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 2021

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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 2021

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 2021.

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 $504,433. Events that have contributed to this result include:

1. In March 2020, the World Health Organisation declared the ongoing COVID-19 (coronavirus) a pandemic. As a result, the Commonwealth and State/ Territory Governments shut down large sections of the economy (particularly those industries that involve large crowds), imposed travel restrictions and limited the number of people that can gather at any one time. This has resulted in :
   - the Australian economy entering recession for the first time since 1990, a significant increase in unemployment and a decline in overall economic activity;
   - the inability of officials/ organisers to conduct mass gathering of members, delegate training and other events that involve bringing members together; and
   - the inability or restrictions on officers and employees of the Branch being able to travel to and from workplaces due to COVID-19 restrictions, as well as many members of the Branch being unable to effectively or efficiently meet with officers and employees of the Branch due to reduced hours of work and/or a lack of gainful employment during COVID-19 restrictions.
2. In response to the COVID-19 pandemic, the Australian Government provided employers with up to $100,000 (split between $50,000 in the 2020FY and a further $50,000 in the current year) in cash flow boost as well as State and Territory Governments providing payroll tax relief.
3. Due to restrictions imposed on staff and officials of the Branch as a result of COVID-19, costs related to travel, accommodation, conferences and other related activities have been significantly reduced, largely accounting for the reduced expenditure during the reporting period.

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.

Members Right to Resign

The right of members to resign from the Branch is set out in the Rules of the CEPU – Plumbing Division (and Section 174 of the RO Act). A member may resign membership by written notice addressed and delivered to the Branch Secretary.

Number of Members

Total number of members at 31 March 2021: 3,587.

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 12.5.

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

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 2021

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
Damian O'Sullivan	Branch President/ Trustee	01/04/20 – 31/03/21
Gary O'Halloran	Branch Secretary	01/04/20 – 31/03/21
Michael Wiech	Branch Assistant Secretary	01/04/20 – 31/03/21
Daniel Gillett	Branch Vice-President/ Trustee	01/04/20 – 31/03/21
Sean Trainor	Committee Member	01/04/20 – 31/03/21
Andrew Burn	Committee Member	01/04/20 – 31/03/21
Kenny Murdoch	Committee Member	01/04/20 – 31/03/21
Gareth Miggins	Committee Member	01/04/20 – 01/12/20
James MacDonald	Committee Member	01/04/20 – 31/03/21

Wages Recovery Activity

The Branch continuously undertook recovery of wages on behalf of members. It is Branch policy that any successful wage recovery from employers is paid directly to those effected members. As a result, no wage recovery activity is accounted through via the Branch's bank accounts and therefore is not reflected in these financial statements.

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

13 July 2021

South Brisbane

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WORLDWIDE

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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 2021; 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.L.S

MGI Audit Pty Ltd

G I Kent

Director – Audit & Assurance

South Brisbane
13 July 2021

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 2021

On 13 July 2021, 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 2021.

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: 13 July 2021

mgi
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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 2021, 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 2021, 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, Registered Company Auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

M.C.F

MGI Audit Pty Ltd

G I Kent

Director – Audit & Assurance

South Brisbane
13 July 2021

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 2021

	Notes	2021 $	2020 $
Revenue from contracts with customers	3		
Membership subscriptions		**1,615,152**	1,644,689
Total revenue from contracts with customers		**1,615,152**	1,644,689
Revenue from furthering objectives			
Grants or donations	3	**1,200,295**	1,257,053
Total income from furthering objectives		**1,200,295**	1,257,053
Other income			
Gain on sale of property, plant and equipment		**20,000**	10,000
Interest	3A	**241**	17,185
Sponsorship income	3B	**169,320**	185,086
Compliance income	3C	**364,266**	332,886
Other income	3D	**272,677**	167,205
Total other income		**826,504**	712,362
Total revenue		**3,641,951**	3,614,104
Expenses			
Employee expenses	4A	**(2,157,583)**	(2,249,462)
Sustentation/ capitation fees	4B	**(175,728)**	(141,037)
Affiliation fees	4C	**(35,808)**	(41,078)
Audit fees	14	**(17,658)**	(14,400)
Legal costs and fines	4D	**(98,989)**	(125,891)
Grants or donations	4E	**(19,709)**	(52,967)
Depreciation and amortisation	4F	**(179,460)**	(186,596)
Finance costs	4G	**(4,477)**	(5,359)
Administration expense	4H	**(435,982)**	(735,630)
Other expense	4I	**(12,124)**	(11,679)
Total expenses		**(3,137,518)**	(3,564,099)
Surplus for the year		**504,433**	50,005
Other comprehensive income			
Revaluation of land and buildings (net of income tax)		**-**	410,274
Total comprehensive income for the year		**504,433**	460,279

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 2021

	Notes	2021 $	2020 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	**4,358,393**	4,125,348
Trade and other receivables	5B	**54,401**	73,857
Other current assets	5C	**53,501**	55,166
Total current assets		**4,466,295**	4,254,371
Non-Current Assets			
Land and buildings	6A	**2,026,620**	2,087,566
Furniture, fittings and office equipment	6B	**76,412**	113,955
Motor vehicles	6C	**118,919**	152,574
Total non-current assets		**2,221,951**	2,354,095
Total assets		**6,688,246**	6,608,466
LIABILITIES			
Current Liabilities			
Trade payables	7A	**289,239**	247,779
Other payables	7B	**1,652,736**	2,274,566
Borrowings	8A	**250,000**	250,000
Lease liability	8B	**20,889**	19,813
Employee provisions	9A	**1,066,665**	883,244
Total current liabilities		**3,279,529**	3,675,402
Non-Current Liabilities			
Lease liability	8B	**39,204**	60,094
Employee provisions	9A	**16,591**	24,481
Total non-current liabilities		**55,795**	84,575
Total liabilities		**3,335,324**	3,759,977
Net assets		**3,352,922**	2,848,489
EQUITY			
Retained earnings		**1,415,674**	911,241
Reserves	10A	**1,937,248**	1,937,248
Total equity		**3,352,922**	2,848,489

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 2021

	Asset Revaluation Reserve	General Reserve	Retained earnings	Total equity
	$	$	$	$
Balance as at 1 April 2019	1,252,092	274,882	861,236	2,388,210
Surplus for the year	-	-	50,005	50,005
Other comprehensive income	410,274	-	-	410,274
Closing balance as at 31 March 2020	1,662,366	274,882	911,241	2,848,489
Surplus for the year	**-**	**-**	**504,433**	**504,433**
Other comprehensive income	**-**	**-**	**-**	**-**
Closing balance as at 31 March 2021	**1,662,366**	**274,882**	**1,415,674**	**3,352,922**

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

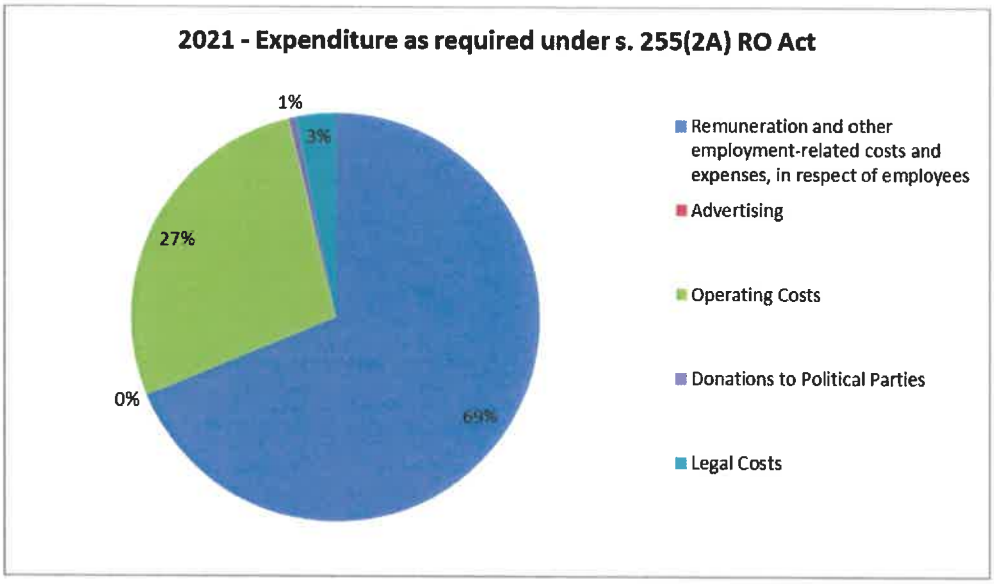
	Notes	2021 $	2020 $
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	11B	**1,323**	16,639
Receipts from other customers		**4,528,671**	4,270,291
Interest received		**241**	17,185
Cash used			
Payments to employees and suppliers		**(4,054,288)**	(3,481,556)
Payments to other reporting units	11B	**(191,295)**	(186,037)
Finance cost paid		**(138)**	-
Net cash provided by operating activities		**284,514**	636,522
INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		**20,000**	10,000
Payments for property, plant and equipment		**(47,316)**	(44,383)
Net cash used in investing activities		**(27,316)**	(34,383)
FINANCING ACTIVITIES			
Lease repayments (principal)		**(24,153)**	(24,153)
Net cash used in financing activities		**(24,153)**	(24,153)
Net (decrease)/ increase in cash held		**233,045**	577,986
Cash & cash equivalents at the beginning of the reporting period		**4,125,348**	3,547,362
Cash & cash equivalents at the end of the reporting period	11A	**4,358,393**	4,125,348

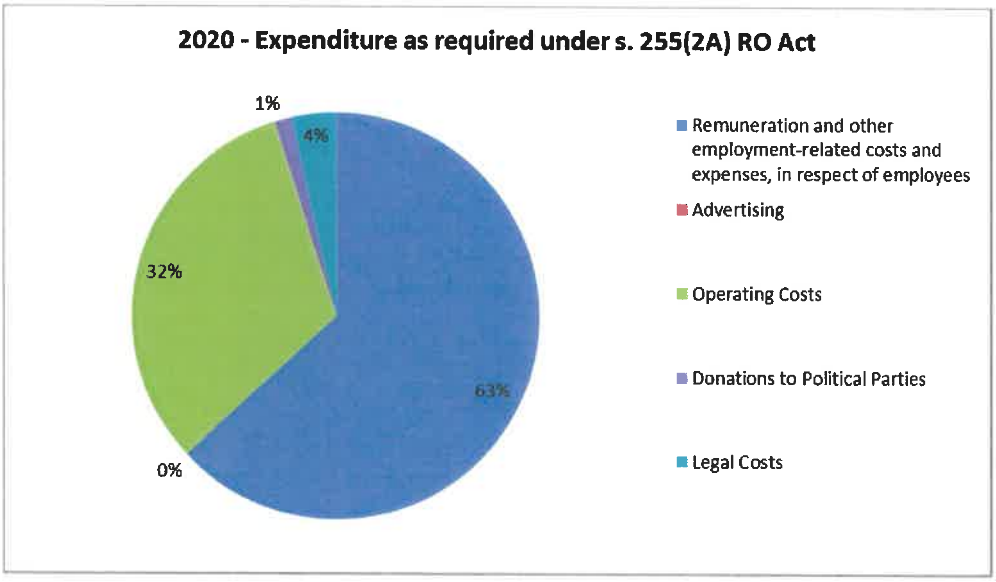
The above statement should be read in conjunction with the notes.

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 2021

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Branch for the year ended 31 March 2021:





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

South Brisbane
13 July 2021

Index to the Notes of the Financial Statements

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.

Lease Liabilities/ Right to Use Asset
Key assumptions used in the determination of the Branch's lease liability/ right to use assets are:

- Incremental borrowing rate: 5.43%
- Annual rental increases: Nil

Note 1 Summary of significant accounting policies (Continued)

1.3 Significant accounting judgements and estimates (Continued)

<u>Key Judgements (Continued)</u>

<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.

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

New accounting standards and amendments applied for the first time for this annual reporting period commencing 1 April 2020 did not have any impact on the amounts recognised in the current or prior periods and are not expected to significantly affect future periods.

Future Australian Accounting Standards Requirements
At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the Australian Accounting Standards Board (AASB). None of these Standards or amendments to existing Standards have been adopted early by the Branch.

The Committee of Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Branch's financial statements.

Note 1 Summary of significant accounting policies (Continued)

1.5 Revenue

The Branch enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the Branch has a contract with a customer, the Branch recognises revenue when or as it transfers control of goods or services to the customer. The Branch accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Branch.

If there is only one distinct membership service promised in the arrangement, the Branch recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Branch's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the Branch allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the Branch charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the Branch recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Branch has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the Branch at their standalone selling price, the Branch accounts for those sales as a separate contract with a customer.

Note 1 Summary of significant accounting policies (Continued)

1.5 Revenue (Continued)

Income of the Branch as a Not-for-Profit Entity

Consideration is received by the Branch to enable the entity to further its objectives. The Branch recognises each of these amounts of consideration as income when the consideration is received (which is when the Branch obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the Branch's recognition of the cash contribution does not give to any related liabilities.

Income recognised from transfers

Where, as part of an enforceable agreement, the Branch receives consideration to acquire or construct a non-financial asset such as property, plant and equipment to an identified specification and for the Branch's own use, a liability is recognised for the obligation to acquire or construct the asset. Income is recognised as the obligation to acquire or construct the asset is satisfied, which is typically over time. The asset that is being acquired or constructed is recognised in accordance with the policy on property, plant and equipment.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Interest income

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

Note 1 Summary of significant accounting policies (Continued)

1.6 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.

Employees of the Branch have the following vesting periods for their Long Service Leave balance paid upon termination (on a pro-rata basis):

- Elected (paid) officers 3 years
- Officials 3 years
- Administration Staff 5 years
- Other staff 10 years

The Branch does not have an unconditional right to deferred settlement (for those employees who have met their vesting period), resulting in Long Service Leave entitlements to be reported at reporting date as current liabilities.

1.7 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.

1.8 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.

Note 1 Summary of significant accounting policies (Continued)

1.9 Leases

For any leases entered into, the Branch considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Branch assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Branch;
- The Branch has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- The Branch has the right to direct the use of the identified asset throughout the period of use.
- The Branch assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

<u>Measurement and recognition of leases as a lessee</u>
At lease commencement date, the Branch recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Branch, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Branch depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Branch also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Branch measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Branch's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Note 1 Summary of significant accounting policies (Continued)

1.9 Leases (continued)

The Branch has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

1.10 Financial instruments

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

1.11 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.

Note 1 Summary of significant accounting policies (Continued)

1.11 Financial assets (continued)

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

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

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

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

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)

1.11 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

Expected credit losses
Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

Note 1 Summary of significant accounting policies (Continued)

1.11 Financial assets (continued)

(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.

(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.

Note 1 Summary of significant accounting policies (Continued)

1.12 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.

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.

Note 1 Summary of significant accounting policies (Continued)

1.13 Contingent Liabilities and Contingent Assets

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

1.14 Liabilities relating to contracts with customers

Contract liabilities
A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Branch transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the Branch performs under the contract (i.e., transfers control of the related goods or services to the customer).

Refund liabilities
A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Branch refund liabilities arise from customers' right of return. The liability is measured at the amount the Branch ultimately expects it will have to return to the customer. The Branch updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

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.

Note 1 Summary of significant accounting policies (Continued)

1.15 Plant and Equipment (continued)

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%

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.

Note 1 Summary of significant accounting policies (Continued)

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.

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.

Note 1 Summary of significant accounting policies (Continued)

1.18 Fair value measurement (Continued)

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 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 2021, and/ or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

	2020	2019
	$	$

Note 3 Revenue and income

Disaggregation of revenue from contracts with customers

A disaggregation of the Branch's revenue by type of arrangements is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

Type of customer		
Members	**1,615,152**	1,644,689
Total revenue from contracts with customers	**1,615,152**	1,644,689

Disaggregation of revenue from furthering objectives

A disaggregation of the Branch's revenue by type of arrangements is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

Type of customer		
Other – Training grants	**1,200,295**	1,257,053
Total revenue from furthering objectives	**1,200,295**	1,257,053

Note 3A: Interest		
Deposits	**241**	17,185
Total interest	**241**	17,185

Note 3B: Sponsorship income		
Sponsorship income - general	**169,320**	185,086
Total organising income	**169,320**	185,086

Note 3C: Compliance income		
Compliance fees	**209,850**	205,160
Collection/ administration fee for service	**154,416**	127,726
Total compliance income	**364,266**	332,886

Note 3D: Other income		
Board fees	**86,226**	82,139
Cash flow boast (COVID-19 stimulus)	**50,000**	50,000
Legal fee recoveries	**98,391**	-
Other income	**38,060**	35,066
Total other income	**272,677**	167,205

	2021	2020
	$	$
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	**359,629**	355,231
Superannuation	**48,768**	50,326
Leave and other entitlements	**86,948**	91,363
Subtotal employee expenses holders of office	**495,345**	496,920
Employees other than office holders:		
Wages and salaries	**1,181,975**	1,227,994
Superannuation	**181,363**	186,067
Leave and other entitlements	**231,339**	230,293
Subtotal employee expenses employees other than office holders	**1,594,677**	1,644,354
Add: Payroll tax expense	**18,374**	49,847
Add: BERT, BEWT, CIPQ contributions and workers compensation	**45,363**	54,259
Add: Fringe benefits tax	**3,825**	4,082
	67,562	108,188
Total employee expenses	**2,157,583**	2,249,462

Note 4B: Sustentation fees

	2021	2020
CEPU – Plumbing Division	**175,728**	141,037
Total Sustentation fees	**175,728**	141,037

	2021	2020
	$	$
Note 4 Expenses (Continued)		
Note 4C: Affiliation fees		
Australian Labor Party (State of Queensland)	**13,239**	14,820
Queensland Council of Unions	**18,394**	19,933
Union Shopper	**4,175**	6,325
Total affiliation fees	**35,808**	41,078
Note 4D: Legal costs		
Litigation	**35,696**	-
Other legal matters	**47,543**	125,891
Penalties - via RO Act or the *Fair Work Act 2009*	**15,750**	-
Total legal costs	**98,989**	125,891
Note 4E: Donations		
Donations:		
Total paid that were $1,000 or less	**209**	5,467
Total paid that exceeded $1,000	**19,500**	47,500
Total grants or donations	**19,709**	52,967
Note 4F: Depreciation and amortisation		
Depreciation		
Furniture, fittings and office equipment	**18,043**	20,025
Buildings	**60,946**	62,937
Motor vehicles	**79,321**	82,484
Total depreciation	**158,310**	165,446
Amortisation expense		
Furniture, fittings and office equipment	**21,150**	21,150
Total amortisation	**21,150**	21,150
Total depreciation and amortisation	**179,460**	186,596

	2021	2020
	$	$
Note 4 Expenses (Continued)		
Note 4G: Finance costs		
Interest expense for leasing arrangements	**4,477**	5,359
Total finance costs	**4,477**	5,359
Note 4H: Administration expenses		
Fees/ allowances – meeting and conferences	**6,400**	2,640
Conference and meeting expenses	**36,183**	68,827
Contractor/ consultant expenses	**19,242**	41,131
Property expenses	**52,293**	30,601
Information technology costs	**46,554**	66,793
Motor vehicle costs	**60,054**	79,269
Travel expenses	**32,726**	71,012
Labour day expenses	**3,524**	62,869
Printing, postage and stationery	**22,303**	28,767
Grant delivery costs	**9,645**	125,489
Delegate expenses	**65**	496
Photocopying expenses	**-**	6,763
Other administration expenses	**146,993**	150,973
Total administration expenses	**435,982**	735,630
Note 4I: Other expenses		
Levies – CEPU National Council	**12,124**	11,679
Total other expenses	**12,124**	11,679

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

	2021	2020
	$	$
Note 5 Current Assets		
Note 5A: Cash and Cash Equivalents		
Cash at bank	**3,734,597**	3,501,552
Cash on hand	**2,207**	2,207
Term deposits	**621,589**	621,589
Total cash and cash equivalents	**4,358,393**	4,125,348
Note 5B: Trade and Other Receivables		
Trade receivables:		-
Other trade receivables	**107,362**	53,228
Less: Provision for doubtful debtors	**(72,000)**	(48,410)
Sub-total trade receivables	**35,362**	4,818
Other receivables:		
Sundry debtors	**-**	50,000
Accrued income	**19,039**	19,039
Total other receivables	**19,039**	69,039
Total trade and other receivables (net)	**54,401**	73,857
Note 5C: Other Current Assets		
Prepayments	**11,953**	13,618
Merchandise	**41,548**	41,548
Total other current assets	**53,501**	55,166

	2021 $	2020 $
Note 6: Non-Current Assets		
Note 6A: Land and Buildings		
Land and buildings:		
41 Peel Street, South Brisbane	**1,416,257**	1,416,257
at fair value	**(246,355)**	(198,691)
accumulated depreciation	**1,169,902**	1,217,566
4-6 Quindus Street, Beenleigh		
at fair value	**870,000**	870,000
accumulated depreciation	**(13,282)**	-
	856,718	870,000
Total Land and Buildings	**2,026,620**	2,087,566

Reconciliation of Opening and Closing Balances of Land and Buildings

As at 1 April		
Gross book value	**2,286,257**	1,918,051
Accumulated depreciation and impairment	**(198,691)**	(177,822)
Net book value 1 April	**2,087,566**	1,740,229
Additions:		
By purchase	**-**	-
By revaluation	**-**	410,274
Depreciation expense	**(60,946)**	(62,937)
Disposals:		
By sale	**-**	-
Net book value 31 March	**2,026,620**	2,087,566
Net book value as of 31 March represented by:		
Gross book value	**2,286,257**	2,286,257
Accumulated depreciation and impairment	**(259,637)**	(198,691)
Net book value 31 March	**2,026,620**	2,087,566

Valuation Details

41 Peel Street, South Brisbane

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)

4 Quindus Street, Beenleigh

On 16 July 2019, the land and buildings at 4 Quindus Street, Beenleigh was valued by Mr Alistair Burke AAPI CPV and Mr Andrew Stone AAPI CPV of Opteon Property Group Pty Ltd. The land and buildings valuation was based on a highest and best use, which was determined as a commercial warehouse/ training facility (the asset current use).

Fair value is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Fair value is determined by direct reference to recent market transactions on arm's length terms for land and buildings comparable in size and location to those held by the Branch and to market based yields for comparable properties. Key assumptions utilised in the valuation were:

- Capitalisation Rate 7.0%
- Lettable area 1,644 m^2
- Net Market Rental m^2 $1,050

6 Quindus Street, Beenleigh

On 4 August 2019, the land and buildings at 6 Quindus Street, Beenleigh was valued by Mr Ben Farquhar AAPI CPV and Mr Andrew Stone AAPI CPV of Opteon Property Group Pty Ltd. The land and buildings valuation was based on a highest and best use, which was determined as a commercial warehouse/ training facility (the asset current use).

Fair value is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Fair value is determined by direct reference to recent market transactions on arm's length terms for land and buildings comparable in size and location to those held by the Branch and to market based yields for comparable properties. Key assumptions utilised in the valuation were:

- Capitalisation Rate 6.75%
- Lettable area 4,445 m^2
- Net Market Rental m^2 $1,250

	2021 $	2020 $
Note 6B: Furniture, Fittings and Office Equipment		
Furniture, fittings and office equipment:		
at cost	**373,430**	**371,781**
accumulated depreciation	**(297,018)**	**(257,825)**
Total Furniture, Fittings and Office Equipment	**76,412**	**113,955**

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

As at 1 April		
Gross book value	**371,781**	271,173
Accumulated depreciation and impairment	**(257,825)**	(215,958)
Adjustment on transition of AASB 16	**-**	98,701
Net book value 1 April	**113,955**	153,916
Additions:		
By purchase	**1,650**	1,214
Depreciation/ amortisation expense	**(39,193)**	(41,175)
Disposals:		
By sale	**-**	-
Net book value 31 March	**76,412**	113,955
Net book value as of 31 March represented by:		
Gross book value	**373,430**	371,781
Accumulated depreciation and impairment	**(297,018)**	(257,825)
Net book value 31 March	**76,412**	113,955

Included in the net carrying amount of furniture, fittings and office equipment are right to use assets as followings

Right of use asset		
At cost	**98,701**	98,701
accumulated depreciation/ amortisation	**(42,300)**	(21,150)
Total right of use asset – land and buildings	**56,401**	96,551

	2021	2020
	$	$
Note 6C: Motor Vehicles		
Motor vehicles:		
at cost	**396,056**	392,120
accumulated depreciation	**(277,137)**	(239,546)
Total Motor Vehicles	**118,919**	152,574

Reconciliation of Opening and Closing Balances of Motor Vehicles

As at 1 April		
Gross book value	**392,120**	349,644
Accumulated depreciation and impairment	**(239,546)**	(157,755)
Net book value 1 April	**152,574**	191,889
Additions:		
By purchase	**45,666**	43,169
Depreciation expense	**(79,321)**	(82,484)
Disposals:		
By sale	**-**	-
Net book value 31 March	**118,919**	152,574
Net book value as of 31 March represented by:		
Gross book value	**396,056**	392,120
Accumulated depreciation and impairment	**(277,137)**	(239,546)
Net book value 31 March	**118,919**	152,574

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	$	$

Note 7 Current Liabilities

Note 7A: Trade payables

	2021 $	2020 $
Trade creditors	**93,532**	62,379
Accrued expenses	**15,946**	18,909
Subtotal trade payables	**109,478**	81,288
Payables to other reporting units		
CEPU – Plumbing Division	**166,612**	153,154
CEPU – National Council	**13,149**	13,337
Subtotal payables to other reporting units	**179,761**	166,491
Total trade payables	**289,239**	247,779

Settlement is usually made within 30 days.

Note 7B: Other payables

	2021 $	2020 $
Income received in advance	**1,544,579**	1,076,054
Legal costs		
Litigation	**950**	30,678
PAYG payable	**45,166**	48,736
GST payable (net)	**24,785**	26,260
Related party creditor (PGUE commercial construction levy)	**10,920**	1,075,297
Other sundry payables	**26,336**	17,541
Total other payables	**1,652,736**	2,274,566
Total other payables are expected to be settled in:		
No more than 12 months	**1,652,736**	2,274,566
More than 12 months	**-**	-
Total other payables	**1,652,736**	2,274,566

	2021	2020
	$	$
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

PGEU Loan
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.

	2021 $	2020 $
Note 8B: Lease		

Lease liabilities are presented in the statement of financial position as follows:

	2021 $	2020 $
Current	**20,889**	**19,813**
Non-Current	**39,204**	**60,094**
Total leases	**60,093**	**79,907**

The Branch leases computer and photocopying equipment. Each lease generally imposes a restriction that, unless there is a contractual right for the Branch to sublet the asset to another party, the right-of-use asset can only be used by the Branch. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Branch is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings, the Branch must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Branch must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The table below describes the nature of the Branch's leasing activities by type of right-of-use asset recognised on the statement of financial position:

Right of use asset	No of right of use assets leased	Range of remaining term	Average remaining term	No of leases with extension options	No of leases with options to purchase	No of leases with variable payments linked to index	No of leases with termination options
Furniture, fittings and office equipment	1	2.5 years	2.5 years	-	-	-	-

Note 8B: Lease (Continued)

Future minimum lease payments at 31 March 2021 were as follows:

	Minimum lease payments due						
	Within 1 year	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**After 5 years**	**Total**
31 March 2021							
Lease payments	**24,152**	**24,152**	**18,114**	**-**	**-**	**-**	**66,418**
Finance charges	**(3,263)**	**(2,128)**	**(934)**	**-**	**-**	**-**	**(6,325)**
Net present value	**20,889**	**22,024**	**17,180**	**-**	**-**	**-**	**60,093**
31 March 2020							
Lease payments	24,152	24,152	24,152	18,114	-	-	90,570
Finance charges	(4,339)	(3,263)	(2,128)	(933)	-	-	(10,663)
Net present value	19,813	20,889	22,024	17,181	-	-	79,907

	2021	2020
	$	$
Note 9 Provisions		
Note 9A: Employee provisions		
Office Holders:		
Annual leave	**41,790**	27,378
RDO	**7,007**	3,891
Long service leave	**184,483**	165,798
Other (retirement allowance)	**250,848**	226,314
Subtotal employee provisions—office holders	**484,128**	423,381
Employees other than office holders:		
Annual leave	**116,591**	82,408
RDO	**42,433**	48,578
Long service leave	**278,121**	227,804
Other (retirement allowance)	**161,983**	125,554
Subtotal employee provisions—employees other than office holders	**599,128**	484,344
Total employee provisions	**1,083,256**	484,344
Current	**1,066,665**	883,244
Non-Current	**16,591**	24,481
Total employee provisions	**1,083,256**	907,725

	2021	2020
	$	$

Note 10 Reserves

Note 10A: General reserve

	2021 $	2020 $
Opening balance – 1 April	**274,882**	274,882
Movement to/ from reserves	**-**	-
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

	2021 $	2020 $
Opening balance – 1 April	**1,662,366**	1,252,092
Revaluations	**-**	410,274
Movement to/ from reserves	**-**	-
Closing balance – 31 March	**1,662,366**	1,662,366

The asset revaluation reserve records the revaluation movements of property, plant and equipment.

	2021	2020
	$	$

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:

	2021 $	2020 $
Cash and cash equivalents as per:		
Cash flow statement	**4,358,393**	4,125,348
Statement of financial position	**4,358,393**	4,125,348
Difference	**-**	-

Reconciliation of surplus to net cash from operating activities:

	2021 $	2020 $
Surplus for the year	**504,433**	50,005
Adjustments for non-cash items		
Depreciation/ amortisation	**179,460**	186,596
Gain on disposal of property, plant and equipment	**(20,000)**	(10,000)
Interest expense on leases	**4,339**	5,359
Changes in assets/ liabilities		
(Increase)/ decrease in net receivables	**19,456**	(19,529)
(Increase)/ decrease in other current assets	**1,665**	4,317
Increase/ (decrease) in trade and other payables	**(580,370)**	326,751
Increase/ (decrease) in provisions	**175,531**	93,023
Net cash provided by operating activities	**284,514**	636,522

	2021	2020
	$	$

Note 11 Cash Flow (Continued)

Note 11B: Cash flow information

	2021 $	2020 $
Cash inflows from other reporting units		
CEPU – Plumbing Division	**1,323**	16,639
Total cash inflows	**1,323**	16,639
Cash outflows to other reporting units		
CEPU – Plumbing Division	**(178,496)**	(171,360)
CEPU – National Council	**(12,141)**	(12,847)
CEPU – Plumbing Division (NSW Branch)	**(658)**	(1,830)
Total cash outflows	**(191,295)**	(186,037)

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)	2021 $	2020 $
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 (2020: Nil).

Note 11E: Net debt reconciliation

	2021 $	2020 $
Cash and cash equivalents	**4,358,393**	4,125,348
Borrowings – repayable within one year	**(250,000)**	(250,000)
Leases - repayable within one year	**(20,889)**	(19,813)
Leases – repayable after one year	**(39,204)**	(60,094)
Net debt	**4,048,300**	3,795,441

Note 11 Cash Flow (Continued)

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**	**Lease – due within 1 year**	**Lease – due after 1 year**	**Total**
Net debt at 1 April 2019	3,547,362	(250,000)	-	-	3,297,362
Cash flows	577,986	-	(1,020)	19,814	596,780
Adjustment on transition of AASB 16	-	-	(18,793)	(79,908)	(98,701)
Net debt at 31 March 2020	4,125,348	(250,000)	(19,813)	(60,094)	3,795,441
Cash flows	**233,045**	**-**	**(1,076)**	**20,890**	**252,859**
Net debt at 31 March 2021	**4,358,393**	**(250,000)**	**(20,889)**	**(39,204)**	**4,048,300**

Note 12 Contingent Liabilities, Assets and Commitments

Note 12A: Commitments and Contingencies

Capital commitments

At 31 March 2021, the Branch did not have any capital commitments (2020: Nil).

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

Legal Case

ABCC

The Australian Building and Construction Commission (ABCC) and the Branch has been engaged in ongoing legal matter throughout the year. The Branch continues to defend the allegations brought by the ABCC and believe that ultimately the Branch will be successful in defending the matter. As a result the Branch has not recognised any liability or contingent liability at 31 March 2021, as the matter continues. All legal expenses associated with the use of external lawyers continues to be expensed and recorded in the statement of financial position under legal costs.

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 – QLD Plumbing Branch
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, WH&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)

	2021 $	2020 $

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.

	2021 $	2020 $
Expenses paid to CEPU – National Council includes the following:		
Levies	**12,124**	11,679
Amounts owed to CEPU – National Council includes the following:		
Levies	**13,149**	13,337
Revenue received from CEPU –Plumbing Division includes the following:		
Reimbursement of travel expenses	**1,203**	3,239
Contribution of sponsorship expenses	**-**	12,000
Expenses paid to CEPU – Plumbing Division includes the following:		
Sustentation/ capitation fees	**175,728**	141,037
Amounts owed to CEPU – Plumbing Division includes the following:		
Sustentation/ capitation fees	**166,612**	153,154

Note 13 Related Party Disclosures (Continued)

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

	2021 $	2020 $
Revenue received from CEPU – Plumbing Division – NSW Branch includes the following:		
Reimbursement of travel expenses	**598**	1,664
Revenue received from CIP Limited includes the following:		
Board fees	**25,015**	28,859
Sponsorship income	**10,000**	10,000
Compliance income	**55,000**	55,000
Expense paid to CIP Limited includes the following:		
Income protection contributions	**20,178**	22,648
Sponsorship	**1,000**	2,100
Amounts owed by CIP Limited includes the following:		
Board Fees	**6,316**	6,192
Revenue received from CEPUTEC includes the following:		
Reimbursement of travel costs	**-**	280
Sponsorship	**-**	3,909
Expense paid to CEPUTEC includes the following:		
Training services	**7,030**	74,098
Reimbursement of other operating expenses	**4,023**	693
Revenue received from BERT/ BERT Fund No 2 includes the following:		
Board fees	**43,846**	40,927
Sponsorship	**10,000**	10,000
Compliance income	**58,830**	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)

	2021 $	2020 $
Expenses paid to BERT/ BERT Fund No 2 includes the following:		
Redundancy contributions	15,474	15,474
Amounts owed by BERT/ BERT Fund No 2 includes the following:		
Board fees	11,070	10,853
Revenue received from BERT Training Fund includes the following:		
Board fees	10,215	8,996
Grants	1,273,384	1,257,053
Sponsorship	-	9,091
Amounts owed by BERT Training Fund includes the following:		
Board fees	1,900	1,863
Revenue received from BERT Welfare Ltd includes the following:		
Grants	208,190	181,500
Board fees	7,527	3,726
Revenue received from BEWT includes the following:		
Grants	11,677	11,000
Expense paid to BEWT includes the following		
BEWT contributions	1,550	1,609
Revenue received from STQ includes the following:		
Compliance income/ grants	177,726	177,726
Sponsorship	60,000	80,000

Note 13 Related Party Disclosures (Continued)

Note 13A: Related Party Transactions for the Reporting Period

Holders of office and related reporting units (Continued)

	2021	2020
	$	$
Revenue received from PGUE includes the following:		
Legal fee recoveries	**98,391**	-
Amounts owed to PGUE includes the following:		
Commercial construction levy	**10,920**	1,075,297
Borrowings	**250,000**	250,000
Revenue received from Fire Industry Training includes the following:		
Sponsorship	**750**	1,500
Revenue received from PICAC includes the following		
Travel reimbursement	**-**	713
Sponsorship	**-**	4,500
Revenue received from Mates in Construction includes the following:		
Sponsorship	**-**	3,000
Expense paid to Mates in Construction includes the following		
Sponsorship	**10,000**	3,500

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 2021, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2020: 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:	**2021**	2020
	$	$
Note 13B: Key Management Personnel Remuneration for the Reporting Period		
Short-term employee benefits		
Salary (including annual leave taken)	**405,977**	400,827
Other	**-**	-
Total short-term employee benefits	**405,977**	400,827
Post-employment benefits:		
Superannuation	**48,768**	50,326
Total post-employment benefits	**48,768**	50,326
Other long-term benefits:		
Long-service leave	**16,067**	15,806
Retirement provision	**24,533**	29,961
Total other long-term benefits	**40,600**	45,767
Termination benefits	**-**	-
Total	**495,345**	496,920

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.

	2021	2020
	$	$
Note 14 Remuneration of Auditors and Consultants		
Value of the services provided		
Financial statement audit services	**17,658**	14,400
Other services	**19,243**	41,131
Total remuneration of auditors	**36,901**	55,531

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 2021

	Current Trading Terms/ 0 to 30 days	**31 to 60 days**	**61 to 90 days**	**90+ days**	**Total**
	$	**$**	**$**	**$**	**$**
Trade and other receivables	**42,539**	**-**	**1,500**	**10,362**	**54,401**
Receivables from other reporting units	**-**	**-**	**-**	**-**	**-**
Total	**42,539**	**-**	**1,500**	**10,362**	**54,401**

Ageing of financial assets that were past due but not impaired for 2020

	Current Trading Terms/ 0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Trade and other receivables	69,040	4,084	-	733	73,857
Receivables from other reporting units	-	-	-	-	-
Total	69,040	4,084	-	733	73,857

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 2021, 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 2021 (2020: 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	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
	$	$	**$**	$	**$**	$	**$**	$
Financial liabilities due for payment								
Trade payables	**(289,239)**	(247,779)	**-**	-	**-**	-	**(289,239)**	(247,779)
Other payables	**(1,652,736)**	(2,274,566)	**-**	-	**-**	-	**(1,652,736)**	(2,274,566)
Financial liabilities	**(250,000)**	(250,000)	**-**	-	**-**	-	**(250,000)**	(250,000)
Lease liabilities	**(20,889)**	(19,813)	**(39,204)**	(60,094)	**-**	-	**(60,093)**	(79,907)
Total expected outflows	**(2,212,864)**	(2,792,158)	**(39,204)**	(60,094)	**-**	-	**(2,252,068)**	(2,852,252)

Note 15 Financial Instruments (Continued)

Financial Instrument Composition and Maturity Analysis (Continued)

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
	$	$	**$**	$	**$**	$	**$**	$
Financial assets – cash flow receivable								
Cash and cash equivalents	**4,358,393**	4,125,348	**-**	-	**-**	-	**4,358,393**	4,125,348
Trade and other receivables	**54,401**	73,857	**-**	-	**-**	-	**54,401**	73,857
Total anticipated inflows	**4,412,792**	4,199,205	**-**	-	**-**	-	**4,412,792**	4,199,205
Net inflow on financial instruments	**2,199,930**	1,407,047	**(39,204)**	(60,094)	**-**	-	**2,160,724**	1,346,953

(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			
	2021	2020	**2021**	2020
	%	%	**$**	$
Floating rate instruments				
Cash and cash equivalents	**0.30**	0.32	**4,358,393**	4,125,348
Borrowings (related parties)	**-**	-	**250,000**	250,000
Lease liabilities	**5.43**	5.43	**60,093**	79,907

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 2021		
+1% in interest rates	**40,456**	**40,456**
-1% in interest rates	**(12,298)**	**(12,298)**
Year ended 31 March 2020		
+1% in interest rates	37,929	37,929
-1% in interest rates	(14,161)	(14,161)

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.

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:

		2021		2020	
	Footnote	**Carrying value**	**Fair value**	Carrying value	Fair value
		$	**$**	$	$
Financial assets					
Cash and cash equivalents	(i)	**4,358,393**	**4,358,393**	4,125,348	4,125,348
Accounts receivable and other debtors	(i)	**54,401**	**54,401**	73,857	73,857
Total financial assets		**4,412,794**	**4,412,794**	4,199,205	4,199,205
Financial liabilities					
Trade payables	(i)	**289,239**	**289,239**	247,779	247,779
Other payables	(i)	**1,652,736**	**1,652,736**	2,274,566	2,274,566
Financial liabilities	(i)	**250,000**	**250,000**	250,000	250,000
Lease liabilities	(i)	**60,093**	**60,093**	79,907	79,907
Total financial liabilities		**2,252,068**	**2,252,068**	2,852,252	2,852,252

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 9.

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 2021

	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 Quindus Street, Beenleigh	**6A**	**16 July 2019**	**-**	**204,000**	**-**
Land and buildings – 6 Quindus Street, Beenleigh	**6A**	**5 August 2019**	**-**	**666,000**	**-**
Total			**-**	**2,190,000**	**-**

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 2020

	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 Quindus Street, Beenleigh	6A	16 July 2019	-	204,000	-
Land and buildings – 6 Quindus Street, Beenleigh	6A	5 August 2019	-	666,000	-
Total			-	2,190,000	-

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 2021:

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)
- Acquire an asset or liability due to an amalgamation Under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination 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 separation and redundancy to holders of office
- Pay other employee expenses to holders of office
- pay separation and redundancy to employees (other than holders of office)
- pay other employee expenses to employees (other than holders of office)
- 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 litigation
- have a separation and redundancy provision in respect of holders of office
- have a separation and redundancy provision in respect of employees (other than holders of office)
- 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

13 July 2021