

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

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

**17. INFORMATION TO BE PROVIDED TO MEMBERS OR COMMISSIONER**

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), (2) and (3) of section 272 of the Fair Work (Registered Organisations) Act 2009 which read as follows:

- “(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).”

**18. FAIR VALUE MEASUREMENT**

**NOTE 18A: 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 own performance risk as at 31 March 2019 was assessed to be insignificant.
- 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 unit 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 tables contain 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
<b>Financial Assets</b>				
Cash on hand	\$457,406	\$457,406	\$429,229	\$429,229
Accounts receivable and other debtors	\$16,224	\$16,224	\$15,266	\$15,266
Other current assets	\$31,080	\$31,080	\$30,810	\$30,810
<b>Total</b>	<b>\$504,710</b>	<b>\$504,710</b>	<b>\$475,305</b>	<b>\$475,305</b>

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	Carrying amount 2019	Fair value 2019	Carrying amount 2018	Fair value 2018
<b>Financial Liabilities</b>				
Accounts payable and other payables	\$65,259	\$65,259	\$87,134	\$87,134
<b>Total</b>	<b>\$65,259</b>	<b>\$65,259</b>	<b>\$87,134</b>	<b>\$87,134</b>

**NOTE 18B: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES 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 2019

Assets measured at fair values	Date of valuation	Level 1	Level 2	Level 3
Land and buildings	31/03/2018	\$3,668,775	\$0	\$0
<b>Total</b>		<b>\$3,668,775</b>	<b>\$0</b>	<b>\$0</b>

Fair value hierarchy – 31 March 2018

Assets measured at fair values	Date of valuation	Level 1	Level 2	Level 3
Land and buildings	31/03/2018	\$3,668,775	\$0	\$0
<b>Total</b>		<b>\$3,668,775</b>	<b>\$0</b>	<b>\$0</b>

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	2019	2018
	\$	\$
<b>19. CASH FLOW INFORMATION</b>		
<b>(a) Reconciliation of net cash from operations with profit (loss) after income tax</b>		
Profit (loss) after income tax	42,530	(172,085)
Cash flows excluded from profit attributable to reserves		
Movement in disaster relief fund	(1,499)	(2,499)
Non-cash flows in profit (loss)		
Depreciation	39,314	89,564
Doubtful debts	(6,133)	(9,331)
Net loss (gain) on disposal of plant and equipment	(12,776)	-
Changes in assets and liabilities during the financial year		
(Increase)/decrease in accounts rec. and other receivables	(1,583)	11,034
(Increase)/decrease in other current assets	5,739	15,224
(Decrease)/increase in accounts payable and other payables	(21,125)	20,809
(Decrease)/increase in provision for employee benefits	7,120	58,103
	<u>51,587</u>	<u>10,818</u>

**(b) Credit Standby Arrangements**

The Branch has no credit stand-by or financing facilities in place.

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**20. FINANCIAL RISK MANAGEMENT**

The Branch's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable and loans. The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	<i>Effective Weighted Average Interest Rate %</i>	<i>Floating Interest Rate \$</i>	<i>Fixed Interest Rate Maturing</i>		<i>Non-Interest Bearing \$</i>	<i>Total \$</i>
			<i>1 year or less \$</i>	<i>1 to 5 years \$</i>		
<b>2019</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	1.7%	456,856			550	457,406
Accounts and other receivables	0.0%				15,391	15,391
<b>Total Financial Assets</b>		<b>456,856</b>	<b>-</b>	<b>-</b>	<b>15,941</b>	<b>472,797</b>
<b>Financial Liabilities</b>						
Accounts and other payables	0.0%	-	-	-	65,259	65,259
Borrowings	0.0%	-	-	-	-	-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>65,259</b>	<b>65,259</b>
<b>2018</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	1.6%	428,679	-	-	550	429,229
Accounts and other receivables	0.0%	-	-	-	15,266	15,266
<b>Total Financial Assets</b>		<b>428,679</b>	<b>-</b>	<b>-</b>	<b>15,816</b>	<b>444,495</b>
<b>Financial Liabilities</b>						
Accounts and other payables	0.0%	-	-	-	87,134	87,134
Borrowings	0.0%	-	-	-	-	-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>87,134</b>	<b>87,134</b>

**CEPU COMMUNICATIONS DIVISION  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. FINANCIAL RISK MANAGEMENT (continued)**

**Financial Risk Management Policies**

The Branch Committee of Management and officials are responsible for monitoring and managing the Branch's financial risk exposure.

**Specific Financial Risk Exposures and Management**

The main risks the Branch is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the Branch is exposed to, how these risks arise, or the Branch's objectives, policies and processes for managing or measuring the risks from the previous period.

**(a) Credit Risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance of counterparties of contract obligations that could lead to a financial loss for the Branch. The Branch does not have any material credit risk exposures as its major sources of revenues are receipts of member contributions.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 7. The Branch has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 7.

**(b) Liquidity Risk**

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

- only investing surplus cash with major financial institutions;
- maintaining a reputable credit profile;
- proactively monitoring the recovery of unpaid member contributions;
- retaining sufficient cash reserves to meet obligations.

**(c) Market Risk**

**Interest Rate Risk**

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

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**20. FINANCIAL RISK MANAGEMENT (continued)**

***Other Price Risk***

Other 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 (other than those arising from interest rate risk or currency risk) of securities held. The Branch does not have a material other price risk.

**21. OTHER INFORMATION**

**(a) Going Concern**

The Branch's ability to continue as a going concern is not reliant on the agreed financial support from another reporting unit.

**(b) Financial Support**

No agreed financial support has been provided to ensure another reporting unit has the ability to continue as a going concern.

**(c) Acquisitions of assets and liabilities under specific sections**

The Branch did not acquire any asset or liability during the financial year as a result of:

- an amalgamation under Part 2 of Chapter 3 of the Fair Work (Registered Organisations) Act 2009;
- a restructure of the Branches of the organisation;
- a determination by the General Manager under subsection 245(1) of the Fair Work (Registered Organisations) Act 2009;
- a revocation by the General Manager under subsection 249(1) of the Fair Work (Registered Organisations) Act 2009.

**(d) Acquisition of assets and liabilities as part of a business combination**

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

**(e) Wage Recovery Activity**

No recovery of wages activities occurred during the financial year. The Branch has not derived any revenue in respect of these activities.

**(f) Receivables and payables with another reporting unit**

The reporting unit did not have a receivable or payable with another reporting unit.

**(g) Administration of financial affairs**

The reporting unit did not have another entity administer its financial affairs.

**(h) Payments to former related parties**

The reporting unit did not make a payment to a former related party.

**22. BRANCH DETAILS**

The principal place of business of the Branch is:

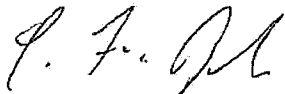
1st Floor  
41 Peel Street  
South Brisbane Qld 4101

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH  
COMMITTEE OF MANAGEMENT STATEMENT**

The members of the Branch Committee of Management declare that in their opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Commissioner of the Registered Organisations Commission;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year ended on 31 March 2019;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the financial report relates and since the end of that year:
  - (i) meetings of the Branch Committee of Management were held in accordance with the rules of the organisation including the rules of the Branch; and
  - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation including the rules of the Branch; and
  - (iii) the financial records of the Branch 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 manner consistent with each of the other reporting units of the organisation;
  - (v) where information has been sought in any request of a member of the Branch or the Commissioner of the Registered Organisations Commission duly made under section 272 of the Fair Work (Registered Organisations) Act 2009, that information has been provided to the member or the Commissioner of the Registered Organisations Commission and
  - (vi) where any order for inspection of financial records made by the Fair Work Commission under section 273 of the Fair Work (Registered Organisations) Act 2009, there has been compliance.
- (f) In relation to recovery of wages activity, no recovery of wages activities occurred during the financial year. The Branch has not derived any revenue in respect of these activities.

This declaration is made in accordance with a resolution of the Committee of Management passed on  
*14th October* 2019



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C Bird (Branch Secretary)

Dated this *14th* day of *October* 2019.

**CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
CEPU COMMUNICATIONS DIVISION  
QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

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

**Opinion**

I have audited the financial report of the Communications Electrical Plumbing Union of Australia, Communications Division, Queensland Communications Division Branch (the Entity), which comprises the statement of financial position as at 31 March 2019, the statement of comprehensive income, statement of changes in equity and 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 declaration by those charged with governance.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Entity 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).

I 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 Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. I am independent of the Entity 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 my audit of the financial report in Australia. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Other Information**

Those charged with governance are responsible for the other information. The other information comprises the information included in the Entity's operating report for the year ended 31 March 2019, but does not include the financial report and our auditor's report thereon.

My 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 my audit of the financial report, my 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 I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
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QUEENSLAND COMMUNICATIONS DIVISION BRANCH**

**Responsibilities of Brach Committee and Those Charged with Governance for the Financial Report**

The Branch Committee of Management is responsible for the preparation of the financial report in accordance with Australian Auditing Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the Branch Committee of Management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Branch Committee is responsible for assessing the Entity'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 Branch Committee of Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the reporting unit to cease to

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
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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. I am responsible for the direction, supervision and performance of the reporting unit audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

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



.....  
Michael J Burnett, Registered Auditor

Hobart

Date ... *15 October 2019* .....

Registration Number (AA2019/1)