

**Communications Electrical Plumbing Union
Communications Division WA**

Financial Report

For the year ended 31 March 2015

Communications Electrical Plumbing Union

Communications Division WA

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNICATIONS ELECTRICAL PLUMBING UNION COMMUNICATIONS DIVISION WA

Report on the Financial Report

We have audited the accompanying financial report of Communications Electrical Plumbing Union Communications Division WA (the Union), which comprises the statement of financial position as at 31 March 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the branch committee of management statement.

Branch Committee of Management's Responsibility for the Financial Report

The branch committee of management of the Union are responsible for the preparation of the financial report that presents fairly in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the branch committee of management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the branch committee of management also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

Auditor's Declaration

- (1) In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.
- (2) I, Simon Fermanis declare I am an approved auditor, member of CPA Australia and the Institute of Chartered Accountants in Australia and I hold a current Public Practice Certificate.

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Auditor's Opinion

In our opinion:

- (1) The financial report of Communications Electrical Plumbing Union - Communications Division WA is in accordance with:
 - (a) the Fair Work (Registered Organisations) Act 2009, including:
 - (i) presenting fairly, in all material respects, the Union's financial position as at 31 March 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations); and
 - (iii) any other requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.
 - (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.
- (2) The Union has kept satisfactory accounting records for the financial year including records of:
 - (i) the sources and nature of the Unions' income, including membership subscriptions and other income from members; and
 - (ii) the nature of and reasons for the Unions' expenditure.
- (3) All information and explanations that officers or employees of the Union were required to provide have been provided.
- (4) There was no deficiency, failure or shortcoming in any matters referred to in (1) to (3) above.
- (5) The management's use of the going concern basis of accounting in the preparation of the Union's financial statements is appropriate.
- (6) The scope of the audit encompassed recovery of wages activity which was nil during the year.

PKF Mack

PKF MACK

Simon Fermanis

SIMON FERMANIS
PARTNER

31/7/2015
WEST PERTH,
WESTERN AUSTRALIA

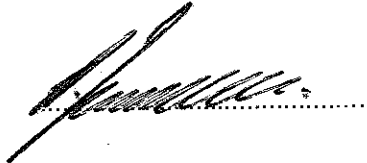
**Communications Electrical Plumbing Union
Communications Division WA**

Certificate By Prescribed Designated Officer
For the year ended 31 March 2015

I, Barry McVee, being the officer responsible of the Communications Electrical Plumbing Union - Communications Division WA, certify:

- That the documents lodged herewith are copies of the full report for the Communications Electrical Plumbing Union - Communications Division WA for the year ended 31 March 2015 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- That the full report was provided to members of the reporting unit on _____ and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 8 July 2015 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer



Name of prescribed designated officer

BARRY MCVÉE

Title of prescribed designated officer

BRANCH SECRETARY

Date

31.07.2015

Communications Electrical Plumbing Union Communications Division WA

Operating Report

For the year ended 31 March 2015

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

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The principal activity of the Communications Electrical Plumbing Union - Communications Division WA during the financial year was as a communication union. There were no significant changes in the Union's activity during the financial year.

Significant changes in financial affairs

There were no significant changes in the nature of the Union's principal activity during the financial year.

Right of members to resign

All members of the Union have the right to resign from the Union in accordance with Rule 14 of the Union Rules (and Section 174 of the Fair Work (Registered Organisations) Act 2009); namely by providing notice addressed and delivered to the Secretary of the Union, including via email.

Officers & employees who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

To the best of our knowledge and belief, no officer of the Union, by virtue of their office of Communications Electrical Plumbing Union - Communications Division WA is:

- a. A trustee of a superannuation entity or exempt public sector superannuation scheme; or
- b. An exempt public sector superannuation scheme; and
- c. Where a criterion for the officer being the trustee or director is that the office is an officer of a registered organisation.

Bryan Watkins is a director of a superannuation trustee company.

Number of members

Number of members on the register of members on 31 March 2015 was 1,787 (2014: 1,821)

Number of employees

As at 31 March 2015, the Union employed two full time Elected Officials, one part time employee and one full time employee.

**Communications Electrical Plumbing Union
Communications Division WA**

Operating Report (continued)

For the year ended 31 March 2015

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

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

Telecommunications & Information Technology Industry Section

John O'Donnell	(Branch President)	01/04/2014 – 31/03/2015
Peter John Noble	(Branch Vice President)	01/04/2014 – 31/03/2015
John Edward Kus	(Committee of Management Member)	01/04/2014 – 31/03/2015
Colleen Mary Noonan	(Committee of Management Member)	01/04/2014 – 31/03/2015
Andrew Gomersall	(Committee of Management Member)	01/04/2014 – 31/03/2015
Matthew Totterdell	(Committee of Management Member)	01/04/2014 – 31/03/2015
John Tredrea	(Committee of Management Member)	01/04/2014 – 31/03/2015

Postal Industry Section

Barry McVee	(Branch Secretary)	01/04/2014 – 31/03/2015
Bryan David Watkins	(Branch Vice President)	01/04/2014 – 31/03/2015
John Vagg	(Committee of Management Member)	14/11/2014 – 31/03/2015
Roy Waller	(Committee of Management Member)	01/04/2014 – 31/03/2015
Stephen Plichta	(Committee of Management Member)	01/04/2014 – 31/03/2015
Anthony Vacca	(Committee of Management Member)	01/04/2014 – 31/03/2015

Signature of designated officer: 

Name and title of designated officer: BARRY McVEE - BRANCH SECRETARY

Dated: 31.07.2015

**Communications Electrical Plumbing Union
Communications Division WA**

Committee of Management Statement


For the year ended 31 March 2015

On the 8 July 2015, the Branch Executive Council of the Communications Electrical Plumbing Union - Communications Division WA passed the following resolution in relation to the general purpose financial report for the year ended 31 March 2015:

The Union declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards and International Financial Reporting Standards (IFRS);
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the General Purpose Financial Report relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the Union 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 Union have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the Fair Work (Registered Organisations) Act 2009, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

Signature of designated officer: 

Name and title of designated officer: BARRY McVEE - BRANCH SECRETARY

Dated: 31.07.2015

**Communications Electrical Plumbing Union
Communications Division WA**

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2015

	Notes	2015 \$	2014 \$
Revenue			
Membership subscription	2	678,502	699,801
Capitation fees	2	-	-
Levies	2	-	-
Interest	2	30,123	34,797
Other revenue	2	17,827	16,553
Total revenue		<u>726,452</u>	<u>751,151</u>
Other Income			
Grants and donations		-	-
Total other income		<u>-</u>	<u>-</u>
Total revenue and other income		<u>726,452</u>	<u>751,151</u>
Expenses			
Employee expenses	3	(470,759)	(451,239)
Capitation fees	3	(155,315)	(157,194)
Affiliation fees	3	(2,471)	(11,347)
Administration expenses	3	(104,165)	(83,321)
Grants or donations	3	-	-
Depreciation and amortisation	3	(12,622)	(29,507)
Legal costs	3	(4,552)	-
Audit fees		(17,527)	(16,527)
Other expenses	3	(36,048)	(33,996)
Total expenses		<u>(803,459)</u>	<u>(783,131)</u>
Loss for the year		<u>(77,007)</u>	<u>(31,980)</u>
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Gain on revaluation of land & buildings		225,000	-
Total comprehensive loss for the year		<u>147,993</u>	<u>(31,980)</u>

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

**Communications Electrical Plumbing Union
Communications Division WA**

Statement of Financial Position

As at 31 March 2015

	Notes	2015 \$	2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	831,837	864,473
Trade and other receivables	5	12,531	13,045
Other current assets	6	43,850	41,561
Total current assets		<u>888,218</u>	<u>919,079</u>
Non-Current Assets			
Land and buildings	7	1,353,055	1,136,891
Plant and equipment	8	13,788	10,419
Total non-Current assets		<u>1,366,843</u>	<u>1,147,310</u>
Total assets		<u>2,255,061</u>	<u>2,066,389</u>
LIABILITIES			
Current Liabilities			
Trade payables and accruals	9	43,494	13,548
Other payables	10	45,726	44,108
Employee provisions	11	241,461	236,000
Total current liabilities		<u>330,681</u>	<u>293,656</u>
Non-Current Liabilities			
Employee provisions	11	18,462	14,808
Total non-current liabilities		<u>18,462</u>	<u>14,808</u>
Total liabilities		<u>349,143</u>	<u>308,464</u>
Net assets		<u>1,905,918</u>	<u>1,757,925</u>
EQUITY			
General funds	12	1,254,648	1,029,648
Retained earnings		651,270	728,277
Total equity		<u>1,905,918</u>	<u>1,757,925</u>

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

**Communications Electrical Plumbing Union
Communications Division WA**

Statement of Changes in Equity
For the year ended 31 March 2015

	Notes	General Funds \$	Retained earnings \$	Total equity \$
Balance as at 1 April 2013		1,029,648	760,257	1,789,905
Loss for the year		-	(31,980)	(31,980)
Gain on revaluation of land & buildings		-	-	-
Closing balance as at 31 March 2014		1,029,648	728,277	1,757,925
Loss for the year		-	(77,007)	(77,007)
Gain on revaluation of land & buildings	12	225,000	-	225,000
Closing balance as at 31 March 2015		1,254,648	651,270	1,905,918

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

**Communications Electrical Plumbing Union
Communications Division WA**

Statement of Cash Flows

For the year ended 31 March 2015

	Notes	2015 \$	2014 \$
OPERATING ACTIVITIES			
Cash received			
Members		676,746	702,169
Interest		30,123	36,825
Other		20,097	19,674
Receipts from other controlled entities		-	-
Cash used			
Employees		(456,299)	(435,358)
Suppliers		(295,818)	(314,125)
Payments to other controlled entities		-	-
Net cash from (used by) operating activities	13	<u>(25,151)</u>	<u>9,185</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Other		-	-
Cash used			
Purchase of plant and equipment		(7,155)	(7,306)
Purchase of land and buildings		-	-
Investment on term deposit		(330)	(10,000)
Net cash used by investing activities		<u>(7,485)</u>	<u>(17,306)</u>
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Other		-	-
Cash used			
Repayment of borrowings		-	-
Other		-	-
Net cash from (used by) investing activities		<u>-</u>	<u>-</u>
Net decrease in cash held		(32,636)	(8,121)
Cash & cash equivalents at the beginning of the financial year		864,473	872,594
Cash & cash equivalents at the end of the financial year	4	<u>831,837</u>	<u>864,473</u>

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

**Communications Electrical Plumbing Union
Communications Division WA**

Recovery of Wages Activity

For the year ended 31 March 2015

	2015 \$	2014 \$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	<hr/> -	<hr/> -
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	<hr/> -	<hr/> -
Cash assets in respect of recovered money at end of year	<hr/> <hr/> -	<hr/> <hr/> -
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-
Fund or account operated for recovery of wages	-	-

**Communications Electrical Plumbing Union
Communications Division WA**

Notes to the Financial Statements

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Notes to the Financial Statements

For the year ended 31 March 2015

Note 1 Summary of significant accounting policies

Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Union is a not-for-profit entity. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

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. 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.

a) Comparative amounts

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

b) 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.

Employee entitlements

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Estimation of useful lives of assets

The Union determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Notes to the Financial Statements

For the year ended 31 March 2015

Note 1 Summary of significant accounting policies (continued)

c) New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

The accounting policies adopted are consistent with those of the previous financial year except as follows:

AASB 13 Fair Value Measurement; and
AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13.

The Union has applied AASB 13 and its consequential amendments from 1 January 2014. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

Future Australian Accounting Standards Requirements

The following Australian Accounting Standards have been issued early but are not yet effective. The following have not been adopted in preparation of the financial statements at the reporting date but will be adopted at application date. The impact of the adoption has not yet been determined.

AASB No.	Title	Application date of standard *	Issue date
AASB 9	Financial Instruments	1 January 2018	December 2010
AASB 2013-9	Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments	Part C - 1 January 2015	December 2013
AASB 2014-1	Amendments to Australian Accounting Standards	Part D - 1 January 2016	June 2014
	Part O - Consequential Amendments arising from AASB 14	Part E - 1 January 2018	
AASB 2014-3	Amendments to Australian Accounting Standard - Accounting for Acquisition of Interest in Joint Operations	1 January 2016	August 2014
AASB 2014-4	Amendments to Australian Accounting Standard - Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	1 January 2016	August 2014
AASB 2014-7	Amendments to Australian Accounting Standard Arising From AASB 9	1 January 2018	December 2014
AASB 2014-8	Amendments to Australian Accounting Standards Arising From AASB 9	1 January 2015	December 2014
AASB 2015-1	Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle	1 January 2016	January 2015

Notes to the Financial Statements

For the year ended 31 March 2015

Note 1 Summary of significant accounting policies (continued)

AASB No.	Title	Application date of standard *	Issue date
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	1 January 2016	January 2015
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	1 July 2015	January 2015
AASB 14	Regulatory Deferral Account	1 January 2016	June 2014
AASB 15	Revenues from Contracts with Customers	1 January 2017	December 2014

d) Revenue

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

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

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

Donation income is recognised when it is received.

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

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

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

e) Government grants

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

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

Notes to the Financial Statements

For the year ended 31 March 2015

Note 1 Summary of significant accounting policies (continued)

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

f) Gains and losses

Sale of assets

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

g) 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.

h) Employee benefits

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

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

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

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

Provision is made for separation and redundancy benefit payments. The Union 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.

i) 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 lease are classified as operating leases.

Notes to the Financial Statements

For the year ended 31 March 2015

Note 1 Summary of significant accounting policies (continued)

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 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.

j) Borrowing costs

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

k) Cash and cash equivalents

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

l) Trade and other receivables

Trade and other receivables are recognised at amortisation cost, less any provision for impairment. The amounts are usually due for settlement no more than 30 days after recognition. Collectability of debtors is reviewed on an ongoing basis. Debts, which are known to be uncollectable, are written off.

m) Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Notes to the Financial Statements

For the year ended 31 March 2015

Note 1 Summary of significant accounting policies (continued)

n) Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Notes to the Financial Statements

For the year ended 31 March 2015

Note 1 Summary of significant accounting policies (continued)

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Notes to the Financial Statements

For the year ended 31 March 2015

Note 1 Summary of significant accounting policies (continued)

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Notes to the Financial Statements

For the year ended 31 March 2015

Note 1 Summary of significant accounting policies (continued)

Derecognition of financial assets

The Union derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

o) 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.

p) 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.

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 profit/loss. 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 rates:

	2015	2014
Buildings	2.5%	2.5%
Plant and equipment	15-30%	15-30%
Motor Vehicles	25%	25%

Notes to the Financial Statements

For the year ended 31 March 2015

Note 1 Summary of significant accounting policies (continued)

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.

q) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its costs, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

r) 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 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.

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and 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 or loss when the asset is derecognised.

Notes to the Financial Statements

For the year ended 31 March 2015

Note 1 Summary of significant accounting policies (continued)

s) Impairment for non-financial assets

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

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

t) Taxation

The Union 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.

u) Fair value measurement

The Union measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as 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 19.

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.

Notes to the Financial Statements

For the year ended 31 March 2015

Note 1 Summary of significant accounting policies (continued)

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

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

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

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

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

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

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

v) Trade and other payables

These amounts represent liabilities for goods or services provided to the Union by a third party during the financial year which remain unpaid at year end. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

W) Going concern

Communications Electrical Plumbing Union - Communications Division WA is not reliant on any financial support to continue on a going concern basis.

The Union has not agreed to provide any financial support to any other party-related or non-related.

Communications Electrical Plumbing Union
Communications Division WA

Notes to the Financial Statements

For the year ended 31 March 2015

Note 2 Revenue

	2015	2014
	\$	\$
Membership subscription	678,502	699,801
Capitation fees	-	-
Levies	-	-
Interest	30,123	34,797
Other revenue	17,827	16,553
Grant	-	-
Donations	-	-
	<u>726,452</u>	<u>751,151</u>

Note 3 Expenses

Employee expenses

Holders of office:

Wages and salaries	318,072	298,778
Superannuation	51,535	48,453
Leave and other entitlements	7,313	10,917
Separation and redundancies	-	-
Other employee expenses	30,649	33,258
Subtotal employee expenses holders of office	<u>407,569</u>	<u>391,406</u>

Employees other than office holders:

Wages and salaries	50,362	48,107
Superannuation	6,807	6,735
Leave and other entitlements	1,803	472
Separation and redundancies	-	-
Other employee expenses	4,218	4,519
Subtotal employee expenses employees other than office holders	<u>63,190</u>	<u>59,833</u>
Total employee expenses	<u>470,759</u>	<u>451,239</u>

Capitation fees

CEPU Divisional Conference	155,315	157,194
Total capitation fees	<u>155,315</u>	<u>157,194</u>

Affiliation fees

Australian Labour Party	2,471	2,094
Unions WA	-	9,253
Total affiliation fees	<u>2,471</u>	<u>11,347</u>

Communications Electrical Plumbing Union
Communications Division WA

Notes to the Financial Statements

For the year ended 31 March 2015

Note 3	Expenses (continued)	2015	2014
		\$	\$
	<u>Administration expenses</u>		
	Consideration to employers for payroll deductions	-	-
	Compulsory levies	-	-
	Fees/allowances - meeting and conferences	-	-
	Conference and meeting expenses	8,554	2,562
	Property expenses	27,262	19,574
	Office expenses	25,120	28,174
	Information communications technology	10,880	4,699
	Rental (printer)	2,700	2,250
	Other	26,649	26,062
	Total administration expense	104,165	83,321
	<u>Grants or donations</u>		
	Grants:		
	Total paid that were \$1,000 or less	-	-
	Total paid that exceeded \$1,000	-	-
	Donations:		
	Total paid that were \$1,000 or less	-	-
	Total paid that exceeded \$1,000	-	-
	Total grants or donations	-	-
	<u>Depreciation</u>		
	Depreciation		
	Land and buildings	8,836	8,836
	Property, plant and equipment	3,786	20,671
	Total depreciation	12,622	29,507
	<u>Legal costs</u>		
	Litigation	-	-
	Other legal matters	4,552	-
	Total legal costs	4,552	-
	<u>Other expenses</u>		
	Penalties - via RO Act or RO Regulations	-	-
	Welfare Member Payments	9,049	2,500
	Other expenses	26,999	31,496
	Total other expenses	36,048	33,996

Communications Electrical Plumbing Union
Communications Division WA

Notes to the Financial Statements

For the year ended 31 March 2015

	2015 \$	2014 \$
Note 4 Cash and cash equivalents		
Cash on hand	195	195
Cash at bank	81,642	64,278
Short term deposits	750,000	800,000
Total cash and cash equivalents	<u>831,837</u>	<u>864,473</u>

The weighted average interest rate at 31 March 2015 is 3.55% (2014: 4.03%).

Note 5 Trade and other receivables

Receivables from other reporting units

CEPU Divisional Conference	-	2,271
Total receivables from other reporting units	<u>-</u>	<u>2,271</u>

Less provision for doubtful debts

CEPU Divisional Conference	-	-
Total provision for doubtful debts	<u>-</u>	<u>-</u>
Net receivable from other reporting units	<u>-</u>	<u>2,271</u>

Other receivables

Membership fees	10,170	13,111
Provision for doubtful debts – membership fees	(4,370)	(4,370)
Accrued interest	6,731	6,731
Total other receivables	<u>12,531</u>	<u>10,774</u>
Total net trade and other receivables	<u>12,531</u>	<u>13,045</u>

Note 6 Other current assets

Term deposit	10,330	10,000
Prepaid expenses	33,520	31,561
Total other current assets	<u>43,850</u>	<u>41,561</u>

Note 7 Land and buildings

Fair value	1,380,000	1,155,000
Accumulated depreciation	(26,945)	(18,109)
Total land and buildings	<u>1,353,055</u>	<u>1,136,891</u>

Communications Electrical Plumbing Union
Communications Division WA

Notes to the Financial Statements

For the year ended 31 March 2015

Note 7 Land and buildings (continued)

Reconciliation of the opening and closing balances of Land and buildings

	2015 \$	2014 \$
As at 1 April		
Gross book value	1,155,000	1,155,000
Accumulated depreciation and impairment	(18,109)	(9,273)
Net book value 1 April	1,136,891	1,145,727
Revaluation	225,000	-
Depreciation expense	(8,836)	(8,836)
Net book value 31 March	1,353,055	1,136,891
Net book value as of 31 March represented by:		
Gross book value	1,380,000	1,155,000
Accumulated depreciation and impairment	(26,945)	(18,109)
Net book value 31 March	1,353,055	1,136,891

Valuations of land and buildings

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at 31 March 2015, the properties' fair values are based on valuations performed by National Property Valuers, an accredited independent valuer.

Significant unobservable valuation input	Range
Price per square metre	\$2,500

A significant increase (decrease) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value.

See note 19 for further information on fair value measurement.

Note 8 Plant and equipment

Motor vehicles:

At cost	65,160	65,160
Accumulated depreciation	(65,160)	(65,160)
	-	-

Plant and equipment:

At cost	105,717	98,562
Accumulated depreciation	(91,929)	(88,143)
	13,788	10,419
Total plant and equipment	13,788	10,419

Communications Electrical Plumbing Union
Communications Division WA

Notes to the Financial Statements

For the year ended 31 March 2015

Note 8 Plant and equipment (continued)

Reconciliation of the opening and closing balances of plant and equipment

2015	Motor vehicles	Plant and equipment	Total
As at 1 April 2014			
Gross book value	65,160	98,562	163,722
Accumulated depreciation and impairment	(65,160)	(88,143)	(153,303)
Net book value 1 April 2014	-	10,419	10,419
Additions:			
By purchase	-	7,155	7,155
Depreciation expense	-	(3,786)	(3,786)
Net book value 31 March 2015	-	13,788	13,788
Net book value as of 31 March 2015 represented by:			
Gross book value	65,160	105,717	170,877
Accumulated depreciation and impairment	(65,160)	(91,929)	(157,089)
Net book value 31 March 2015	-	13,788	13,788
2014	Motor vehicles	Plant and equipment	Total
As at 1 April 2013			
Gross book value	65,160	91,256	156,416
Accumulated depreciation and impairment	(48,870)	(83,762)	(132,632)
Net book value 1 April 2013	16,290	7,494	23,748
Additions:			
By purchase	-	7,306	7,306
Depreciation expense	(16,290)	(4,381)	(20,671)
Net book value 31 March 2014	-	10,419	10,419
Net book value as of 31 March 2014 represented by:			
Gross book value	65,160	98,562	163,722
Accumulated depreciation and impairment	(65,160)	(88,143)	(153,303)
Net book value 31 March 2014	-	10,419	10,419

**Communications Electrical Plumbing Union
Communications Division WA**

Notes to the Financial Statements

For the year ended 31 March 2015

	2015 \$	2014 \$
Note 9 Trade payables and accruals		
Trade creditors and accruals	20,218	12,147
Subtotal trade creditors	<u>20,218</u>	<u>12,147</u>
Payables to other reporting units		
CEPU Divisional Conference	23,276	1,401
Subtotal payables to other reporting units	<u>23,276</u>	<u>1,401</u>
Total trade payables	<u><u>43,494</u></u>	<u><u>13,548</u></u>

Settlement is usually made within 30 days.

Note 10 Other payables

Superannuation	7,047	5,718
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
Unearned revenue	14,349	14,349
GST payable	1,150	2,297
Other payables	23,180	21,744
Total other payables	<u><u>45,726</u></u>	<u><u>44,108</u></u>

Settlement is usually made within 90 days.

Total other payables are expected to be settled in:

No more than 12 months	45,726	44,108
More than 12 months	-	-
Total other payables	<u><u>45,726</u></u>	<u><u>44,108</u></u>

**Communications Electrical Plumbing Union
Communications Division WA**

Notes to the Financial Statements

For the year ended 31 March 2015

	2015 \$	2014 \$
Note 11 Employee provisions		
Office holders:		
Annual leave	84,963	88,601
Long service leave	151,603	140,652
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	236,566	229,253
Employees other than office holders:		
Annual leave	7,252	8,003
Long service leave	16,105	13,552
Separation and redundancies	-	-
Other	-	-
Subtotal employee provisions—employees other than office holders	23,357	21,555
Total employee provisions	259,923	250,808
Current	241,461	236,000
Non-current	18,462	14,808
Total employee provisions	259,923	250,808

Note 12 General funds

Asset revaluation reserve

Balance as at start of year	1,029,648	1,029,648
Transferred to reserve (*)	225,000	-
Transferred out of reserve	-	-
Balance as at end of year	1,254,648	1,029,648

(*) Refer to Note 7 for Valuations of land and buildings.

**Communications Electrical Plumbing Union
Communications Division WA**

Notes to the Financial Statements

For the year ended 31 March 2015

	2015 \$	2014 \$
Note 13 Cash flow reconciliation		
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	831,837	864,473
Statement of Financial Position	831,837	864,473
Difference	<u>-</u>	<u>-</u>
Reconciliation of profit/(loss) to net cash from operating activities:		
Loss for the year	(77,007)	(31,980)
Adjustments for non-cash items		
Depreciation/amortisation	12,622	29,507
Changes in assets/liabilities		
(Increase)/decrease in trade and other receivables	514	7,517
(Increase)/decrease in other assets	(1,959)	(11,627)
Increase/(decrease) in payables and accruals	29,946	3,593
Increase/(decrease) in other payables	1,618	785
Increase/(decrease) in employee provisions	9,115	11,390
Net cash from (used by) operating activities	<u>(25,151)</u>	<u>9,185</u>
<u>Cash flow information</u>		
Cash inflows		
CEPU Divisional Conference	3,524	19,299
Total cash inflows	<u>3,524</u>	<u>19,299</u>
Cash outflows		
CEPU Divisional Conference	133,439	157,180
Total cash outflows	<u>133,439</u>	<u>157,180</u>

**Communications Electrical Plumbing Union
Communications Division WA**

Notes to the Financial Statements

For the year ended 31 March 2015

Note 14 Contingent liabilities, assets and commitments

Operating lease commitments – as lessee

The operating lease is for a photocopier that is leased by the Union for five years with the contract expiring on 02 May 2016. The Union pays the lease through fixed monthly instalments.

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

	2015	2014
	\$	\$
Within one year	2,700	2,700
After one year but not more than five years	225	2,925
More than five years	-	-
	<u>2,925</u>	<u>5,625</u>

Operating lease commitments – as lessor

The Union had no operating lease commitments during the 2014 and 2015 financial years.

Capital commitments

The Union had no capital commitments during the 2014 and 2015.

Finance lease commitments

The Union had finance lease commitments during the 2014 and 2015 financial years.

Other contingent assets of liabilities

At reporting date there are no known contingent liabilities or assets that would have a material effect on the presentation of the annual financial statements.

Note 15 Related party disclosures

Related parties transactions for the reporting period

CEPU Divisional Conference

- This is the National Office of CEPU.

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

**Communications Electrical Plumbing Union
Communications Division WA**

Notes to the Financial Statements

For the year ended 31 March 2015

Note 15 Related party disclosures (continued)

	2015 \$	2014 \$
National Office		
Revenue from National Office		
National Office reimbursements	3,524	19,369
Expenses to National Office		
Capitation fees	155,315	157,194
Amounts owed by National Office		
Reimbursements owed by National Office	-	2,271
Amounts owed to National Office		
Capitation fees	23,276	1,401
Loans from/to National Office	-	-
Assets transferred from/to National Office	-	-

Terms and conditions of transactions with related parties

The revenue to and expenses from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for reimbursement and capitation fees at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2015, the Union has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2014: \$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.

**Communications Electrical Plumbing Union
Communications Division WA**

Notes to the Financial Statements

For the year ended 31 March 2015

Note 16 Key management personnel

(a) Remuneration for the reporting period

The key management personnel are the Officials.

	2015 \$	2014 \$
Short-term employee benefits		
Salary (including leave taken less accrued)	288,003	273,401
Annual leave accrued	29,668	28,805
Performance bonus	-	-
Total short-term employee benefits	<u>317,671</u>	<u>302,206</u>
Post-employment benefits:		
Superannuation	51,535	48,453
Total post-employment benefits	<u>51,535</u>	<u>48,453</u>
Other long-term benefits:		
Long-service leave accrued	7,714	7,489
Total other long-term benefits	<u>7,714</u>	<u>7,489</u>
Termination benefits	-	-
Total	<u>376,920</u>	<u>358,148</u>

(b) Transactions with key management personnel and their close family members

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

Note 17 Remuneration of auditors

Value of the services provided		
Financial statement audit services	17,527	16,527
Other services	-	-
Total remuneration of auditors	<u>17,527</u>	<u>16,527</u>

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

**Communications Electrical Plumbing Union
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Notes to the Financial Statements

For the year ended 31 March 2015

Note 18 Financial instruments

Financial risk management objectives

The Union's activities do not expose it to many financial risks and therefore are not actively managing these risks.

Categories of financial instruments

	2015 \$	2014 \$
<u>Financial Assets</u>		
Cash and cash equivalents	831,837	864,473
Total	<u>831,837</u>	<u>864,473</u>
Held-to-maturity investments		
Term deposit	10,330	10,000
Total	<u>10,330</u>	<u>10,000</u>
Loans and receivables:		
Trade and other receivables	5,800	6,314
Total	<u>5,800</u>	<u>6,314</u>
Carrying amount of financial assets	<u>847,967</u>	<u>880,787</u>
<u>Financial Liabilities</u>		
Other financial liabilities:		
Trade payables and accruals	43,494	13,548
Other payables	30,854	29,854
Carrying amount of financial liabilities	<u>74,348</u>	<u>43,402</u>
Net income and expense from financial assets		
Cash and cash equivalent		
Interest revenue	29,793	34,797
Exchange gains / (losses)	-	-
Impairment	-	-
Gain / (loss) on disposal	-	-
Net gain / (loss) from held-to-maturity	<u>29,793</u>	<u>34,797</u>

Communications Electrical Plumbing Union
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Notes to the Financial Statements

For the year ended 31 March 2015

Note 18 Financial instruments (continued)

	2015	2014
	\$	\$
Held-to-maturity		
Interest revenue	330	-
Exchange gains / (losses)	-	-
Impairment	-	-
Gain / (loss) on disposal	-	-
Net gain / (loss) from held-to-maturity	330	-
 Loans and receivables		
Interest revenue	-	-
Exchange gains / (losses)	-	-
Impairment	-	(4,370)
Gain / (loss) on disposal	-	-
Net gain / (loss) from loans and receivables	-	(4,370)

The net income/expense from financial assets not at fair value through profit or loss is \$nil (2014: \$nil).

Net income and expenses from financial liabilities

Other financial liabilities

Change in fair value	-	-
Interest expense	-	-
Exchange gains / (losses)	-	-
Net gain / (loss) from other financial liabilities	-	-
 Net gain / (loss) from financial liabilities	-	-

The net income/expense from financial liabilities not at fair value through profit or loss is Nil (2014: Nil)

Credit risk

The Union is not exposed to any significant credit risk however it actively monitors all receivables to ensure receipt.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Branch Committee of Management. The Union manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Communications Electrical Plumbing Union
Communications Division WA

Notes to the Financial Statements

For the year ended 31 March 2015

Note 18 Financial instruments (continued)

Contractual maturities for financial liabilities

The following tables detail the union's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2015	On demand \$	< 1 year \$	1 – 2 years \$	2 – 5 years \$	> 5 years \$	Total \$
Trade creditors and accruals	-	43,494	-	-	-	43,494
Other payables	-	30,854	-	-	-	30,854
Total	-	74,348	-	-	-	74,348

2014	On demand \$	< 1 year \$	1 – 2 years \$	2 – 5 years \$	> 5 years \$	Total \$
Trade creditors and accruals	-	13,548	-	-	-	13,548
Other payables	-	29,854	-	-	-	29,854
Total	-	43,402	-	-	-	43,402

Market risk

The Union is not exposed to any significant market risks, including interest rate risk, price risk and currency risk, and is therefore not actively managing these risks.

Note 19 Fair value measurement

Management of the Union assessed that cash and cash equivalents, trade and other receivables, trade payables and accruals and other payables 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 Union'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 own performance risk as at 31 March 2015 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.

Communications Electrical Plumbing Union
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Notes to the Financial Statements

For the year ended 31 March 2015

Note 19 Fair value measurement (continued)

- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Union 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 2015 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	Carrying amount 2015 \$	Fair value 2015 \$	Carrying amount 2014 \$	Fair value 2014 \$
Financial assets				
Cash and cash equivalents	831,837	831,837	864,473	864,473
Trade and other receivables	5,800	5,800	6,314	6,314
Other assets	10,330	10,330	10,000	10,000
Total	<u>847,967</u>	<u>847,967</u>	<u>880,787</u>	<u>880,787</u>
Financial liabilities				
Trade payables and accruals	43,494	43,494	13,548	13,548
Other payables	30,854	30,854	29,854	29,854
Total	<u>74,348</u>	<u>74,348</u>	<u>43,402</u>	<u>43,402</u>

Fair value hierarchy

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

Fair value hierarchy – 31 March 2015

	Date of valuation \$	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value				
Land and buildings	15/04/15	-	1,353,055	-
Total		<u>-</u>	<u>1,353,055</u>	<u>-</u>

Fair value hierarchy – 31 March 2014

	Date of valuation \$	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value				
Land and buildings	13/03/12	-	1,136,891	-
Total		<u>-</u>	<u>1,136,891</u>	<u>-</u>

Notes to the Financial Statements

For the year ended 31 March 2015

Note 20 Events after the reporting period

On 15 April 2015 Communications Electrical Plumbing Union - Communications Division WA's land and building were revalued and the identified fair value was recorded at 31/03/15. Refer to Note 7 for more details.

There were no other events that occurred after 31 March 2015, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

Note 21 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or General Manager:

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