**
Closing balance as at 31 March 2019		**8,566**	**622,664**	**631,230**

* Prior to the application of AASB 9 on 1st April 2018, this reserve was known as the Financial Reserve.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 $	2018 $
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	10B	**7,555**	7,477
Interest		**771**	-
Other		**757,304**	772,838
		765,630	780,315
Cash used			
Employees		**(291,327)**	(356,324)
Suppliers		**(282,345)**	(217,501)
Payment to other reporting units/controlled entity(s)	10B	**(174,762)**	(194,987)
Net cash from (used by) operating activities	10A	**17,196**	11,503
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	1,500
Other -Proceeds from redemption of investments		**37,500**	30
Cash used			
Purchase of plant and equipment		**(11,428)**	(12,782)
Net cash from investing activities		**26,072**	(11,252)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Cash used			
Repayment of borrowings		-	-
Net cash from (used by) financing activities		-	-
Net increase (decrease) in cash held		**43,268**	251
Cash & cash equivalents at the beginning of the reporting period		**113,422**	54,618
Reclassification of cash and cash equivalents to other investments		-	-
Reclassification of other investments to cash and cash equivalents		-	58,553
Cash & cash equivalents at the end of the reporting period	5A	**156,690**	113,422

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

Index to the Notes to the Financial Statements

Note 1Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

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

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

1.2 Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. There has been no adjustments made for this financial year end's comparative figures.

1.3 Significant accounting judgements and estimates

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

The Committee of Management assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- AASB 9 Financial Instruments and relevant amending standards, which replaces AASB 139 Financial Instruments: Recognition and Measurement.

AASB 9 Financial Instruments (AASB 9) replaces AASB139 Financial Instruments: Recognition and Measurement (AASB 139) for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The reporting unit has applied AASB 9 retrospectively, with an initial application date of 1 July 2018. The reporting unit has not restated the comparative information, which continues to be reported under AASB 139. No differences have arisen from the adoption of AASB 9.

Note 1Summary of significant accounting policies continued

1.4 New Australian Accounting Standards continued

Adoption of New Australian Accounting Standard Requirements continued

The classification and measurement requirements of AASB 9 did not have a significant impact to the reporting unit.

Trade receivables and other non-current financial assets (i.e., Loan to a related party) previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as debt instruments at amortised cost.

The adoption of AASB 9 has fundamentally changed the reporting unit's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking ECL approach. AASB 9 requires the reporting unit to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets, i.e. those held at amortised cost and at FVTOCI.

Upon adoption of AASB 9, the reporting unit is not required to recognise additional impairment on trade and other receivables.

Future Australian Accounting Standards Requirements

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

Standard Name	**Effective date for entity**	**Requirements**	**Impact**
AASB 15 Revenue from contracts with customers AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 AASB 2015–8 Amendments to Australian Accounting Standards – Effective date of AASB 15	31 March 2020	AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services. Accounting policy changes will arise in timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element. AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.	The changes in revenue recognition requirements in AASB 15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures. The impact of AASB 15 has not yet been quantified.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Note 1Summary of significant accounting policies continued

1.4 New Australian Accounting Standards continued

Future Australian Accounting Standards Requirements

Standard Name	Effective date for entity	Requirements	Impact
AASB16 Leases	31 March 2020	AASB 16 will cause the majority of leases of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low value assets which may remain off-balance sheet. The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments. A corresponding right to use asset will be recognised which will be amortised over the term of the lease. Rent expense will no longer be shown; the profit and loss impact of the leases will be through amortisation and interest charges.	Whilst the impact of AASB 16 has not yet been quantified, the entity currently has $76,856 worth of operating leases which we anticipate will be brought onto the statement of financial position. Interest and amortisation expense will increase and rental expense will decrease.

1.5 Revenue

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

Donation income is recognised when it is received.

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

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

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

Note 1Summary of significant accounting policies continued

1.6 Government grants

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

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

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

1.7 Gains

Sale of assets

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

1.8 Capitation fees and levies

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

1.9 Employee benefits

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

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

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

Note 1Summary of significant accounting policies continued

1.9 Employee benefits continued

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

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

1.10 Leases

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

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

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

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

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

1.11 Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

1.12 Cash

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

Note 1Summary of significant accounting policies continued

1.13 Financial instruments

Financial assets and financial liabilities are recognised when a reporting unit entity becomes a party to the contractual provisions of the instrument.

1.14 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the reporting unit's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the reporting unit initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The reporting unit's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the reporting unit commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:
• (Other) financial assets at amortised cost
• (Other) financial assets at fair value through other comprehensive income
• Investments in equity instruments designated at fair value through other comprehensive income
• (Other) financial assets at fair value through profit or loss
• (Other) financial assets designated at fair value through profit or loss

Financial assets at amortised cost

The reporting unit measures financial assets at amortised cost if both of the following conditions are met:

• The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and

• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Note 1Summary of significant accounting policies continued

1.14 Financial assets continued

Financial assets at amortised cost continued

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The reporting unit's financial assets at amortised cost includes trade receivables and loans to related parties.

Financial assets at fair value through other comprehensive income

The reporting unit measures debt instruments at fair value through OCI if both of the following conditions are met:

• The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and

• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The [reporting unit's] debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Investments in equity instruments designated at fair value through other comprehensive income

Upon initial recognition, the [reporting unit] can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the [reporting unit] benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The reporting unit elected to classify irrevocably its listed and non-listed equity investments under this category.

Note 1Summary of significant accounting policies continued

1.14 Financial assets continued

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition

A financial asset is derecognised when:

• The rights to receive cash flows from the asset have expired or

• The [reporting unit] has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

a) the reporting unit has transferred substantially all the risks and rewards of the asset, or

b) the reporting unit has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the reporting unit has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the [reporting unit] continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Note 1Summary of significant accounting policies continued

1.14 Financial assets continued

Impairment

(i) Trade receivables

For trade receivables that do not have a significant financing component, the reporting unit applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the reporting unit does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The reporting unit has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the reporting unit recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the reporting unit expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:
• Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).

• Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The [reporting unit] considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the [reporting unit] may also consider a financial asset to be in default when internal or external information indicates that the [reporting unit] is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

1.14 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The reporting unit's financial liabilities include trade and other payables.

Note 1Summary of significant accounting policies continued

1.15 Financial liabilities continued

Subsequent measurement

Financial liabilities at fair value through profit or loss (including designated)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

1.16 Contingent liabilities and contingent assets

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

1.17 Land, buildings, plant and equipment

Asset recognition threshold

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

Revaluations—land and buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such

Note 1Summary of significant accounting policies continued

1.17 Land, buildings, plant and equipment continued

that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

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

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

Class of Fixed Asset	**Depreciation Rate**
Motor Vehicles	10% - 25%
Office Equipment	2% - 50%
Leasehold improvements	20%

Derecognition

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

1.18 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of reporting unit intangible assets are:

	2019	2018
Intangibles	**35%**	35%

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

Note 1Summary of significant accounting policies continued

1.19 Impairment for non-financial assets

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

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

1.20 Non-current assets held for sale

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

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

1.21 Taxation

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

Revenues, expenses and assets are recognised net of GST except:
- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

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

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

Note 1Summary of significant accounting policies continued

1.22 Fair value measurement

The reporting unit measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 15A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the reporting unit. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the reporting unit determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the reporting unit has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Note 2 Events after the reporting period

There were no events that occurred after 31 March 2019, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of reporting unit.

	2019	2018
	$	$
Note 3 Income		
Note 3A: Capitation fees*		
CEPU Divisional Conference	-	-
CEPU National Council	-	-
Total capitation fees	-	-
Note 3B: Levies*		
Levies	-	-
Total levies	-	-
Note 3C: Interest		
Deposits	771	-
Loans	-	-
Total interest	771	-
Note 3D: Contributions		
CEPU Divisional Conference	-	190,966
Total contributions	-	190,966
Note 3E: Grants or donations*		
Grants	-	-
Donations	-	-
Total grants or donations	-	-

*As required by the Reporting Guidelines. Item to remain even if 'nil'

Note 1Summary of significant accounting policies continued

1.23 Financial Support

Communications, electrical, electronic, energy, information, postal, plumbing and allied services union of Australia, communications division, telecommunications and services branch (Victoria) did not receive or offer financial support from/to another reporting unit during the financial year.

1.24 Going Concern

At 31 March 2019, the Union reported a net current asset deficiency of $14,380. Notwithstanding this factor, the financial report has been prepared on the basis that the Union is a going concern, which assumes continuity of normal business activities and the realisation and the settlement of liabilities in the normal course of business.

The Union has $617,691 of investments under management which are classified as non-current assets in the Statement of financial position as at 31 March 2019. Restrictions are placed on the use of these funds imposed by the National Council. However, management is of the view that the Union has access to these investment funds for operational expenses as and when required pursuant to Rule 58 of the Union's rules and based on previous usage of the funds.

If the Union is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial report.

No adjustments have been made to the financial report relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Union not continue as going concern.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	$	$
Note 3F: Revenue from recovery of wages activity*		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
Total revenue from recovery of wages activity	-	-

Note 4 Expenses

Note 4A: Employee expenses*

	2019	2018
Holders of office:		
Wages and salaries	**179,254**	213,820
Superannuation	**25,782**	32,146
Leave and other entitlements	**4,410**	7,480
Separation and redundancies	-	-
Other employee expenses	**13,355**	14,269
Subtotal holders of office	**222,801**	267,715
Employees other than office holders:		
Wages and salaries	**71,067**	79,844
Superannuation	**9,305**	10,660
Leave and other entitlements	**(2,394)**	(12,202)
Separation and redundancies	-	3,985
Other employee expenses	**5,336**	5,584
Subtotal employees other than office holders	**83,314**	87,871
Total employee expenses	**306,115**	355,586

Note 4B: Capitation fees*

	2019	2018
CEPU Divisional Conference	**141,807**	157,033
CEPU National Council	**4,605**	4,623
Total capitation fees	**146,412**	161,656

*As required by the Reporting Guidelines. Item to remain even if 'nil'

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

	2019 $	2018 $
Note 4C: Affiliation fees*		
Ballarat Trades Hall Council	**1,100**	1,100
Bendigo Trades Hall Council	**760**	760
Geelong Trades Hall Council	**333**	335
Miscellaneous	**25**	290
Victorian Trades Hall Council	**2,353**	3,080
Gippsland Trades & Labour Council	**309**	309
Goulburn Valley Trades & Labour Council	**76**	193
Total affiliation fees/subscriptions	**4,956**	6,067
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	**1,811**	1,834
Contractors/consultants	-	-
Property expenses	**26,518**	26,028
Office expenses	**46,984**	33,817
Information communications technology	-	(151)
Debts forgiven by CEPU Divisional Conference	-	-
Other	**54,397**	49,912
Subtotal administration expense	**129,710**	111,440
Operating lease rentals:		
Minimum lease payments	**18,262**	17,467
Total administration expenses	**147,972**	128,907

*As required by the Reporting Guidelines. Item to remain even if 'nil'

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	$	$
Note 4E: Grants or donations*		
Grants:		
Total paid that were $1,000 or less	-	-
Total paid that exceeded $1,000	-	-
Donations:		
Total paid that were $1,000 or less	-	182
Total paid that exceeded $1,000	-	-
Total grants or donations	-	182

	2019	2018
Note 4F: Depreciation and amortisation		
Depreciation		
Land & buildings	-	-
Property, plant and equipment	9,692	5,857
Total depreciation	9,692	5,857
Amortisation		
Intangibles	305	469
Total amortisation	305	469
Total depreciation and amortisation	9,997	6,326

	2019	2018
Note 4G: Legal costs*		
Litigation	-	-
Other legal matters	53,730	5,655
Total legal costs	53,730	5,655

	2019	2018
Note 4H: Write-down and impairment of assets		
Asset write-downs and impairments of:		
Land and buildings	-	-
Plant and equipment	-	-
Intangible assets	-	-
Doubtful debt provision	2,064	507
Total write-down and impairment of assets	2,064	507

*As required by the Reporting Guidelines. Item to remain even if 'nil'

	2019 $	2018 $
Note 4I: Net losses from sale of assets		
Land and buildings	-	-
Plant and equipment	-	1,532
Intangibles	-	-
Total net losses from asset sales	-	1,532
Note 4J: Other expenses		
Penalties - via RO Act or RO Regulations	-	-
Computer expenses	**4,554**	4,415
Total other expenses	**4,554**	4,415

Note 5 Current assets

Note 5A: Cash and cash equivalents

	2019 $	2018 $
Cash at bank	**97,430**	54,869
Other – cash management account	**59,260**	58,553
Total cash and cash equivalents	**156,690**	113,422

Note 5B: Trade and other receivables

	2019 $	2018 $
Receivables		
Trade receivables	-	-
Members' dues in arrears	**34,642**	28,475
Receivable from other reporting unit – CEPU P&T	**3,708**	-
Total receivables	**38,350**	28,475
Less provision for doubtful debts		
Members' dues in arrears-provision for impairment	**(18,039)**	(15,975)
Total provision for doubtful debts	**(18,039)**	(15,975)
Receivable	**20,311**	12,500
Other receivables:		
Other receivables	-	-
Total other receivables	-	-
Total trade and other receivables (net)	**20,311**	12,500

	2019	2018
	$	$
Note 5C: Other current assets		
Prepayments	**3,727**	3,482
Total other current assets	**3,727**	3,482

Note 6 Non-current assets

Note 6A: Plant and equipment

	2019	2018
Plant and equipment:		
Office equipment		
at cost	**103,212**	91,784
accumulated depreciation	**(88,343)**	(83,376)
	14,869	8,408
Motor vehicles		
at cost	**23,536**	23,536
accumulated depreciation	**(11,051)**	(7,104)
	12,485	16,432
Leasehold improvements		
at cost	**8,950**	8,950
accumulated depreciation	**(8,950)**	(8,172)
	-	778
Total plant and equipment	**27,354**	25,618

Reconciliation of the opening and closing balances of plant and equipment

	2019	2018
As at 1 April		
Gross book value	**124,270**	120,625
Accumulated depreciation and impairment	**(98,652)**	(98,900)
Net book value 1 April	**25,618**	21,725
Additions:		
By purchase	**11,428**	12,782
Impairments	**-**	-
Depreciation expense	**(9,692)**	(5,857)
Disposals:	**-**	(3,032)
Net book value 31 March	**27,354**	25,618
Net book value as of 31 March represented by:		
Gross book value	**135,698**	124,270
Accumulated depreciation and impairment	**(108,344)**	(98,652)
Net book value 31 March	**27,354**	25,618

	2019	2018
	$	$
Note 6B: Intangibles		
Computer website at cost:		
internally developed	-	-
Purchased	**9,540**	9,540
accumulated amortisation	**(8,975)**	(8,670)
Total intangibles	**565**	870
Reconciliation of the opening and closing balances of intangibles		
As at 1 April		
Gross book value	**9,540**	9,540
Accumulated amortisation and impairment	**(8,670)**	(8,201)
Net book value 1 April	**870**	1,339
Additions:		
By purchase	-	-
Amortisation	**(305)**	(469)
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	-
Net book value 31 March	**565**	870
Net book value as of 31 March represented by:		
Gross book value	**9,540**	9,540
Accumulated amortisation and impairment	**(8,975)**	(8,670)
Net book value 31 March	**565**	870
Note 6C: Other financial assets		
Financial assets		
Unlisted Investments at cost:		
3CR	-	500
International Bookshop Co-Op	-	100
Total unlisted Investments at cost:	-	600
Available for sale financial assets:		
Shares in Telstra at cost	-	746
Investment in managed funds at fair value	-	625,695
Total available for sale financial assets	-	627,041
Total other investments	-	627,041
Financial assets designated at fair value through other comprehensive income	**617,691**	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	$	$
Note 7 Current liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	**19,310**	16,057
Operating lease rentals	-	-
Subtotal trade creditors	**19,310**	16,057
Payables to other reporting unit[s]*		
CEPU Divisional Conference	**10,542**	11,262
CEPU National Council	**5,066**	5,085
Subtotal payables to other reporting unit[s]	**15,608**	16,347
Total trade payables	**34,918**	32,404

Settlement is usually made within 30 days.

Note 7B: Other payables

	2019	2018
Wages and salaries	-	-
Superannuation	-	-
Consideration to employers for payroll deductions*	-	-
Legal costs*	-	-
Prepayments received/unearned revenue	**37,468**	27,475
GST payable	**(3,729)**	(1,643)
Other	**1,408**	2,419
Total other payables	**35,147**	28,251
Total other payables are expected to be settled in:		
No more than 12 months	**35,147**	28,251
More than 12 months	-	-
Total other payables	**35,147**	28,251

*As required by the Reporting Guidelines. Item to remain even if 'nil'

	2019	2018
	$	$

Note 8 Provisions

Note 8A: Employee provisions*

	2019	2018
Office Holders:		
Annual leave	**23,827**	21,197
Long service leave	**68,554**	66,774
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	**92,381**	87,971
Employees other than office holders:		
Annual leave	**12,055**	16,151
Long service leave	**20,607**	18,905
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—employees other than office holders	**32,662**	35,056
Total employee provisions	**125,043**	123,027
Current	**125,043**	123,027
Non-Current	-	-
Total employee provisions	**125,043**	123,027

Note 9 Equity

Note 9A: Financial Value Reserve for Financial Assets at FVTOCI

	2019	2018
Financial value reserve for financial assets at FVTOCI		
Balance as at start of year	**8,820**	36,240
Transferred to/(from) reserve	**(254)**	(27,420)
Transferred out of reserve	-	-
Balance as at end of year	**8,566**	8,820

*As required by the Reporting Guidelines. Item to remain even if 'nil'

	2019 $	2018 $
Note 9 Equity continued		
Note 9B: Other Specific disclosures - Funds*		
Compulsory levy/voluntary contribution fund – if invested in assets		
	-	-
Other fund(s) required by rules		
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-
Note 10 Cash flow		
Note 10A: Cash flow reconciliation		
Cash and cash equivalents as per:		
Statement of cash flows	**156,690**	113,422
Statement of financial position	**156,690**	113,422
Difference	-	-
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	**32,233**	250,634
Adjustments for non-cash items		
CEPU Divisional Conference - contribution	-	(190,966)
Employee redundancy payment by CEPU Divisional Conference	-	190,966
Depreciation/amortisation	**9,997**	6,326
Investment distributions reinvested	**(28,404)**	(41,777)
Loss on disposal of assets	-	1,532
Bad and doubtful debts	**2,064**	507

*As required by the Reporting Guidelines. Item to remain even if 'nil'

	2019	2018
	$	$
Note 10 Cash flow continued		
Note 10A: Cash flow reconciliation continued		
Changes in assets/liabilities		
(Increase)/decrease in net receivables	**(9,875)**	2,864
(Increase)/decrease in prepayments	**(245)**	257
Increase/(decrease) in supplier payables	**9,410**	(17,136)
Increase/(decrease) in other payables	-	-
Increase/(decrease) in employee provisions	**2,016**	(191,704)
Increase/(decrease) in other provisions	-	-
Net cash from (used by) operating activities	**17,196**	11,503
Note 10B: Cash flow information*		
Cash inflows		
CEPU Divisional conference	-	-
CEPU P&T	**7,555**	7,477
Total cash inflows	**7,555**	7,477
Cash outflows		
CEPU Divisional conference	**(169,676)**	(189,668)
CEPU National Council	**(5,086)**	(5,319)
Total cash outflows	**(174,762)**	(194,987)
Non cash flows in profit		
CEPU Divisional conference – contribution for payment of employee redundancy	-	190,966

	2019	2018
	$	$

Note 11 Contingent liabilities, assets and commitments

Note 11A: Commitments and contingencies

Details of the nature of the leases and the average remaining term

Future minimum rentals payable under non-cancellable operating leases as at 31 March are as follows:

	2019	2018
Within one year	**16,889**	14,636
After one year but not more than five years	**59,967**	32,323
More than five years	-	-
	76,856	46,959
Within one year	-	-
After one year but not more than five years	-	-
After five years	-	-
	-	-

Finance lease commitments—as lessee

	2019	2018
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
Total minimum lease payments	-	-
Less amounts representing finance charges	-	-
Present value of minimum lease payments	-	-
Included in the financial statements as:	-	-
Current interest-bearing loans and borrowings	-	-
Non-current interest-bearing loans and borrowings	-	-
Total included in interest-bearing loans and borrowings	-	-

Finance leases—lessor

	2019	2018
Minimum lease payments	-	-
Unguaranteed residual value	-	-
Gross investment	-	-
Unearned finance income	-	-
Net investment (present value of the minimum lease payments)	-	-

Note 11 Contingent liabilities, assets and commitments

Note 11A: Commitments and contingencies continued

	2019	2018
	$	$
Gross amount of minimum lease payments:		
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
Total gross amount of minimum lease payments	-	-
Present value of minimum lease payments:		
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
Total present value of minimum lease payments	-	-

Note 11A: Commitments and contingencies

Contingent Liabilities

An employee of the Union was made redundant in the financial year ended 31 March 2017 of which a provision was included in Employee Provisions (other than Office holders) at 31 March 2017. Payment of the redundancy from the investment funds of the Union was blocked by the CEPU Divisional Conference in Court. Legal action taken by the employee resulted in the CEPU Divisional Conference paying the redundancy of $190,966 (less withholding tax) in the financial year ended 31 March 2018. The Union is of the view that this amount is an income contribution from the CEPU Divisional Conference under the Rules and has accounted for the $190,966 as such in the financial statements for 31 March 2018.

The CEPU Divisional Conference has advised that the amount is a loan to the Union and has initiated legal proceedings against the Union for recovery. The action is being defended by the Union. It is not practical at the date of this report to comment further on this matter as it may prejudice the outcome.

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

	2019	2018
	$	$

Note 12 Related party disclosures

Note 12A: Related party transactions for the reporting period

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

	2019 $	2018 $
Revenue received from related party includes the following:		
CEPU P&T insurance and electronic mailing reimbursement	**10,432**	7,477
CEPU Divisional Conference contribution	-	190,966
Expenses paid to related party includes the following:		
CEPU Divisional Conference – capitation fees	**141,807**	157,033
CEPU Divisional Conference – payroll tax	**12,772**	14,979
CEPU National Council	**4,605**	4,623
Debts forgiven by related party includes the following:		
CEPU Divisional Conference – other fees	-	-
Amounts owed by related party include the following:		
CEPU Divisional Conference	-	-
CEPU P&T	**3,708**	-
Amounts owed to related party include the following:		
CEPU Divisional Conference	**10,542**	11,262
CEPU National Council	**5,066**	5,085

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the yearend are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2019, the reporting unit has recorded no impairment of receivables relating to amounts owed by related parties and declared person or body (2018: $NIL). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

No property was transferred throughout the year.

Note 12B: Key management personnel remuneration for the reporting period

	2019	2018
	$	$
Short-term employee benefits		
Salary (including annual leave taken)	**179,254**	213,820
Annual leave accrued	**12,586**	19,831
Performance bonus	-	-
Other	-	-
Total short-term employee benefits	**191,840**	233,651
Post-employment benefits:		
Superannuation	**25,782**	32,146
Total post-employment benefits	**25,782**	32,146
Other long-term benefits:		
Long-service leave	**1,780**	10,988
Total other long-term benefits	**1,780**	10,988
Termination benefits	-	-
Total	**219,402**	276,785

Note 12C: Transactions with key management personnel and their close family members

Loans to/from key management personnel		
NA	-	-
Other transactions with key management personnel		
NA	-	-

Note 13 Remuneration of auditors

Value of the services provided		
Financial statement audit services	**14,000**	13,500
Other services – Financial statements, FBT and accounting advice	**4,580**	4,550
Total remuneration of auditors	**18,580**	18,050

No other services were provided by the auditors of the financial statements.

Note 14 Financial instruments

The entity's financial instruments consist mainly of deposits with banks, investments, accounts receivable and accounts payable.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

Note 14A: Categories of financial instruments

	2019 $	2018 $
Financial assets		
Fair value through profit or loss:		
At amortised cost:		
Trade receivables	**20,311**	-
Fair value through OCI:		
Investments	**617,691**	-
Total	**638,002**	-
Held-to-maturity investments:		
Cash and cash equivalents	**156,690**	113,422
Total	**156,690**	113,422
Available-for-sale assets:		
Investments at fair value	-	625,695
Unlisted investments as cost	-	1,346
Total	-	627,041
Loans and receivables:		
Trade receivables	-	12,500
Total	-	-
Carrying amount of financial assets	**794,692**	752,963
Financial liabilities		
Fair value through profit or loss:		
NA	-	-
Total	-	-
Other financial liabilities:		
Trade and other payables	**70,065**	60,655
Total	**70,065**	60,655
Carrying amount of financial liabilities	**70,065**	60,655

	2019	2018
	$	$
Note 14B: Net income and expense from financial assets		
Held-to-maturity		
Interest revenue	-	-
Exchange gains/(loss)	-	-
Impairment	-	-
Gain/loss on disposal	-	-
Net gain/(loss) held-to-maturity	-	-
Loans and receivables / amortised cost		
Interest revenue	-	-
Exchange gains/(loss)	-	-
Impairment	**(2,064)**	(507)
Gain/loss on disposal	-	-
Net gain/(loss) from loans and receivables	**(2,064)**	(507)
Available for sale / Fair value through OCI		
Interest revenue	-	-
Dividend revenue	**28,404**	41,747
Exchange gains/(loss)	-	-
Gain/loss recognised in equity	**(254)**	(27,420)
Amounts reversed from equity:	-	
Impairment	-	-
Fair value changes reversed on disposal	-	-
Gain/loss on disposal	-	-
Net gain/(loss) from available for sale	**28,150**	14,327
Fair value through profit and loss		
Held for trading:		
Change in fair value	-	-
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
Total held for trading	-	-
Designated as fair value through profit and loss:		
Change in fair value	-	-
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
Total designated as fair value through profit and loss	-	-
Net gain/(loss) at fair value through profit and loss	-	-
Net gain/(loss) from financial assets	**26,086**	13,820

The net income/expense from financial assets is $26,086 (2018: $13,820).

Note 14C: Net income and expense from financial liabilities

The net income/expense from financial liabilities not at fair value from profit and loss is $Nil (2018:$Nil).

Note 14D: Credit risk

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

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

Credit risk exposures

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

There is no collateral held by the entity securing trade and other receivables.

The entity has no significant concentrations of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 5B.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 7A.
The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2019	2018
	$	$
Financial assets		
Trade and other receivables	**20,311**	12,500
Other investments	**617,691**	627,041
Total	**638,002**	639,541
Financial liabilities		
Trade and other payables	**70,065**	60,655
Total	**70,065**	60,655

In relation to the entity's gross credit risk the following collateral is held: None

Note 14D: Credit risk continued

Ageing of financial assets that were past due but not impaired for 2019

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Trade and other receivables	4,076	198	459	15,578	20,311
Total	4,076	198	459	15,578	20,311

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

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Trade and other receivables	5,939	3,486	3,075	-	12,500
Total	5,939	3,486	3,075	-	12,500

Note 14E: Liquidity risk

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

- preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

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

Note 14E: Liquidity risk continued

2019	On Demand	< 1 year $	1– 2 years $	2– 5 years $	>5 years $	Total $
Trade and other payables	-	70,065	-	-	-	70,065
Total	-	**70,065**	-	-	-	**70,065**
2018	**On Demand**	**< 1 year $**	**1– 2 years $**	**2– 5 years $**	**>5 years $**	**Total $**
Trade and other payables	-	60,655	-	-	-	60,655
Total	-	60,655	-	-	-	60,655

Note 14F: Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows.

Sensitivity analysis of the risk that the entity is exposed to for 2019

	Risk variable	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Interest rate risk	**156,690**	**+0.2%**	**313**	**313**
Interest rate risk	**156,690**	**-0.2%**	**(313)**	**(313)**

Sensitivity analysis of the risk that the entity is exposed to for 2018

	Risk variable	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Interest rate risk	113,422	+0.2%	227	227
Interest rate risk	113,422	-0.2%	(227)	(227)

Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

Note 14F: Market risk continued

Sensitivity analysis of the risk that the entity is exposed to for 2019

	Risk variable	Change in risk variable %	Effect on Profit and loss	Effect on Equity
			$	$
Other price risk	**617,691**	**+0.2%**	**1,235**	**1,235**
Other price risk	**617,691**	**-0.2%**	**(1,235)**	**(1,235)**

Sensitivity analysis of the risk that the entity is exposed to for 2018

	Risk variable	Change in risk variable %	Effect on Profit and loss	Effect on Equity
			$	$
Other price risk	627,041	+0.2%	1,254	1,254
Other price risk	627,041	-0.2%	(1,254)	(1,254)

Note 14G: Asset pledged/or held as collateral

There were no assets pledged or held as collateral as at 31 March 2019 (2018: $Nil).

Note 15 Fair value measurement

Note 15A: Financial assets and liabilities

Management of the reporting unit assessed that [cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The performance risk as at 31 March 2019 was assessed to be insignificant.

Note 15 Fair value measurement

Note 15A: Financial assets and liabilities continued

- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.

- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the reporting entity based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 March 2019 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	Carrying amount 2019 $	Fair value 2019 $	Carrying amount 2018 $	Fair value 2018 $
Financial Assets				
Cash and cash equivalents	**156,690**	**156,690**	113,422	113,422
Trade and other receivables	**20,311**	**20,311**	12,500	12,500
Other investments	**617,691**	**617,691**	627,041	627,041
Total	**794,692**	**794,692**	752,963	752,963
Financial Liabilities				
Trade and other payables	**70,065**	**70,065**	60,655	60,655
Total	**70,065**	**70,065**	60,655	60,655

Note 16 Administration of financial affairs by a third party

Name of entity providing service:	-
Terms and conditions:	-
Nature of expenses/consultancy service:	-

Detailed breakdown of revenues collected and/or expenses incurred

Revenue		
Membership subscription	-	-
Capitation fees	-	-
Levies	-	-
Interest	-	-
Rental revenue	-	-
Other revenue	-	-
Grants and/or donations	-	-
Total revenue	-	-
Expenses		
Employee expense	-	-
Capitation fees	-	-
Affiliation fees	-	-
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	-	-
Administration expenses	-	-
Grants or donations	-	-
Finance costs	-	-
Legal costs	-	-
Audit fees	-	-
Penalties - via RO Act or the *Fair Work Act 2009*	-	-
Other expenses	-	-
Total expenses	-	-

Note 17 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commissioner:

(1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, TELECOMMUNICATIONS AND SERVICES BRANCH (VICTORIA)
ABN 13 511 341 559

OFFICER DECLARATION STATEMENT

I, Susan Riley, being the Branch Secretary of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing And Allied Services Union Of Australia, Communications Division, Telecommunications And Services Branch (Victoria) declare that the following activities did not occur during the reporting period ending 31 March 2019.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees from another reporting unit
- receive any other revenue from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay a grant that was $1,000 or less
- pay a grant that exceeded $1,000
- pay a donation that was $1,000 or less
- pay a donation that exceeded $1,000
- incur expenses due to holding a meeting as required under the rules of the organisation
- pay legal costs relating to litigation
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- have a balance within the general fund
- receive cash flows from another reporting units and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer: Susan Riley
Dated: 01/08/19

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AUDIT

Level 13, Freshwater Place, 2 Southbank Boulevard.
Southbank VIC 3006

Phone 03 9690 5700
Facsimile 03 9690 6509
Website www.morrows.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, TELECOMMUNICATIONS AND SERVICES BRANCH (VICTORIA)

Qualified Opinion

We have audited the financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Telecommunications and Services Branch (Victoria) (the Reporting Entity), which comprises the statement of financial position as at 31 March 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 March 2019, notes to the financial statements, including a summary of significant accounting policies, the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the accompanying financial report presents fairly, in all material aspects, the financial position of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Telecommunications and Services Branch (Victoria) as at 31 March 2019, and its financial performance and its cash flows for the year ended on that date in accordance with:

a. the Australian Accounting Standards; and

b. any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).

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

Basis for Qualified Opinion

Our report is qualified regarding the accounting treatment of the payment by the CEPU Divisional Conference of $190,966 as described in Note 11 in the financial report. CEPU Divisional Conference paid the redundancy accrual of $190,966 for the reporting entity in the 31 March 2018 financial year and has initiated legal proceedings against the Union for recovery of the amount. The reporting entity has disputed the repayment and has accounted for the payment as a contribution income. In the event of an unfavourable outcome for the reporting entity, the contribution of $190,966 received from the CEPU Divisional Conference will be reclassified as a liability and will have to be paid by the reporting entity.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, TELECOMMUNICATIONS AND SERVICES BRANCH (VICTORIA)

Material Uncertainty Related to Going Concern

Without qualifying our opinion expressed above, we draw attention to Note 1.24 in the financial report which indicates that the Union is in a current net asset deficiency position of $14,380 These conditions indicate the existence of a significant uncertainty which may cast significant doubt about the Union's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Our opinion is not qualified in respect of this matter.

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

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, TELECOMMUNICATIONS AND SERVICES BRANCH (VICTORIA)

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 audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit'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 Reporting Unit'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 the auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for the audit opinion.

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

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AUDIT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, TELECOMMUNICATIONS AND SERVICES BRANCH (VICTORIA)

Independence

I declare that I am an auditor registered under the RO Act, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

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MORROWS AUDIT PTY LTD

L.S.WONG
Director
Registration number (as registered by the RO Commissioner under the RO Act): AA2017/21

Melbourne: 1 August 2019

morrows
AUDIT

Level 13, Freshwater Place, 2 Southbank Boulevard,
Southbank VIC 3006

Phone 03 9690 5700
Facsimile 03 9690 6509
Website www.morrows.com.au

COMPILATION REPORT TO THE COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, TELECOMMUNICATIONS AND SERVICES BRANCH (VICTORIA)

Scope

We have compiled the accompanying special purpose financial statements of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division, Telecommunications and Services Branch (Victoria) which comprises the attached Detailed Income and Expenditure statement for the year ended 31 March 2019 on pages 55 to 57. The specific purpose for which the special purpose financial statements have been prepared is to provide information relating to the performance of the entity that satisfies the information needs of the committee of management.

The Responsibility of the Committee of Management

The committee of management is solely responsible for the information contained in the special purpose Detailed Income and Expenditure statement, the reliability, accuracy and completeness of the information and for the determination that the basis used is appropriate to meet their needs and for the purpose that the special purpose Detailed Income and Expenditure statement was prepared.

Our Responsibility

On the basis of information provided by the committee of management we have compiled the accompanying Detailed Income and Expenditure statement in accordance with the basis of accounting and APES 315: Compilation of Financial Information.

We have applied our expertise in accounting and financial reporting to compile the special purpose Detailed Income and Expenditure statement in accordance with the requirements of the committee of management.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by the committee of management to compile the special purpose Detailed Income and Expenditure statement. Accordingly, we do not express an audit opinion or a review conclusion on the special purpose Detailed Income and Expenditure statement.

The special purpose Detailed Income and Expenditure statement was compiled exclusively for the benefit of the committee of management, who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the special purpose Detailed Income and Expenditure statement.

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MORROWS AUDIT PTY LTD

Melbourne: 1 August 2019

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, TELECOMMUNICATIONS AND SERVICES BRANCH (VICTORIA)
ABN 13 511 341 559

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

	2019 $	2018 $
REVENUE		
Membership Subscription	**697,413**	706,771
Interest	**771**	-
Contributions	**-**	190,966
Other revenue	**28,429**	41,780
	726,613	939,517
OTHER INCOME		
Net gains from sale of assets	**-**	-
	-	-
TOTAL INCOME	**726,613**	939,517
EXPENDITURE		
Employee benefits expense:		
Salaries and allowances		
- elected officials	**179,254**	213,820
- employees	**71,067**	79,844
Superannuation contributions		
- elected officials	**25,782**	32,146
- employees	**9,305**	10,660
Provision for annual leave	**(1,466)**	(12,465)
Provision for long service leave	**3,482**	7,743
Other		
- fringe benefit tax	**1,779**	1,678
- payroll tax	**12,772**	14,979
- insurance	**-**	-
- reimbursement	**-**	-
- workcover	**4,140**	3,196
- redundancy	**-**	3,985
	306,115	355,586
Capitation fees		
CEPU Divisional Conference	**141,807**	157,033
CEPU National Council	**4,605**	4,623
	146,412	161,656
Affiliation fees		
- Ballarat Trades Hall Council	**1,100**	1,100
- Bendigo Trades Hall Council	**760**	760
- Geelong Trades Hall Council	**333**	335
- Miscellaneous	**25**	290
- Victorian Trades Hall Council	**2,353**	3,080
- Gippsland Trades & Labour Council	**309**	309
- Goulburn Valley Trades & Labour Council	**76**	193
	4,956	6,067

This statement should be read in conjunction with the attached compilation report on page 54

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

ABN 13 511 341 559

DETAILED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

	2019 $	2018 $
Administration expense:		
Bank Charges	**9,344**	7,335
Bad Debts	**8,669**	11,705
Car Hire & Fares	**411**	1,227
Campaigns	-	-
Commission paid	**315**	397
Consultancy fees	-	-
Debts forgiven by CEPU Divisional Conference	-	-
General expenses	**1,730**	(1,780)
Insurance	**1,486**	958
Laptops	-	(151)
Leasing charges	**18,262**	17,467
Light, Power & Cleaning	**3,570**	3,850
Meeting expenses	**1,811**	1,834
Member services	**2,375**	3,425
Motor vehicle expenses	**13,847**	13,588
Office rental	**21,462**	21,220
Office Assistance	**7,150**	3,300
Postage	**4,085**	3,921
Printing and stationery	**6,651**	5,191
Recruitment assist/services	**735**	-
Repairs and maintenance	**8,901**	9,011
Staff amenities	**920**	1,283
Telephone and fax	**36,248**	24,705
Training and education	-	421
	147,972	128,907
Grants or donations		
Donations	-	182
	-	182
Depreciation and amortisation		
Depreciation	**9,997**	6,326
	9,997	6,326
Legal costs		
Legal fees	**53,730**	5,655
	53,730	5,655

This statement should be read in conjunction with the attached compilation report on page 54

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION, POSTAL, PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA, COMMUNICATIONS DIVISION, TELECOMMUNICATIONS AND SERVICES BRANCH (VICTORIA)
ABN 13 511 341 559

DETAILED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

	2019 $	2018 $
Audit Fees		
Audit	**18,580**	18,050
	18,580	18,050
Write-down and impairment of assets		
Doubtful debt provision	**2,064**	507
	2,064	507
Net losses from sale of assets		
Loss on sale of fixed assets	-	1,532
	-	1,532
Other expenses		
Computer charges	-	-
Computer consultant	**4,554**	4,415
	4,554	4,415
Total Expenditure	**694,380**	688,883
Net income/(loss) for the year	**32,233**	250,634
Other comprehensive income/(loss)	**(254)**	(27,420)
TOTAL COMPREHENSIVE INCOME (LOSS)	**31,979**	223,214

This statement should be read in conjunction with the attached compilation report on page 54