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

ABN 51 918 867 235

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

CONTENTS

Page No

Committee of Management's Operating Report 3
Auditor's Independence Declaration 6
Committee of Management Statement 7
Independent Audit Report 8
Statement of Comprehensive Income 11
Statement of Financial Position 12
Statement of Changes in Equity 13
Statement of Cash Flows 14
Statement Required under Subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009* 15
Notes to the Financial Statements 16
Officer Declaration Statement 63

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

COMMITTEE OF MANAGEMENT'S OPERATING REPORT

FOR THE YEAR ENDED 31 MARCH 2019

Operating Report

The Committee of Management presents its report on the operations of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Plumbing Division – Queensland Branch (the Branch) for the financial year ended 31 March 2019.

Principal Activities

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

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

Over the year the Branch negotiated many Collective Agreements delivering improvements in wages and conditions to CEPU – Plumbing Division – Queensland Branch members.

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

Operating Result

The surplus for the financial year amounted to $61,521 (2018: deficit $78,618). No provision for tax was necessary as the Branch is considered exempt.

Significant Changes in Financial Affairs

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

After Balance Date Events

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

Future Developments

Likely developments in the operations of the Branch or the expected result of those operations in future financial years have not been included in this report as such information is likely to result in unreasonable prejudice to the Branch.

Environmental Issues

The Branch's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Members Right to Resign

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

Number of Employees

The number of persons who were, at the end of the period to which the report relates, employees of the Branch, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis is 13.0.

Number of Members

Total number of members at 31 March 2019: 3,815.

Officer or Members who are superannuation Fund Trustees/ Directors of a Company that is a Superannuation fund Trustee

Currently the Branch does not have any officers or members who hold a position of trustee or director of an entity, scheme or company as described in s.254 (2)(d) of the *Fair Work (Registered Organisations) Act 2009*, where a criterion of such entity is that the holder of such position must be a member or official of a registered organisation (2018: Nil)

Members of the Committee of Management

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

Name	Position	Period of Office
Gary O'Halloran	Branch Secretary	01/04/18 – 31/03/19
Michael Wiech	Assistant Branch Secretary	01/04/18 – 31/03/19
David White	Branch President/ Trustee	01/04/18 – 31/03/19
Damian O'Sullivan	Branch Vice President	01/04/18 – 31/03/19
Sean Trainor	Trustee	01/04/18 – 31/03/19
Daniel Gillett	Committee Member	01/04/18 – 31/03/19
Travis Korneha	Committee Member	01/04/18 – 05/12/18
Andrew Burn	Committee Member	01/04/18 – 31/03/19
Kenny Murdoch	Committee Member	01/04/18 – 31/03/19
Stewart Fingleton	Committee Member	01/04/18 – 10/04/18
Gareth Miggins	Committee Member	05/12/18 – 31/03/19
Anthony Peart	Committee Member	10/04/18 – 04/09/18

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

COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out on page 6.

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

G O'Halloran
....
Gary O'Halloran
Branch Secretary

20 June 2019

South Brisbane

accountants + auditors

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE COMMITTEE OF MANAGEMENT OF THE**

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

As lead auditor for the audit of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Plumbing Division – Queensland Branch for the year ended 31 March 2019; I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

M.C.F

MGI Audit Pty Ltd

G I Kent

Director – Audit & Assurance

South Brisbane
20 June 2019

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

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

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

On 20 June 2019, the Committee of Management of the Branch passed the following resolution to the General Purpose Financial statements (GPFR) of the reporting unit for the financial year ended 31 March 2019.

The Committee of Management declares in relation to the GPFR that in its opinion:

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

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

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

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

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

i. meetings of the Committee of Management were held in accordance with the rules of the organisation and

ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation;

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

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

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

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

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

Name of Designated Officer: Gary O'Halloran

Title of Designated Officer: Branch Secretary

Signature: G O'Halloran

Date: 20 June 2019

accountants + auditors

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Independent Audit Report to the Members of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Plumbing Division – Queensland Branch

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Plumbing Division – Queensland Branch (the Branch), 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, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Plumbing Division – Queensland Branch as at 31 March 2019, and its financial performance and its cash flows for the year ended on that date in accordance with:

a) the Australian Accounting Standards; and

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

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

Basis for Opinion

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

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

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

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

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

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

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Branch's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.

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

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

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

Declaration

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

M.G.V

MGI Audit Pty Ltd

G I Kent

Director – Audit & Assurance

South Brisbane

20 June 2019

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

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 $	2018 $
Revenue			
Membership subscriptions		**1,765,581**	1,780,267
Gain on sale of property, plant and equipment		**29,757**	18,639
Interest	3A	**23,318**	23,912
Sponsorship income	3B	**291,596**	257,069
Grants or donations	3C	**1,026,732**	1,144,801
Compliance income	3D	**332,180**	323,713
Other income	3E	**91,878**	115,868
Total revenue		**3,561,042**	3,664,269
Expenses			
Employee expenses	4A	**(2,308,225)**	(2,125,552)
Sustentation/ capitation fees	4B	**(155,793)**	(165,539)
Affiliation fees	4C	**(43,780)**	(43,744)
Audit fees	14	**(29,100)**	(16,225)
Legal costs and fines	4D	**(36,128)**	(95,661)
Grants or donations	4E	**(21,282)**	(87,228)
Depreciation and amortisation	4F	**(171,699)**	(152,794)
Finance costs	4G	**-**	(1,404)
Administration expense	4H	**(721,842)**	(1,054,740)
Other expense	4I	**(11,672)**	-
Total expenses		**(3,499,521)**	(3,742,887)
Surplus/ (deficit) for the year		**61,521**	(78,618)
Other comprehensive income			
Revaluation of land and buildings (net of income tax)		**-**	318,773
Total comprehensive income for the year		**61,521**	240,155

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

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Notes	**2019** **$**	2018 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	**3,547,362**	2,843,794
Trade and other receivables	5B	**54,328**	30,055
Other current assets	5C	**59,483**	43,137
Total current assets		**3,661,173**	2,916,989
Non-Current Assets			
Land and buildings	6A	**1,740,229**	1,804,851
Furniture, fittings and office equipment	6B	**55,215**	75,441
Motor vehicles	6C	**191,889**	171,953
Total non-current assets		**1,987,333**	2,052,245
Total assets		**5,648,506**	4,969,231
LIABILITIES			
Current Liabilities			
Trade payables	7A	**175,942**	223,000
Other payables	7B	**2,019,652**	1,479,171
Borrowings	8A	**250,000**	250,000
Employee provisions	9A	**761,876**	614,397
Total current liabilities		**3,207,470**	2,566,568
Non-Current Liabilities			
Employee provisions	9A	**52,826**	75,974
Total non-current liabilities		**52,826**	75,974
Total liabilities		**3,260,296**	2,642,542
Net assets		**2,388,210**	2,326,689
EQUITY			
Retained earnings		**861,236**	799,715
Reserves	10A	**1,526,974**	1,526,974
Total equity		**2,388,210**	2,326,689

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

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

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

	Asset Revaluation Reserve	General Reserve	Retained earnings	Total equity
	$	$	$	$
Balance as at 1 April 2017	933,319	274,882	878,333	2,086,534
Surplus for the year (restated)	-	-	(78,618)	(78,618)
Other comprehensive income	318,773	-	-	318,773
Closing balance as at 31 March 2018	**1,252,092**	**274,882**	**799,715**	**2,326,689**
Surplus for the year	**-**	**-**	**61,521**	**61,521**
Other comprehensive income	**-**	**-**	**-**	**-**
Closing balance as at 31 March 2019	**1,252,092**	**274,882**	**861,236**	**2,388,210**

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

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

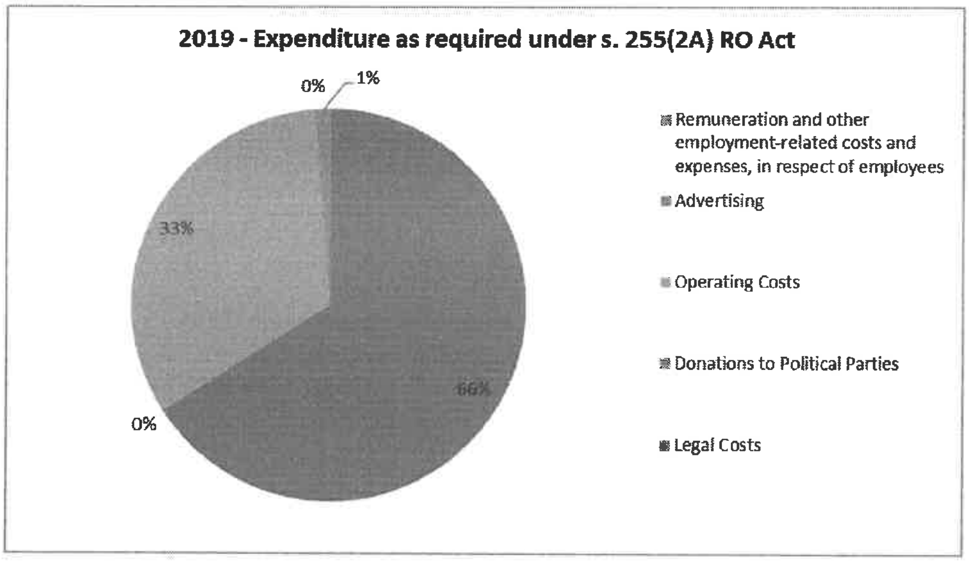
	Notes	**2019**	2018
		$	$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	11B	**669**	1,587
Receipts from other customers		**4,310,653**	4,243,745
Interest received		**29,553**	17,677
Cash used			
Finance Costs		**-**	(1,404)
Payments to employees and suppliers		**(3,377,220)**	(3,745,311)
Payments to other reporting units	11B	**(183,057)**	(246,310)
Net cash provided by operating activities		**780,598**	269,984
INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		**62,079**	56,364
Payments for property, plant and equipment		**(139,109)**	(138,386)
Net cash used in investing activities		**(77,030)**	(82,022)
FINANCING ACTIVITIES			
Motor vehicle finance lease repayments (principal)	11F	**-**	(33,644)
Proceeds from borrowings		**-**	250,000
Net cash provided by/ used in financing activities		**-**	216,356
Net increase/ (decrease) in cash held		**703,568**	404,318
Cash & cash equivalents at the beginning of the reporting period		**2,843,794**	2,439,476
Cash & cash equivalents at the end of the reporting period	11A	**3,547,362**	2,843,794

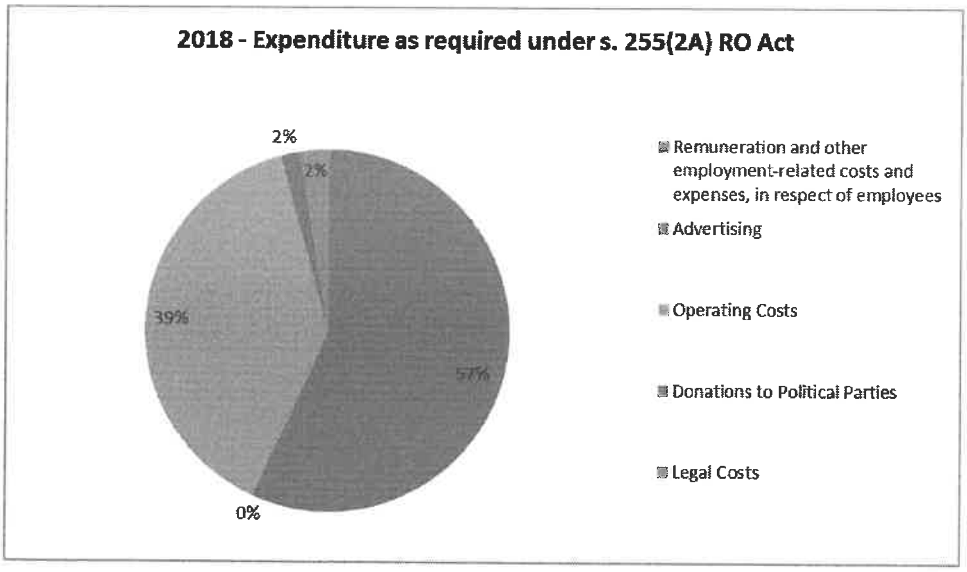
The above statement should be read in conjunction with the notes.

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

REPORT REQUIRED UNDER SUBSECTION 255(2A) OF THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009
FOR THE YEAR ENDED 31 MARCH 2019

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





G O'Halloran
Gary O'Halloran
Branch Secretary

South Brisbane
20 June 2019

Index to the Notes of the Financial Statements

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Income
Note 4	Expenses
Note 5	Current assets
Note 6	Non-current assets
Note 7	Current liabilities
Note 8	Financial liabilities
Note 9	Provisions
Note 10	Reserves
Note 11	Cash flow
Note 12	Contingent liabilities, assets and commitments
Note 13	Related party disclosures
Note 14	Remuneration of auditors
Note 15	Financial instruments
Note 16	Fair value measurements
Note 17	Section 272 *Fair Work (Registered Organisations) Act 2009*
Note 18	Branch details
Note 19	Segment information

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

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

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements are in Australian dollars and have been rounded to the nearest dollar.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

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

<u>Key Estimates</u>

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

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

<u>Key Judgements</u>

Useful lives of plant and equipment
Plant and equipment are depreciated over the useful life of the asset and the depreciation rates are assessed when the asset are acquired or when there is a significant change that affects the remaining useful life of the asset.

Note 1 Summary of significant accounting policies (Continued)

1.3 Significant accounting judgements and estimates (Continued)

Key Judgements (Continued)

Provision for impairment of receivables
The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

On-cost for employee entitlement provision
The Branch revised its estimate for on-costs for employee provision during the year to include superannuation, workers compensation and payroll tax.

1.4 New Australian Accounting Standards

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 for the following standards and amendments, which have been adopted for the first time this financial year:

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

Impact on adoption of AASB 9

(a) Initial application

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

The Branch has applied AASB 9 retrospectively, with an initial application date of 1 April 2018.

The adoption of AASB 9 did not have any material impact on the amount disclosed in the comparative financial year.

Note 1 Summary of significant accounting policies (Continued)

1.4 New Australian Accounting Standards (Continued)

Future Australian Accounting Standards Requirements

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

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

  AASB 16 was issued in January 2016 and it replaces AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation-115 *Operating Leases-Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

  For NFP entities, AASB 16 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 16. The Branch plans to adopt AASB 16 on the required effective date 1 April 2019 of using modified retrospective method.

  AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

  Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

  The Committee of Management anticipates that the adoption of AASB 16 will have impact on the Branch, however a full assessment is currently being undertaken by the Branch.

Note 1 Summary of significant accounting policies (Continued)

1.4 New Australian Accounting Standards (Continued)

Future Australian Accounting Standards Requirements (continued)

- AASB 1058 Income of Not-for-Profit Entities

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

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

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

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

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

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

  The Branch has early adopted AASB 15 and AASB 1058 during the 31 March 2018 financial year and continues to apply the recognition and disclosure requirements of the new standards.

Note 1 Summary of significant accounting policies (Continued)

1.5 Revenue

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

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

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

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*.*

1.6 Gains

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

1.7 Capitation fees and levies

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

1.8 Employee benefits

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

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

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

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.
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Note 1 Summary of significant accounting policies (Continued)

1.8 Employee benefits (Continued)

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

Under the rules of the Union, those employees who have undertaken 3 or more years of continuous service are entitled to have their Long Service Leave balance paid upon termination (on a pro-rata basis). The Branch does not have an unconditional right to deferred settlement (for those employees with greater than 5 or more consecutive years of service), resulting in Long Service Leave entitlements to be reported at reporting date as current liabilities.

1.9 Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to the Branch are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased asset or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Branch will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

1.10 Cash

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

1.11 Financial instruments

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

Note 1 Summary of significant accounting policies (Continued)

1.12 Financial assets

Initial recognition and Measurement

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

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

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

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

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

Note 1 Summary of significant accounting policies (Continued)

1.12 Financial assets (Continued)

Financial assets at amortised costs

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

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

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

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

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

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

Note 1 Summary of significant accounting policies (Continued)

1.12 Financial assets (Continued)

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Branch has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  a) The Branch has transferred substantially all the risks and rewards of the asset, or
  b) the Branch has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Offsetting

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

Impairment

(i) Trade receivables

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

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

Note 1 Summary of significant accounting policies (Continued)

1.12 Financial assets (Continued)

(ii) Debt instruments other than trade receivables

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

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Branch considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Branch may also consider a financial asset to be in default when internal or external information indicates that the Branch is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

1.13 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Branch's financial liabilities include trade and other payables.

Note 1 Summary of significant accounting policies (Continued)

1.13 Financial Liabilities (Continued)

Subsequent Measurement

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

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

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

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

Financial liabilities at amortised cost

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

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

Derecognition

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

1.14 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.

Note 1 Summary of significant accounting policies (Continued)

1.15 Plant and Equipment

Asset Recognition Threshold

Purchases 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.

Plant and equipment

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

The carrying amount of plant and equipment is reviewed annually by the Branch Committee of Management to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with that item will flow to the Branch and the costs of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

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

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

Class of Fixed Asset	*Depreciation Rate*
Buildings	*2.5%*
Plant and equipment	10% - 33%
Motor Vehicles	25%

Note 1 Summary of significant accounting policies (Continued)

1.15 Plant and Equipment (continued)

Derecognition

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

1.16 Impairment of non-financial assets

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

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

1.17 Taxation

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

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

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

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

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

Note 1 Summary of significant accounting policies (Continued)

1.18 Fair value measurement

The Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 17.

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

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

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

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

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

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

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

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

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

1.19 Going concern

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

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

1.20 Grants

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

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

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

Note 2 Events after the reporting period

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

	2019	2018
	$	$
Note 3 Income		
Note 3A: Interest		
Deposits	**23,318**	23,912
Total interest	**23,318**	23,912
Note 3B: Sponsorship income		
Sponsorship income - general	**291,596**	257,069
Total organising income	**291,596**	257,069
Note 3C: Grants or donations		
Training grants	**1,026,732**	1,144,801
Total conference income	**1,026,732**	1,144,801
Note 3D: Compliance income		
Compliance fees	**204,454**	206,631
Collection/ administration fee for service	**127,726**	117,082
Total sponsorship income	**332,180**	323,713
Note 3E: Other income		
Board fees	**81,206**	80,541
Website advertising	**-**	4,500
Other income	**10,672**	30,827
Total other income	**91,878**	115,868

	2019	2018
	$	$
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	**335,792**	236,282
Superannuation	**46,969**	45,616
Leave and other entitlements	**83,979**	125,464
Separation and redundancies	**-**	-
Other employee expenses	**-**	-
Subtotal employee expenses holders of office	**466,740**	407,362
Employees other than office holders:		
Wages and salaries	**1,261,583**	957,326
Superannuation	**199,364**	175,863
Leave and other entitlements	**247,028**	434,867
Separation and redundancies	**-**	-
Other employee expenses	**-**	28,911
Subtotal employee expenses employees other than office holders	**1,707,975**	1,596,967
Add: Payroll tax expense	**44,635**	51,271
Add: BERT, BEWT, CIPQ contributions and workers compensation	**56,907**	50,902
Add: Fringe benefits tax	**31,968**	19,050
	133,510	121,223
Total employee expenses	**2,308,225**	2,125,552
Note 4B: Sustentation fees		
CEPU – Plumbing Division	**155,793**	165,539
Total Sustentation fees	**155,793**	165,539

	2019	2018
	$	$

Note 4 Expenses (Continued)

Note 4C: Affiliation fees

Australian Labor Party (State of Queensland)	**15,988**	16,665
Queensland Council of Unions	**20,835**	19,734
Union Shopper	**6,957**	7,345
Total affiliation fees	**43,780**	43,744

Note 4D: Legal costs and fines

Litigation	**12,389**	30,661
Other legal matters	**23,739**	-
Total legal costs	**36,128**	30,661
Fines – Federal Court of Australia	**-**	65,000
Total legal costs and fines	**36,128**	95,661

The Branch was fined during the 2018 financial year by the Federal Court of Australia for industrial action conducted at a number of construction sites throughout Queensland.

Note 4E: Donations

Donations:		
Total paid that were $1,000 or less	**12,532**	12,228
Total paid that exceeded $1,000	**8,750**	75,000
Total grants or donations	**21,282**	87,228

Note 4F: Depreciation and amortisation

Depreciation		
Furniture, fittings and office equipment	**20,875**	11,400
Buildings	**64,622**	55,796
Motor vehicles	**86,202**	85,598
Total depreciation	**171,699**	152,794
Amortisation expense	**-**	-
Total depreciation and amortisation	**171,699**	152,794

	2019	2018
	$	$
Note 4 Expenses (Continued)		
Note 4G: Finance costs		
Interest expense	**-**	1,404
Total finance costs	**-**	1,404
Note 4H: Administration expenses		
Fees/ allowances – meeting and conferences	**8,882**	7,360
Conference and meeting expenses	**47,462**	36,885
Contractor/ consultant expenses	**23,114**	27,104
Property expenses	**32,070**	52,446
Information technology costs	**62,079**	71,488
Motor vehicle costs	**80,965**	60,010
Travel expenses	**72,289**	67,138
Labour day expenses	**42,838**	40,231
Printing, postage and stationery	**76,485**	97,644
Grant delivery costs	**92,848**	406,928
Delegate expenses	**11,726**	6,502
Operating lease costs	**22,569**	28,995
Other administration expenses	**148,515**	152,009
Total administration expenses	**721,842**	1,054,740
Note 4I: Other expenses		
Levies – CEPU National Council	**11,672**	-
Total other expenses	**11,672**	-

Levies
The CEPU National Council issued a levy during the year to assist in funding its day to day operations.

	2019	2018
	$	$
Note 5 Current Assets		
Note 5A: Cash and Cash Equivalents		
Cash at bank	**2,929,800**	2,241,955
Cash on hand	**2,207**	2,263
Term deposits	**615,355**	599,576
Total cash and cash equivalents	**3,547,362**	2,843,794
Note 5B: Trade and Other Receivables		
Receivables from other reporting units		
CEPU – Plumbing Division	**-**	280
Receivables from other reporting units (net)	**-**	280
Other receivables:		
Other trade receivables	**65,108**	29,540
Less: Provision for doubtful debtors	**(10,780)**	(6,000)
Accrued interest	**-**	6,235
Total other receivables	**54,328**	29,775
Total trade and other receivables (net)	**54,328**	30,055
Note 5C: Other Current Assets		
Prepayments	**17,763**	43,137
Merchandise	**41,720**	-
Total other current assets	**59,483**	43,137

	2019 $	2018 $
Note 6: Non-Current Assets		
Note 6A: Land and Buildings		
Land and buildings:		
at valuation	**1,918,051**	1,918,051
accumulated depreciation	**(177,822)**	(113,200)
Total Land and Buildings	**1,740,229**	1,804,851

Reconciliation of Opening and Closing Balances of Land and Buildings

As at 1 April		
Gross book value	**1,918,051**	1,855,528
Accumulated depreciation and impairment	**(113,200)**	(327,405)
Net book value 1 April	**1,804,851**	1,528,123
Additions:		
By purchase	**-**	13,751
By revaluation	**-**	318,773
Depreciation expense	**(64,622)**	(55,796)
Disposals:		
By sale	**-**	-
Net book value 31 March	**1,740,229**	1,804,851
Net book value as of 31 March represented by:		
Gross book value	**1,918,051**	1,918,051
Accumulated depreciation and impairment	**(177,822)**	(113,200)
Net book value 31 March	**1,740,229**	1,804,851

Valuation Details

(a) In March 2018, the land and buildings at 41 Peel Street, South Brisbane were valued by Mr Mal Missingham (Registered Valuers Number: 1273) and Mr John Purcell – AAPI (Registered Valuers Number: 1341 of Asia Pacific Geoservices & Valuations Pty Ltd. The amount presented in the financial statements represents half of the valuation value for the land and buildings as provided in this valuation, in accordance with the Branch's ownership in these assets.

The valuation was based on a highest and best use, which was deemed to be a development site and not that of an administration office (which the Branch currently uses the land and buildings for)

(b) On 28 November 2016, the Branch (along with other vested industry partners) purchased the land and buildings at 4-6 Quindus Street, Beenleigh. It was determined by the Branch Committee of Management that the value of the land and buildings continues to remain at its fair value.

	2019	2018
	$	$
Note 6B: Furniture, Fittings and Office Equipment		
Furniture, fittings and office equipment:		
at cost	**271,173**	271,173
accumulated depreciation	**(215,958)**	(195,732)
Total Furniture, Fittings and Office Equipment	**55,215**	75,441

Reconciliation of Opening and Closing Balances of Furniture, Fittings and Office Equipment

As at 1 April		
Gross book value	**271,173**	227,264
Accumulated depreciation and impairment	**(195,732)**	(184,332)
Net book value 1 April	**75,441**	42,932
Additions:		
By purchase	**649**	43,909
Depreciation expense	**(20,875)**	(11,400)
Disposals:		
By sale	**-**	-
Net book value 31 March	**55,215**	75,441
Net book value as of 31 March represented by:		
Gross book value	**271,173**	271,173
Accumulated depreciation and impairment	**(215,958)**	(195,732)
Net book value 31 March	**55,215**	75,441

	2019	2018
	$	$
Note 6C: Motor Vehicles		
Office equipment and furniture:		
at cost	**349,644**	341,817
accumulated depreciation	**(157,755)**	(169,864)
Total Motor Vehicles	**191,889**	171,953

Reconciliation of Opening and Closing Balances of Motor Vehicles

As at 1 April		
Gross book value	**341,817**	371,065
Accumulated depreciation and impairment	**(169,864)**	(156,515)
Net book value 1 April	**171,953**	214,550
Additions:		
By purchase	**139,109**	80,726
Depreciation expense	**(86,202)**	(85,598)
Disposals:		
By sale	**(32,971)**	(37,725)
Net book value 31 March	**191,889**	171,953
Net book value as of 31 March represented by:		
Gross book value	**349,644**	341,817
Accumulated depreciation and impairment	**(157,755)**	(169,864)
Net book value 31 March	**191,889**	171,953

Note 7 Current Liabilities

Note 7A: Trade payables

	2019 $	2018 $
Trade creditors	**-**	44,461
Accrued expenses	**8,043**	13,000
Subtotal trade payables	**8,043**	57,461
Payables to other reporting units		
CEPU – Plumbing Division	**167,899**	165,539
Subtotal payables to other reporting units	**167,899**	165,539
Total trade payables	**175,942**	223,000

Settlement is usually made within 30 days.

Note 7B: Other payables

	2019 $	2018 $
Income received in advance	**912,485**	615,984
Legal costs		
Litigation	**4,328**	3,033
Superannuation payable	**21,670**	-
PAYG payable	**35,390**	33,354
GST payable (net)	**83,914**	41,182
FBT liability	**7,700**	5,776
Related party creditor (PGUE commercial construction levy)	**936,544**	770,910
Other sundry payables	**17,621**	8,932
Total other payables	**2,019,652**	1,479,171
Total other payables are expected to be settled in:		
No more than 12 months	**2,019,652**	1,479,171
More than 12 months	**-**	-
Total other payables	**2,019,652**	1,479,171

	2019	2018
	$	$

Note 8 Financial Liabilities

Note 8A: Borrowings

Current		
Related party borrowings - Plumbers & Gasfitters Employees' Union Queensland, Union of Employees	**250,000**	250,000
Non-Current	**-**	-
Total borrowings	**250,000**	250,000

<u>PGEU Loan</u>
There loan is not secured against any assets of the Branch nor is any interest paid by the PGEU. As the Branch does not have an unconditional right to defer payment (in the event that the PGEU calls upon the loan), the loan has been classified by the Committee of Management as a current liability.

Note 9 Provisions

Note 9A: Employee provisions

Office Holders:		
Annual leave	**42,925**	34,765
RDO	**8,375**	4,204
Long service leave	**140,607**	132,410
Separations and redundancies	**-**	-
Other (retirement allowance)	**196,353**	170,541
Subtotal employee provisions—office holders	**388,260**	341,920
Employees other than office holders:		
Annual leave	**126,094**	100,724
RDO	**35,164**	41,211
Long service leave	**174,399**	146,991
Separations and redundancies	**-**	-
Other (retirement allowance)	**90,785**	59,525
Subtotal employee provisions—employees other than office holders	**426,442**	348,451
Total employee provisions	**814,702**	690,371
Current	**761,876**	614,397
Non-Current	**52,826**	75,974
Total employee provisions	**814,702**	690,371

	2019	2018
	$	$
Note 10 Reserves		
Note 10A: General reserve		
Opening balance – 1 April	**274,882**	274,882
Movement to/ from reserve	**-**	-
Closing balance – 31 March	**274,882**	274,882

The general reserve records funds set assist for future expansion of the Branch.

Note 10B: Asset revaluation reserve

Opening balance – 1 April	**1,252,092**	933,319
Revaluations	**-**	318,773
Transfers from reserve	**-**	-
Closing balance – 31 March	**1,252,092**	1,252,092

The asset revaluation reserve records revaluation of financial assets.

	2019	2018
	$	$

Note 11 Cash Flow

Note 11A: Cash Flow Reconciliation
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:

	2019 $	2018 $
Cash and cash equivalents as per:		
Cash flow statement	**3,547,362**	2,843,794
Statement of financial position	**3,547,362**	2,843,794
Difference	**-**	-

	2019 $	2018 $
Reconciliation of surplus to net cash from operating activities:		
Surplus/ (deficit) for the year	**61,521**	(78,618)
Adjustments for non-cash items		
Depreciation/ amortisation	**171,699**	152,794
Gain on disposal of property, plant and equipment	**(29,757)**	(18,639)
Changes in assets/ liabilities		
(Increase)/ decrease in net receivables	**(24,273)**	11,099
(Increase)/ decrease in other current assets	**(16,346)**	(26,193)
Increase/ (decrease) in trade and other payables	**493,423**	98,176
Increase/ (decrease) in provisions	**124,331**	131,365
Net cash (used in)/ provided by operating activities	**780,598**	269,984

	2019 $	2018 $
Note 11 Cash Flow (Continued)		
Note 11B: Cash flow information		
Cash inflows from other reporting units		
CEPU – Plumbing Division	**280**	1,587
CEPU – Electrical Division (Qld/ NT Branch)	**389**	-
Total cash inflows	**669**	1,587
Cash outflows to other reporting units		
CEPU – Plumbing Division	**168,776**	161,172
CEPU – National Council	**12,840**	-
CEPU – Plumbing Division (VIC Branch)	**130**	-
CEPU – Electrical Division (Qld/ NT Branch)	**1,311**	85,138
Total cash outflows	**183,057**	246,310

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

Note 11C: Credit standby arrangements and loan facilities

Borrowings (related party loan - unsecured)		
Used facility	**250,000**	250,000
Unused facility	**-**	-
Total facility	**250,000**	250,000

Note 11D: Non-cash transactions

There have been no non-cash financing or investing activities during the year (2018: Nil).

Note 11 Cash Flow (Continued)

Note 11E: Net debt reconciliation

	2019 $	2018 $
Cash and cash equivalents	**3,547,362**	2,843,794
Borrowings – repayable within one year	**(250,000)**	(250,000)
Borrowings – repayable after one year	**-**	-
Net debt	**3,297,362**	2,593,794

Note 11F: Reconciliation of movements of liabilities to cash flows arising from financing activities

	Other Assets	Liabilities from financing activities			
	Cash assets	**Related Party Loans – due within 1 year**	**Finance lease – due within 1 year**	**Finance lease – due after 1 year**	**Total**
Net debt at 1 April 2017	2,439,476	-	(33,644)	-	2,405,832
Cash flows	404,318	(250,000)	33,644	-	187,962
Net debt at 31 March 2018	2,843,794	(250,000)	-	-	2,593,794
Cash flows	**703,568**	**-**	**-**	**-**	**703,568**
Net debt at 31 March 2019	**3,547,362**	**(250,000)**	**-**	**-**	**3,297,362**

	2019	2018
	$	$

Note 12 Contingent Liabilities, Assets and Commitments

Note 12A: Commitments and Contingencies

Capital commitments

At 31 March 2019 the Branch did not have any capital commitments (2018: Nil).

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

<u>Legal Case</u>

The Australian Building and Construction Commission (ABCC) has commenced action against the Branch.

The Branch is currently reviewing the matters raised by the ABCC and in conjunction with the Branch's legal representatives, is determining a response. Given the early stages of this matter, the Committee of Management are not in a position to determine the financial impact (if any) of this matter.

Note 12B: Leasing Commitments

Operating Leases (as a lessee)

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

	2019	2018
Payable – Minimum lease payments		
not later than 12 months	**24,152**	-
between 12 months and 5 years	**90,572**	-
greater than 5 years	**-**	-
Minimum lease payments	**114,724**	-

The lease relates to office equipment at the Branch's office, which expires in December 2023.

Operating Leases (as a lessor)

The Branch does not have any operating leases as a lessor at 31 March 2019 (2018: Nil).

Note 13 Related Party Disclosures

Note 13A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units

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

CEPU National Council

Electrical Division
CEPU – Electrical Division
CEPU – QLD/ NT Electrical Branch
CEPU – NSW Electrical Branch
CEPU – VIC Electrical Branch
CEPU – SA Electrical Branch
CEPU – TAS Electrical Branch
CEPU – WA Electrical Branch

Plumbing Division
CEPU – Plumbing Division
CEPU – NSW Plumbing Branch
CEPU – VIC Plumbing Branch
CEPU – WA Plumbing Branch

Communications Division
CEPU – Communications Division
CEPU – QLD Communications Branch
CEPU – NSW Communications T&S Branch
CEPU – NSW Communications P&T Branch
CEPU – VIC Communications T&S Branch
CEPU – VIC Communications P&T Branch
CEPU – SA/ NT Communications Branch
CEPU – WA Communications Branch

Other Related Parties

Plumbers & Gasfitters Employees' Union Queensland, Union of Employees
The Plumbers & Gasfitters Employees' Union Queensland, Union of Employees (being a state registered trade union) has members on its Committee of Management that are consistent with that of the Branch. Further, all members of the Branch are joint members with the state registered union.

Services Trade College Australia
The Services Trade College Australia is a Registered Training Organisation (RTO) that provides high-quality trade and post-training in the Fire, Mechanical and Plumbing industries. Branch Secretary Gary O'Halloran and Assistant Branch Secretary Mick Wiech are members of the Services Trade College Australia Board.

Note 13 Related Party Disclosures (Continued)

Note 13A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)

Services Trades Queensland (STQ)
STQ provides extensive post trade training, workplace health and safety advice, KWH&S systems, apprenticeship mentoring services within the Fire, Mechanical and Plumbing industries. Branch Secretary Gary O'Halloran and Assistant Branch Secretary Mick Wiech are members of the STQ Board.

Construction Income Protected Limited (CIP)
CIP provides income protection and portability of sick leave benefits for workers in the building and construction industry within Queensland. Branch Secretary Gary O'Halloran is a member of the CIP Board.

Building Employees Redundancy Trust (BERT)/ BERT Fund No. 2
BERT provides redundancy payments and benefits to members and training grants for employees in the building and construction industry within Queensland. Branch Secretary Gary O'Halloran is a member of the BERT Board.

Building Employees Welfare Trust (BEWT) Limited
BEWT provides welfare funding for employees in the building and construction industry within Queensland. Branch Secretary Gary O'Halloran is a member of the BEWT Board.

BERT Training Fund
BERT Training Fund provides the Queensland construction industry with a source of funds to train construction workers and to provide the development of skills, training and education of works within the industry. Branch Secretary Gary O'Halloran is a member of the BERT Training Fund Board.

CEPUTEC
CEPUTEC is a RTO that provides dedicated training supporting the CEPU – Plumbing Division members. Branch Secretary Gary O'Halloran is a member of the CEPUTEC Board.

Plumbers Industry Climate Action Centre (PICAC)
PICAC is unique industry led training facility in Brunswick, Melbourne. The centre is a 5 Star Green rated building and is a working example of innovative design and sustainable plumbing. Through providing access to a training resource without peer, the industry is taking up the challenge of new technology, new risk and new approaches. Branch Secretary Garry O'Halloran is a member of the PICAC Board.

Fire Industry Training (FIT)
FIT is a Registered Training Organisation (RTO) providing training to the Fire Industry. Branch Secretary Garry O'Halloran is a member of the FIT Board.

Note 13 Related Party Disclosures (Continued)

Note 13A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)

	2019	2018
	$	$

Plumbing Industry Training (PIT)

PIT is a RTO providing training services for the plumbing industry. Branch Secretary Gary O'Halloran is a member of the PIT Board.

Mates In Construction (MIC)

MIC is a charity established in 2008 to reduce the high level of suicide among Australian construction workers. It is owned and controlled by the Australian Building and Construction Industry. Branch Secretary Gary O'Halloran is a member of the MIC Board.

Services Trades Council (STC)

STC is established under the *Plumbing and Drainage Act 2002* to provide a voice for the services trade and to protect the public's health and safety as well as the environment. The STC operates under the Queensland Building and Construction Commission (QBCC) framework and provides recommendations to the QBCC Commission regarding licencing functions within the plumbing and drainage industry.

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

	2019 $	2018 $
Expenses paid to CEPU – National Council includes the following:		
Levies	**11,672**	**-**
Revenue received from CEPU –Plumbing Division includes the following:		
Reimbursement of travel expenses	**-**	1,697
Expenses paid to CEPU – Plumbing Division includes the following:		
Sustentation/ capitation fees	**155,793**	165,539
Amounts owed to CEPU – Plumbing Division includes the following:		
Sustentation/ capitation fees	**167,899**	165,539
Amounts owed by CEPU – Plumbing Division includes the following:		
Reimbursement of travel expenses	**-**	280

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Note 13 Related Party Disclosures (Continued)

Note 13A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)

	2019	2018
	$	$
Revenue received from CEPU – Electrical Division – Qld/ NT Branch includes the following:		
Reimbursements	**354**	-
Expense paid to CEPU – Electrical Division – Qld/ NT Branch includes the following:		
Reimbursement of Legal fees	**972**	18,308
Reimbursement of industrial fines	**-**	65,000
Other operating expenses	**220**	-
Expense paid to CEPU – Plumbing Division – VIC Branch includes the following:		
Merchandise	**118**	-
Revenue received from CIP Limited includes the following:		
Board fees	**32,944**	31,670
Sponsorship income	**10,000**	12,000
Compliance income	**55,000**	55,000
Expense paid to CIP Limited includes the following:		
Income protection contributions	**20,444**	19,847
Sponsorship	**1,782**	-
Amounts owed by CIP Limited includes the following:		
Board Fees	**8,235**	8,235
Revenue received from CEPUTEC includes the following:		
Reimbursement of travel costs	**255**	2,816
Administration fees	**921**	20,941
Expense paid to CEPUTEC includes the following:		
Training services	**39,015**	172,362
Revenue received from BERT/ BERT Fund No 2 includes the following:		
Board fees	**38,435**	39,650
Sponsorship	**10,455**	11,818
Compliance income	**55,000**	55,000

Note 13 Related Party Disclosures (Continued)

Note 13A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)

	2019	2018
	$	$
Expenses paid to BERT/ BERT Fund No 2 includes the following:		
Redundancy contributions	**86,846**	14,580
Amounts owed by BERT/ BERT Fund No 2 includes the following:		
Board fees	**9,607**	9,607
Revenue received from BERT Training Fund includes the following:		
Board fees	**9,839**	12,934
Grants	**1,072,043**	887,740
Sponsorship	**9,091**	9,091
Expense paid to BERT Training Fund includes the following:		
Unexpended grants	**-**	78,593
Amounts owed by BERT Training Fund includes the following:		
Board fees	**1,198**	1,198
Sponsorship	**10,000**	-
Revenue received from BERT Welfare Ltd includes the following:		
Grants	**181,500**	181,500
Revenue received from BEWT includes the following:		
Grants	**11,000**	11,000
Expense paid to BEWT includes the following		
BEWT contributions	**2,060**	1,877
Revenue received from STQ includes the following:		
Compliance income/ grants	**177,726**	172,764
Sponsorship	**80,000**	67,000
Travel reimbursement	**-**	2,822

Note 13 Related Party Disclosures (Continued)

Note 13A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)

	2019	2018
	$	$
Amounts owed to PGUE includes the following:		
Commercial construction levy	**936,544**	770,910
Borrowings	**250,000**	250,000
Revenue received from FIT includes the following:		
Wage reimbursement	**2,823**	1,781
Sponsorship	**455**	-
Revenue received from PICAC includes the following		
Travel reimbursement	**-**	911
Expense paid to MIC includes the following		
Sponsorship	**7,759**	8,500

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2019, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2018: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note 14 Related Party Disclosures (Continued)

Note 13A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)

Key Management Personnel

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

- Gary O'Halloran (Branch Secretary)
- Michael Wiech (Branch Assistant Secretary)
- All remaining members of the Committee of Management.

During the year, key management personnel of the Branch were remunerated as follows:	**2019**	2018
	$	$
Note 13B: Key Management Personnel Remuneration for the Reporting Period		
Short-term employee benefits		
Salary (including annual leave taken)	**379,190**	334,257
Other	**-**	-
Total short-term employee benefits	**379,190**	334,257
Post-employment benefits:		
Superannuation	**46,969**	45,616
Total post-employment benefits	**46,969**	45,616
Other long-term benefits:		
Long-service leave	**14,768**	11,738
Retirement provision	**25,813**	15,651
Total other long-term benefits	**40,581**	27,389
Termination benefits	**-**	-
Total	**466,740**	407,262

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

	2019	2018
	$	$
Note 14 Remuneration of Auditors and Consultants		
Value of the services provided		
Financial statement audit services	**29,100**	16,225
Other services	**23,114**	27,104
Total remuneration of auditors	**52,214**	43,329

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

Note 15 Financial Instruments

Financial Risk Management Policy

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

(a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss of the Branch. The Branch does not have any material credit risk exposures as its major source of revenue is the receipt of sustentation fees from state branches.

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

The Branch has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Branch.

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

The following table details the Branch's trade and other receivables exposed to credit risk. Amounts are considered 'past due' when the debt has not been settled, within the terms and conditions agreed between the Branch and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Branch.

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

Note 15 Financial Instruments (Continued)

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

	Current Trading Terms/ 0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Trade and other receivables	**54,328**	**-**	**-**	**-**	**54,328**
Receivables from other reporting units	**-**	**-**	**-**	**-**	**-**
Total	**54,328**	**-**	**-**	**-**	**54,328**

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

	Current Trading Terms/ 0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Trade and other receivables	29,775	-	-	-	29,775
Receivables from other reporting units	280	-	-	-	280
Total	30,055	-	-	-	30,055

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

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved policy. Such policy requires that surplus funds are only invested with counterparties with a strong reputation and backed by the Commonwealth Government's bank guarantee. At 31 March 2019, all funds were held by financial institutions backed by the Commonwealth Government's bank guarantee.

Collateral held as security

The Branch does not hold collateral with respect to its receivables at 31 March 2019 (2018: Nil).

Note 15 Financial Instruments (Continued)

(b) Liquidity Risk

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

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

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

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

Financial Instrument Composition and Maturity Analysis

	Within 1 Year		**1 to 5 Years**		**Over 5 Years**		**Total**	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018
	$	$	**$**	$	**$**	$	**$**	**$**
Financial liabilities due for payment								
Trade payables	**175,942**	223,000	**-**	-	**-**	-	**175,942**	223,000
Other payables	**2,019,652**	1,479,171	**-**	-	**-**	-	**2,019,652**	1,479,171
Financial liabilities	**250,000**	250,000	**-**	-	**-**	-	**250,000**	250,000
Total expected outflows	**2,445,594**	1,952,171	**-**	-	**-**	-	**2,445,594**	1,952,171

Note 15 Financial Instruments (Continued)

Financial Instrument Composition and Maturity Analysis (Continued)

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2019	2018	**2019**	2017	**2019**	2017	**2019**	2018
	$	$	**$**	$	**$**	$	**$**	**$**
Financial assets – cash flow receivable								
Cash and cash equivalents	**3,547,362**	2,843,794	**-**	-	**-**	-	**3,547,362**	2,843,794
Trade and other receivables	**54,328**	30,055	**-**	-	**-**	-	**54,328**	30,055
Total anticipated inflows	**3,601,690**	2,873,849	**-**	-	**-**	-	**3,601,690**	2,873,849
Net inflow on financial instruments	**1,156,096**	921,678	**-**	-	**-**	-	**1,156,096**	921,678

(c) Market Risk

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

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

	Weighted Average Effective Interest Rate			
	2019	2018	**2019**	2018
	%	%	**$**	$
Floating rate instruments				
Cash and cash equivalents	**0.62**	1.46	**3,547,362**	2,843,794
Borrowings (related parties)	**-**	-	**250,000**	250,000

Note 15 Financial Instruments (Continued)

(d) Market Risk

i. Interest rate risk (Continued)

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

Sensitivity Analysis

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

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

	Profit $	Equity $
Year ended 31 March 2019		
+1% in interest rates	**32,952**	**32,952**
-1% in interest rates	**(14,790)**	**(14,790)**
Year ended 31 March 2018		
+1% in interest rates	25,915	25,915
-1% in interest rates	(6,220)	(6,220)

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

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

ii. Foreign exchange risk
The Branch is not exposed to direct fluctuations in foreign currencies.

iii. Price risk
The Branch is not exposed to any material commodity price risk.

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Note 16 Fair Value Measurements

Fair Values

Fair value estimation

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded.

In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Branch. Most of these instruments, which are carried at amortised cost (i.e. accounts receivable), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Branch.

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

		2019		2018	
	Footnote	Carrying value	Fair value	Carrying value	Fair value
		$	$	$	$
Financial assets					
Cash and cash equivalents	(i)	**3,547,362**	**3,547,362**	2,843,794	2,843,794
Accounts receivable and other debtors	(i)	**54,328**	**54,328**	30,055	30,055
Total financial assets		**3,601,690**	**3,601,690**	2,873,849	2,873,849
Financial liabilities					
Trade payables	(i)	**175,942**	**175,942**	223,000	223,000
Other payables	(i)	**2,019,652**	**2,019,652**	1,479,171	1,479,171
Financial liabilities	(i)	**250,000**	**250,000**	250,000	250,000
Total financial liabilities		**2,445,594**	**2,445,594**	1,952,171	1,952,171

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

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

Note 16 Fair Value Measurements (Continued)

Fair Value Hierarchy

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

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset of liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market date. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The 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

	Note	Date of Valuation $	Level 1 $	Level 2 $	Level 3 $
Assets measured at fair value					
Land and buildings – 41 Peel Street, South Brisbane	**6A**	**31 March 2018**	**-**	**-**	**1,320,000**
Land and buildings – 4-6 Quindus Street, Beenleigh	**6A**	**28 November 2016**	**-**	**-**	**501,794**
Total			**-**	**-**	**1,821,794**

The Branch does not have any other assets or liabilities that are recorded using a fair value technique.

Note 16 Fair Value Measurements (Continued)

Fair Value Hierarchy (continued)

Fair value hierarchy – 31 March 2018

	Note	Date of Valuation	Level 1 $	Level 2 $	Level 3 $
Assets measured at fair value					
Land and buildings – 41 Peel Street, South Brisbane	6A	**31 March 2018**	**-**	**-**	**1,320,000**
Land and buildings – 4-6 Quindus Street, Beenleigh	6A	**28 November 2016**	**-**	**-**	**501,794**
Total			**-**	**-**	**1,821,794**

The Branch does not have any other assets or liabilities that are recorded using a fair value technique.

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

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

Information to be provided to members or Commission:

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

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

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

Note 18 Branch Details

The registered office of the Branch is:

CEPU – Plumbing Division – Queensland Branch
41 Peel Street
SOUTH BRISBANE QLD 4101

Note 19 Segment Information

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

The Branch operates from one reportable geographical segment being Queensland and the Northern Territory.

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

OFFICER DECLARATION STATEMENT

I Gary O'Halloran, being the Branch Secretary of the Communications, Electrical, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Plumbing Division – Queensland Branch declare that the following did not occur during the reporting period ended 31 March 2019:

The reporting unit did not:

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

G O'Halloran
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Gary O'Halloran

Branch Secretary

20 June 2019