

COMMUNICATIONS, ELETRICAL, PLUMBING UNION

OF AUSTRALIA POSTAL AND TELECOMMUNICATIONS BRANCH NSW

FINANCIAL REPORT FOR THE PERIOD ENDED 24 OCTOBER 2022

**Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications
Branch NSW**

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Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW

Operating Report

For the Period Ended 24 October 2022

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 ("Act") the Branch Committee of Management present their Operating Report on Communications, Electrical, Plumbing Union of Australia, Postal and Telecommunications NSW Postal & Telecommunication Branch ("CEPU NSW P&T Branch"), the relevant Reporting Unit, for the financial period ended 24 October 2022.

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

The principal activities of the Communications, Electrical, Plumbing Union of Australia, Postal and Telecommunications NSW Postal & Telecommunication Branch (CEPU NSW P&T Branch) are to:

- Represent and provide industrial and organising services to its members with the objective of protecting and improving the interests of its members;
- Be active in negotiating the Enterprise agreement for improvements in wages and working conditions for its members across the board;
- Handle daily workplace enquiries for its members including any work related disputes that may have arisen in their organisation;
- Organise and recruit new members;
- Undertake training and development for the delegates of the CEPU NSW P&T Branch.

There have been no significant changes to the way the CEPU NSW P&T Branch has carried out these activities during the last financial year.

Significant changes

On 29 March 2022, members of the CEPU NSW P&T Branch, together with the members of CEPU SA/NT and the CEPU QLD branches, voted in favour of an amalgamation of their respective branches to form the Communications Workers Union - Central Branch (CWU Central Branch). The amalgamation came into effect on 25 October 2022.

This is the final financial report for this Branch for the period ended 24 October 2022.

Operating results and review of operations for the period

Operating result

The loss of the CEPU NSW P&T Branch for the financial period ending 24 October 2022 amounted to \$360,826 (2022: \$21,371,784 profit).

Right of members to resign

Members have the right to resign their membership of the CEPU NSW P&T Branch by giving written notice of resignation to the Branch Secretary. This written notification is accepted subject to the rules of CEPU and in accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009. In accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation. There was no change to this rule during the period.

Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW

Operating Report

For the Period Ended 24 October 2022

Number of members

Under section 230 of the Fair Work (Registered Organisations) Act 2009 the number of persons recorded in the register of members and who under section 244 of the Fair Work (Registered Organisations) Act 2009 are taken to be members of the Branch of the CEPU NSW P&T Branch as at 24 October 2022 was 7,733 (31 March 2022: 7,771).

Number of employees

The number of persons, both full-time and part time employees measured on a full-time equivalent basis, employed by the Branch as at 24 October 2022 was 17 (31 March 2022: 17).

Details of officers or members

Details of officers or members who are trustees, or directors of a company that is a trustee, of a superannuation entity because they are a member or an officer of a registered organisation

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such a position is that they are an officer or member of an organisation

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

The names of persons who have at any time during the financial period ending 24 October 2022 been members of the CEPU NSW P&T Branch Committee of Management and periods they served on the branch committee are as follows:

Name	Position	Period
Rod Baxter	Branch President	01/04/2022 - 24/10/2022
Rita Karim	Branch Vice Presidents	01/04/2022 - 24/10/2022
Peter O'Connell	Branch Vice Presidents	01/04/2022 - 24/10/2022
Shane Murphy	Branch Secretary	01/04/2022 - 24/10/2022
Peter Chaloner	Branch Assistant Secretary	01/04/2022 - 24/10/2022
Cade Anderson	Branch Organisers	01/04/2022 - 24/10/2022
Tan Kien Ly	Branch Organisers	01/04/2022 - 24/10/2022
Liam Murphy	Branch Organisers	01/04/2022 - 24/10/2022
Dennis Williams	Branch Organisers	01/04/2022 - 24/10/2022
Max Catania	Sectional Representatives - Lines & General	01/04/2022 - 24/10/2022
Phillip Kessey	Sectional Representatives - Lines & General	01/04/2022 - 24/10/2022
George Deligiannis	Sectional Representatives - Lines & General	01/04/2022 - 24/10/2022
Tony Damjanovski	Sectional Representatives - Lines & General	01/04/2022 - 24/10/2022
Donald Watson	Sectional Representatives - Postal	01/04/2022 - 24/10/2022
David Wong	Sectional Representatives - Postal	01/04/2022 - 24/10/2022
James McCallum	Sectional Representatives - Postal	01/04/2022 - 24/10/2022
Patrick Edgerton	Sectional Representatives - Postal	01/04/2022 - 20/07/2022
Trong Minh Luu	Sectional Representatives - Postal	01/04/2022 - 24/10/2022
Anita Rathour	Sectional Representatives - Postal	01/04/2022 - 24/10/2022
Mark Beckman	Sectional Representatives - Postal	01/04/2022 - 24/10/2022
Kevin Backhouse	Sectional Representatives - Postal	21/07/2022 - 24/10/2022

**Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications
Branch NSW**

Operating Report

For the Period Ended 24 October 2022

Signed in accordance with a resolution of the Branch Committee of Members:

Branch Secretary:



Shane Murphy

Dated 23 August 2023

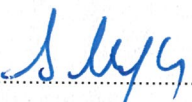
**Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications
Branch NSW**

Report required under subsection 255 (2A)

24 October 2022

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the period ended 24 October 2022.

Categories of expenditures	24 October 2022	31 March 2022
	\$	\$
Remuneration and other employment-related costs and expenses - employees	1,556,604	2,233,903
Advertising	-	-
Operating costs	1,184,171	1,682,759
Donations to political parties	-	52,000
Legal costs	28,078	28,555

Signature of designated officer: 

Name of designated officer Shane Murphy

Title of designated officer Branch Secretary:

Dated: 23 August 2023

The accompanying notes form part of these financial statements.

Branch Committee of Management's Statement

On 23 August 2023, the Branch Committee of Management of the CWU Central Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the period ended 24 October 2022.

The Branch 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 branch for the financial period ended 24 October 2022;
- d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- e) during the financial period to which the GPFR relates and since the end of that period:
 - i. meetings of the Branch Committee of Management were held in accordance with the rules of the organisation and including the rules of the branch concerned; and
 - ii. the financial affairs of the Branch have been managed in accordance with the rules of the organisation and the rules of the Branch; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - iv. the financial records of the branch have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - v. where information has been sought in any request by the member of the reporting unit or General manager duly made under section 272 of the RO Act 2009 has been provided to the member or General manager; and
 - vi. where any order for the inspection of the financial records was made by the Fair Work Commission under section 273 of the RO Act 2009, there has been compliance.

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


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Shane Murphy

Dated 23 August 2023

**Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications
Branch NSW**

**Statement of Comprehensive Income
For the Period Ended 24 October 2022**

		24 October 2022	31 March 2022
	Note	\$	\$
Revenue from contracts with customers			
Member contribution	3	2,013,840	3,072,908
Capitation fees and other revenue from another reporting unit	3A	-	-
Levies	3B	-	-
Revenue from recovery of wages activity	3D	-	-
Total revenue from contracts with customers		2,013,840	3,072,908
Income for furthering objectives			
Grants & donations	3C	-	-
Income recognised from volunteer services		-	-
Total income for furthering objectives		-	-
Other income			
Investment income	3E	287,586	31,725
Rental income	3F	30,511	573,914
Other income	3G	76,090	168,272
Gain on sale of assets	3H	-	21,517,982
Total other income		394,187	22,291,893
Other expenses			
Employee expenses	4A	(1,556,604)	(2,233,903)
Capitation fees and other expense to another reporting unit	4B	(405,412)	(668,143)
Affiliation fees	4C	(36,110)	(62,995)
Administration expense	4D	(415,105)	(537,129)
Donations & Grants	4E	(10,500)	(76,354)
Depreciation and amortisation	4F	(77,975)	(79,957)
Finance costs		(21,141)	(32,406)
Campaign expenses		(40,059)	(70,992)
CEPU journey cover		(32,734)	(57,393)
Emergency ambulance transport benefit		(13,570)	(21,032)
Honorarium		-	(2,000)
Legal and professional fees	4G	(28,078)	(28,555)
Other expenses	4H	(94,565)	(89,006)
Audit fees	13	(37,000)	(33,152)
		(2,768,853)	(3,993,017)
Total expenditure		(2,768,853)	(3,993,017)
Net (deficit) surplus for the period		(360,826)	21,371,784
Other comprehensive income for the period		-	-
Total comprehensive income for the period		(360,826)	21,371,784

The accompanying notes form part of these financial statements.

**Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications
Branch NSW**

Statement of Financial Position

As At 24 October 2022

		24 October 2022	31 March 2022
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5A	37,957,239	46,444,524
Receivables	5B	836,894	62,495
Receivables - member contribution in transit		-	2,412
TOTAL CURRENT ASSETS		38,794,133	46,509,431
NON-CURRENT ASSETS			
Investments	6A	4,336	3,916
Property, plant and equipment	6C	7,919,527	274,028
Right-of-use assets	6D	-	2,230
TOTAL NON-CURRENT ASSETS		7,923,863	280,174
TOTAL ASSETS		46,717,996	46,789,605
LIABILITIES			
CURRENT LIABILITIES			
Sundry creditors and accruals	7B	293,195	241,426
Sundry creditor - divisional conference	7A	86,971	70,029
Lease liabilities	6D	-	2,781
Provision for Employee benefits	8	604,949	410,693
TOTAL CURRENT LIABILITIES		985,115	724,929
NON-CURRENT LIABILITIES			
Provision for Employee benefits	8	53,297	24,686
TOTAL NON-CURRENT LIABILITIES		53,297	24,686
TOTAL LIABILITIES		1,038,412	749,615
NET ASSETS		45,679,584	46,039,990
EQUITY			
Retained earnings		45,676,840	46,037,666
Reserves	9A	2,744	2,324
TOTAL EQUITY		45,679,584	46,039,990

The accompanying notes form part of these financial statements.

**Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications
Branch NSW**

Statement of Changes in Equity
For the Period Ended 24 October 2022

		Retained Earnings	Asset Revaluation Reserve	Other Reserves	Total
	Note	\$	\$	\$	\$
Balance at 1 April 2021		12,936,368	11,729,514	5,095	24,670,977
Surplus for the year		21,371,784	-	-	21,371,784
Reserve movement	9A	11,729,514	(11,729,514)	(2,771)	(2,771)
Balance at 31 March 2022		46,037,666	-	2,324	46,039,990
Deficit for the period		(360,826)	-	-	(360,826)
Reserve movement	9A	-	-	420	420
Balance at 24 October 2022		45,676,840	-	2,744	45,679,584

The accompanying notes form part of these financial statements.

**Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications
Branch NSW**

Statement of Cash Flows

For the Period Ended 24 October 2022

		24 October 2022	31 March 2022
	Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received			
Receipt from CEPU Divisional conference		104,481	142,538
Membership subscriptions		1,870,820	2,930,370
Rent received		30,511	533,562
Other receipts		78,501	168,272
Tenant outgoings		-	40,352
Interest received		244,679	31,559
Dividends received		44	166
Cash used			
Payments to employees		(1,272,973)	(2,233,904)
Payments to suppliers		(1,322,111)	(688,225)
Payments to CEPU divisional conference		(497,170)	(749,170)
Net cash (used in)/provided by operating activities	10	(763,218)	175,520
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash received			
Proceeds from sale of plant and equipment		-	41,599,445
Cash used			
Payments of property, plant and equipment	6C	(7,721,244)	(16,956)
Net cash (used in)/provided by investing activities		(7,721,244)	41,582,489
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash used			
Repayment of lease liabilities	6D	(2,823)	(13,322)
Net cash used in financing activities		(2,823)	(13,322)
Net increase in cash and cash equivalents held		(8,487,285)	41,744,687
Cash and cash equivalents at beginning of the period		46,444,524	4,699,837
Cash and cash equivalents at end of the period	5A	37,957,239	46,444,524

The accompanying notes form part of these financial statements.

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For the Period Ended 24 October 2022

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Notes to the Financial Statements

For the Period Ended 24 October 2022

1 Summary of Significant Accounting Policies

1.1 Basis of preparation

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 (RO ACT). For the purpose of preparing the general purpose financial statements, the CEPU NSW P&T Branch is a not-for-profit entity.

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

Non-going concern basis due to cessation of activities

On 29 March 2022, members of the CEPU NSW P&T Branch, together with the members of CEPU SA/NT and the CEPU QLD branches, voted in favour of an amalgamation of their respective branches to form the Communications Workers Union - Central Branch (CWU Central Branch). The amalgamation came into effect on 25 October 2022.

Members of the CEPU NSW P&T Branch became members of the CWU Central Branch as at the date of amalgamation.

The Branch Committee of Management present this final financial report of CEPU NSW P&T Branch for the period ended 24 October 2022 on a non-going concern basis to reflect the cessation of activities of the CEPU NSW P&T Branch.

The assets and liabilities of the CEPU NSW P&T Branch were transferred to CWU Central Branch at their carrying values, representing their fair values and the fair value of the member's interests at amalgamation date. These net assets have been recognised as a direct contribution to the equity of the CWU Central Branch.

The amounts disclosed in the statement of financial position as at 24 October 2022 are recognised at their realisable value.

The following is a summary of other significant accounting policies adopted in the preparation of the financial statements.

1.2 Going concern

The Branch is not reliant on the agreed financial support of another Branch to continue on a going concern basis. As detailed in Note 1.1, subsequent to 24 October 2022, the Branch ceased activities and was amalgamated with CEPU SA/NT and CEPU QLD branches to form the CWU Central Branch.

1.3 Comparatives

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

Notes to the Financial Statements

For the Period Ended 24 October 2022

1 Summary of Significant Accounting Policies (continued)

1.4 Significant accounting judgements and estimates

There have not been any material 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.

1.5 Adoption of new and revised accounting standards

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

The accounting policies adopted are consistent with those of the previous financial years except for the following standard, which has been adopted for the first time this financial period.

1.6 Future Australian Accounting Standards

The following Australian Accounting Standards have been issued early but are not yet effective. These standards have not been adopted in preparation of the financial statements at the reporting date but will be adopted at application date. The CEPU NSW P&T Branch has assessed the potential impact on the financial statements from the adoption of these standards and interpretations and there are not material effect on the CEPU NSW P&T Branch's profit or loss:

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

Standard Name	Effective date for entity	Requirements	Impact
AASB 2020-1 Amendments to Australian Accounting Standards – Classifications of Liabilities as Current or Non-Current	1 April 2024	This Standard amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.	Classification of liabilities between current and noncurrent may be amended following the adoption of AASB 2022-6.
AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Noncurrent– Deferral of Effective Date		The Standard also amends an example in Practice Statement 2 regarding assessing whether information about covenants is material for disclosure.	
AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants			

Note: AASB 2022-6 changes some of the requirements in AASB 2020-1 and therefore entities should ensure that they review the requirements of both standards prior to adoption.

Notes to the Financial Statements

For the Period Ended 24 October 2022

1 Summary of Significant Accounting Policies (continued)

1.7 Investment in associates and joint arrangements

An associate is an entity over which the CEPU NSW P&T Branch has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the individual assets and obligations for the liabilities of the joint operation.

The results and assets and liabilities of associates and its joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 Non-current Asset Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or joint venture is initially recognized in the statement of financial position at cost and adjusted thereafter to recognize the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate or joint venture exceeds the interest in that associate, the CEPU NSW P&T Branch discontinues to recognize its share of further losses. Additional losses are recognized only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

1.8 Current versus non-current classification

The CEPU NSW P&T Branch presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;

Notes to the Financial Statements

For the Period Ended 24 October 2022

1 Summary of Significant Accounting Policies (continued)

1.8 Current versus non-current classification (continued)

- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The CEPU NSW P&T Branch classifies all other liabilities as non-current.

1.9 Revenue

The CEPU NSW P&T Branch enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees and grants.

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 CEPU NSW P&T Branch has a contract with a customer, the CEPU NSW P&T Branch recognises revenue when or as it transfers control of goods or services to the customer. The CEPU NSW P&T 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 CEPU NSW P&T Branch.

If there is only one distinct membership service promised in the arrangement, the CEPU NSW P&T 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 CEPU NSW P & T 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 CEPU NSW P&T 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 CEPU NSW P&T Branch charges for that good

Notes to the Financial Statements

For the Period Ended 24 October 2022

1 Summary of Significant Accounting Policies (continued)

1.9 Revenue (continued)

Membership subscriptions (continued)

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 CEPU NSW P&T 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 CEPU NSW P&T 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 CEPU NSW P&T Branch at their standalone selling price, the CEPU NSW P&T Branch accounts for those sales as a separate contract with a customer.

Income of the CEPU NSW P & T Branch as a Not-for-Profit Entity

Consideration is received by the CEPU NSW P&T Branch to enable the entity to further its objectives. The CEPU NSW P&T Branch recognises each of these amounts of consideration as income when the consideration is received (which is when the CEPU NSW P&T 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
- CEPU NSW P & T Branch's recognition of the cash contribution does not give rise to any related liabilities.

Interest income

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

Rental income

Leases in which the CEPU NSW P&T Branch as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

1.10 Employee benefits

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

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at

Notes to the Financial Statements

For the Period Ended 24 October 2022

1 Summary of Significant Accounting Policies (continued)

1.10 Employee benefits (continued)

their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

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

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

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

1.11 Leases

The CEPU NSW P&T Branch assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

CEPU NSW P&T Branch as a lessee

The CEPU NSW P&T Branch applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The CEPU NSW P&T Branch recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use asset

The CEPU NSW P&T Branch recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	24 October 2022	31 March 2022
Plant and equipment	4-5 years	4-5 years

If ownership of the leased asset transfers to the CEPU NSW P&T Branch the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Notes to the Financial Statements

For the Period Ended 24 October 2022

1 Summary of Significant Accounting Policies (continued)

1.11 Leases (continued)

Lease liability

At the commencement date of the lease, the CEPU NSW P&T Branch recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the CEPU NSW P&T Branch and payments of penalties for terminating the lease, if the lease term reflects the CEPU NSW P&T Branch exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the CEPU NSW P&T Branch uses the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

1.12 Borrowing costs

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

1.13 Cash and cash equivalents

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

1.14 Financial instruments

Financial assets and financial liabilities are recognised when the CEPU NSW P&T Branch becomes a party to the contractual provisions of the instrument.

1.15 Financial assets

Contract assets and receivables

A contract asset is recognised when the CEPU NSW P&T Branch's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the CEPU NSW P&T Branch's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

Notes to the Financial Statements

For the Period Ended 24 October 2022

1 Summary of Significant Accounting Policies (continued)

1.15 Financial assets (continued)

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 CEPU NSW P&T Branch's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the CEPU NSW P&T 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 CEPU NSW P&T 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.

Subsequent measurement

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

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income
- Financial assets at fair value through profit or loss
- Financial assets designated at fair value through profit or loss.

Financial assets at amortised cost

The CEPU NSW P&T Branch 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 CEPU NSW P&T Branch's financial assets at amortised cost includes trade receivables and cash and cash equivalents in the statement of financial position.

Notes to the Financial Statements

For the Period Ended 24 October 2022

1 Summary of Significant Accounting Policies (continued)

1.15 Financial assets (continued)

Financial assets at fair value through other comprehensive income

The CEPU NSW P&T Branch measures debt instruments at fair value through other comprehensive income (OCI) if both of the following conditions are met:

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

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

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

The CEPU NSW P&T Branch's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

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 other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The CEPU NSW P&T 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 CEPU NSW P&T Branch has transferred substantially all the risks and rewards of the asset, or

Notes to the Financial Statements

For the Period Ended 24 October 2022

1 Summary of Significant Accounting Policies (continued)

1.15 Financial assets (continued)

- b) the CEPU NSW P&T Branch has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the CEPU NSW P&T 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 CEPU NSW P&T 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 (ECLs)

i. Debt instruments other than trade receivables

The CEPU NSW P&T Branch recognises an allowance for ECLs for all debt instruments not held at fair value through the profit and loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the CEPU NSW P&T Branch expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages:

- For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).
- For those credit exposures for which 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 exposure, irrespective of the timing of the default (a lifetime ECL).

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

ii. Trade receivables

For trade receivables that do not have a significant financing component, the CEPU NSW P&T Branch applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit

Notes to the Financial Statements

For the Period Ended 24 October 2022

1 Summary of Significant Accounting Policies (continued)

1.15 Financial assets (continued)

losses to be recognised from initial recognition of the receivables.

Therefore, the CEPU NSW P&T Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL's at each reporting date. The CEPU NSW P&T 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. Historically, the CEPU NSW P&T Branch have received membership fees and rental income and the CEPU NSW P&T Branch expects this trend to continue and has therefore not recognised any loss allowance.

1.16 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost 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 CEPU NSW P&T 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 Financial Instruments 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.

Notes to the Financial Statements

For the Period Ended 24 October 2022

1 Summary of Significant Accounting Policies (continued)

1.17 Liabilities relating to contract 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 reporting unit transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when [reporting unit] 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 CEPU NSW P&T Branch refund liabilities arise from customers' right of return. The liability is measured at the amount The CEPU NSW P&T Branch ultimately expects it will have to return to the customer. The CEPU NSW P&T Branch updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

1.18 Contingent liabilities and contingent assets

Note name - generic text

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.

1.19 Land, Buildings, plant and equipment

Asset recognition threshold

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

Depreciation

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

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	40 years
Plant and Equipment	2 to 10 years
Motor Vehicles	3 to 5 years

Notes to the Financial Statements

For the Period Ended 24 October 2022

1 Summary of Significant Accounting Policies (continued)

1.19 Land, Buildings, plant and equipment (continued)

Derecognition

An item of buildings, plant and equipment and motor vehicle 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.

1.20 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 CEPU Communications Division were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.21 Taxation

The CEPU NSW P&T 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 (ATO); and
- for receivables and payables.

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

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

1.22 Fair value measurement

The CEPU NSW P&T 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 15.

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

Notes to the Financial Statements

For the Period Ended 24 October 2022

1 Summary of Significant Accounting Policies (continued)

1.22 Fair value measurement (continued)

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the CEPU NSW P&T 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 CEPU NSW P&T 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.

2 Events After the End of the Reporting Period

Other than the amalgamation of the CEPU NSW P&T Branch with CEPU QLD and CEPU NSW on 25 October 2022, as stated in Note 1.1, there has not been any other matter or circumstance occurring subsequent to the end of the financial period that has significantly affected, or may significantly affect, the operations of the CEPU NSW P&T Branch, the results of those operations, or the state of affairs of the CEPU NSW P&T Branch.

3 Revenue and Income

Disaggregation of revenue from contracts with customers

A disaggregation of the CEPU NSW P&T Branch's revenue by type of arrangements is provided on the face of the Statement of Profit or Loss and other comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

Notes to the Financial Statements

For the Period Ended 24 October 2022

3 Revenue and Income (continued)

Disaggregation of revenue from contracts with customers (continued)

	24 October 2022	31 March 2022
	\$	\$
Types of customer		
- member contribution	2,013,840	3,072,908
Revenue from contracts with customers	2,013,840	3,072,908

3A Capitation fees and other revenue from another reporting unit

	24 October 2022	31 March 2022
	\$	\$
Capitation fees	-	-
Subtotal capitation fees	-	-
Other revenue from another reporting unit	-	-
Subtotal other revenue from another reporting unit	-	-
Total capitation fees and other revenue from another reporting unit	-	-

3B Levies

	24 October 2022	31 March 2022
	\$	\$
Levies	-	-
Total levies	-	-

3C Grants and/or donations

	24 October 2022	31 March 2022
	\$	\$
Grants	-	-
Donations	-	-
Total grants and donations	-	-

3D Revenue from recovery of wages activity

	24 October 2022	31 March 2022
	\$	\$
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
Total revenue from recovery of wages activity	-	-

Notes to the Financial Statements

For the Period Ended 24 October 2022

3 Revenue and Income (continued)

3E Investment income

	24 October 2022	31 March 2022
	\$	\$
other interest received	287,542	31,559
dividend income	44	166
Total investment income	287,586	31,725

3F Rental income

	24 October 2022	31 March 2022
	\$	\$
Rental income - property	30,511	533,562
Tenants' outgoing	-	40,352
Total rent income	30,511	573,914

3G Other income

	24 October 2022	31 March 2022
	\$	\$
Reimbursement from CEPU Communications Div	75,234	147,403
Sponsorship income	-	7,301
Sundry income	856	13,568
Total	76,090	168,272

3H Net (profit)/losses from sale of assets

	24 October 2022	31 March 2022
	\$	\$
Profit on sale of property	-	21,602,171
Loss on disposal of Office partition	-	(55,433)
Loss on disposal of plant & equipment	-	(27,438)
Loss on disposal of computer equipment & software	-	(1,318)
Loss on disposal of motor vehicle	-	-
Total	-	21,517,982

Notes to the Financial Statements

For the Period Ended 24 October 2022

4 Expenses

4A Employee expenses related to holders of office

	24 October 2022	31 March 2022
	\$	\$
Holders of Office:		
Wages and Salaries	417,831	683,485
Superannuation	70,383	113,147
Payroll tax	25,927	44,887
Leave and other entitlements	55,250	26,187
Separation and redundancies	-	-
	<u>569,391</u>	<u>867,706</u>
Employees other than office holders:		
Wages and Salaries	694,246	1,118,604
Superannuation	100,439	185,854
Payroll tax	24,921	36,578
Leave and other entitlements	167,607	25,161
Separation and redundancies	-	-
	<u>987,213</u>	<u>1,366,197</u>
Total employee expenses	<u>1,556,604</u>	<u>2,233,903</u>

4B Capitation fees and other expense to another reporting unit

	24 October 2022	31 March 2022
	\$	\$
Capitation fees:		
CEPU Divisional Conference (Capitation Fees)	378,774	642,143
Subtotal capitation fees	<u>378,774</u>	<u>642,143</u>
Other expenses to another reporting unit:		
CEPU National Office (National Council Fund)	26,638	26,000
Subtotal other expenses to another reporting unit:	<u>26,638</u>	<u>26,000</u>
Total capitation fees and other expenses to another reporting unit	<u>405,412</u>	<u>668,143</u>

4C Affiliation fees

	24 October 2022	31 March 2022
	\$	\$
ALP NSW Branch	19,588	35,096
Unions NSW	16,522	27,899
Total affiliation fees/subscriptions	<u>36,110</u>	<u>62,995</u>

Notes to the Financial Statements

For the Period Ended 24 October 2022

4 Expenses (continued)

4D Administration expenses

	24 October 2022	31 March 2022
	\$	\$
Total paid to employers for payroll deductions of membership subscriptions	7,430	14,637
Compulsory levies	-	-
Fees/allowances - meeting and conferences	90,197	41,600
Conference and meeting expenses	-	-
Property expenses	177,979	215,671
Office expenses	25,364	71,709
Information communication technology	33,372	76,343
Insurance	4,761	37,232
Mortality Fund Benefits Paid	500	-
Rental expense	37,080	6,000
Other	38,422	73,937
Total affiliation fees/subscriptions	415,105	537,129

4E Donations & grants

	24 October 2022	31 March 2022
	\$	\$
Total Donations that were \$1,000 or less	-	1,070
Total Donations that exceeded \$1,000	10,500	75,284
Total Grants that were \$1,000 or less	-	-
Total Grants that exceeded \$1,000	-	-
Total	10,500	76,354

4F Depreciation and amortisation

	24 October 2022	31 March 2022
	\$	\$
Depreciation		
Buildings	38,972	-
Motor vehicles	23,759	54,319
Office equipment	13,014	12,257
Total depreciation	75,745	66,576
Amortisation		
Amortisation - Right-of-Use assets	2,230	13,381
Total amortisation	2,230	13,381
Total depreciation and amortisation	77,975	79,957

Notes to the Financial Statements

For the Period Ended 24 October 2022

4 Expenses (continued)

4G Legal and professional fees

	24 October 2022	31 March 2022
	\$	\$
Legal cost - litigation	-	-
Legal costs - other matters	28,078	28,555
Total legal and professional fees	28,078	28,555

4H Other expenses

	24 October 2022	31 March 2022
	\$	\$
Penalties - via RO Act or the Fair Work Act 2009	-	-
Workers compensation	18,911	7,682
Motor vehicle expenses	75,654	80,164
Training	-	1,160
Total	94,565	89,006

5 Current assets

5A Cash and Cash Equivalents

	24 October 2022	31 March 2022
	\$	\$
Cash on hand	800	800
Cash at bank - BOS account	37,715,530	41,527,027
Cash at bank	240,909	166,697
Short-term deposits	-	4,750,000
Total	37,957,239	46,444,524

Notes to the Financial Statements

For the Period Ended 24 October 2022

5B Trade and Other Receivables

Receivables from other reporting units

	24 October 2022	31 March 2022
	\$	\$
Amounts due from CEPU Divisional Conference	67,688	29,149
Total receivables from other reporting unit	67,688	29,149
Less allowance for expected credit losses	-	-
Receivables from other reporting units (net)	67,688	29,149
Other receivables:		
Bonds	6,795	6,795
Accrued interest	45,322	2,460
Prepayments	54,985	24,091
GST receivable	662,104	-
Sundry debtors	-	-
Total other receivables	769,206	33,346
Total trade and other receivables (net)	836,894	62,495

6 Non-current assets

6A Investments

Financial assets at fair value

	24 October 2022	31 March 2022
	\$	\$
NON-CURRENT		
NRMA shares, at fair value	4,336	3,916

Fair value of the listed share fund was based on the market value of the investment in accordance to the statement as at 24 October 2022 provided by the investment management institution.

6B Movement schedule

	24 October 2022	31 March 2022
	\$	\$
<u>NRMA shares</u>		
Opening	3,916	6,687
Additions	-	-
Revaluation increment	420	(2,771)
Closing	4,336	3,916

The CEPU NSW P&T Branch measures and recognises the following assets and liabilities at fair value on a recurring basis. However, the movement in the fair value of shares was not material this period.

Notes to the Financial Statements

For the Period Ended 24 October 2022

6C Property, Plant and Equipment

24 October 2022

Property, Plant and Equipment:

carrying amount

accumulated depreciation

Total Property, Plant and Equipment

Land and building	Plant and Equipment	Motor Vehicles	Total
\$	\$	\$	\$
7,706,949	456,875	452,051	8,615,875
(38,972)	(368,666)	(288,710)	(696,348)
7,667,977	88,209	163,341	7,919,527

Reconciliation of opening and closing balances of property, plant and equipment

Net Book value 1 April 2022	-	86,928	187,100	274,028
Additions	7,706,949	14,295	-	7,721,244
Impairments	-	-	-	-
Revaluation	-	-	-	-
Depreciation expense	(38,972)	(13,014)	(23,759)	(75,745)
Disposals	-	-	-	-
Other changes, movements	-	-	-	-
Net Book value 24 October 2022	7,667,977	88,209	163,341	7,919,527
Net book value as of 24 October 2022 represented by:				
Gross book value	7,706,949	456,875	452,051	8,615,875
Accumulated depreciation and impairment	(38,972)	(368,666)	(288,710)	(696,348)
Net Book value 24 October 2022	7,667,977	88,209	163,341	7,919,527

31 March 2022

Property, Plant and Equipment:

carrying amount

accumulated depreciation

Total Property, Plant and Equipment

Land and building	Plant and Equipment	Motor Vehicles	Total
\$	\$	\$	\$
-	447,431	452,051	899,482
-	(360,503)	(264,951)	(625,454)
-	86,928	187,100	274,028

Reconciliation of opening and closing balances of property, plant and equipment

Net Book value 1 April 2021	-	166,418	241,419	407,837
Additions	-	16,957	452,051	469,008
Revaluation	-	-	-	-
Impairments	-	-	-	-
Depreciation expense	-	(12,257)	(54,319)	(66,576)
Disposals	-	(84,190)	-	(84,190)
Other changes, movements	-	-	-	-
Net Book value 31 March 2022	-	173,856	826,251	1,000,107
Net book value as of 31 March 2022 represented by:				
Gross book value	-	447,431	452,051	899,482
Accumulated depreciation and impairment	-	(360,503)	(264,951)	(625,454)
Net Book value 31 March 2022	-	86,928	187,100	274,028

Notes to the Financial Statements

For the Period Ended 24 October 2022

6D Leases

CEPU NSW P&T Branch as a lessee

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Photocopier	PM & FI Machine	Total
	\$	\$	\$
As at 1 April 2022	1,089	1,141	2,230
Additions to right-of-use assets	-	-	-
Amortisation expense	(1,089)	(1,141)	(2,230)
As at 24 October 2022	-	-	-

Carrying amounts of right-of-use assets recognised and the movements for 31 March 2022

	Photocopier	PM & FI Machine	Total
	\$	\$	\$
As at 1 April 2021	7,624	7,987	15,611
Additions to right-of-use assets	-	-	-
Amortisation expense	(6,535)	(6,846)	(13,381)
As at 31 March 2022	1,089	1,141	2,230

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	24 October 2022	31 March 2022
	\$	\$
Opening	2,781	16,103
Additions	-	-
Accretion of interest	42	167
Payments	(2,823)	(13,489)
Closing	-	2,781
 Current	 -	 2,781
Non-current	 -	 -
	-	2,781

The following are the amounts recognised in profit or loss:

Amortisation expense of right-of-use assets	2,230	13,381
Interest expense on lease liabilities (incl. in finance cost)	42	167
Expense relating to short-term leases	-	-
Total amount recognised in profit or loss	2,272	13,548

Notes to the Financial Statements

For the Period Ended 24 October 2022

7 Current liabilities

Trade payable

	24 October 2022	31 March 2022
	\$	\$
Trade creditors and accruals	380,166	311,455

7A Amounts payable to other reporting unit

	24 October 2022	31 March 2022
	\$	\$
CEPU Divisional Conference	86,971	70,029

7B Other payables

	24 October 2022	31 March 2022
	\$	\$
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs - litigation	-	-
Legal costs - other	-	-
GST and Group tax payable	86,548	17,371
Trade payables	206,647	224,055
	293,195	241,426

8 Provisions

Employee provisions

	24 October 2022	31 March 2022
	\$	\$
Office Holders:		
Annual leave	68,468	43,097
Long service leave	166,629	55,600
Separations and redundancies	-	-
Other - sick leave	10,122	10,122
Subtotal employee provisions-office holders	245,219	108,819
Employees other than office holders		
Annual leave	266,941	195,737
Long service leave	124,238	108,975
Separations and redundancies	-	-
Other - sick leave	21,848	21,848
Subtotal employee provisions- employees other than office holders	413,027	326,560
Total employee provisions	658,246	435,379

Notes to the Financial Statements

For the Period Ended 24 October 2022

8 Provisions (continued)

	24 October 2022	31 March 2022
	\$	\$
Current	604,949	410,693
Non-current	53,297	24,686
Total employee provisions	658,246	435,379

9 Equity

9A Reserve

	24 October 2022	31 March 2022
	\$	\$
Other fund		
Compulsory levy/voluntary contribution fund		
Balance as at start of the period	-	-
Transferred to fund, account or controlled entity	-	-
Transferred out of fund, account or controlled entity	-	-
Balance as at end of the period	-	-
Asset revaluation reserve		
The Asset Revaluation Reserve represents the cumulative amount of fair value gains / losses recognized in other comprehensive income in revaluations of non-current assets. The property has been sold in prior year and the gain was recognized in profit and loss.		
Balance as at start of the period	2,324	11,734,609
Transferred to fund, account or controlled entity	420	-
Transferred out of fund, account or controlled entity	-	(11,732,285)
Balance as at end of the period	2,744	2,324
Total	2,744	2,324

Notes to the Financial Statements

For the Period Ended 24 October 2022

10 Cash Flow

10A Reconciliation of cash

	24 October 2022	31 March 2022
	\$	\$
Cash at the end of the financial period as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash on hand	800	800
Cash at bank	240,909	166,697
Cash at bank - BOS account	37,715,530	41,527,027
ME bank - term deposits	-	4,750,000
	37,957,239	46,444,524

10B Reconciliation of cashflow from operations with net surplus:

	24 October 2022	31 March 2022
	\$	\$
Net (deficit)/surplus	(360,826)	21,371,784
Non-cash flows in net (deficit)/surplus:		
- net gain on disposal of property, plant and equipment	-	(21,517,982)
- depreciation and amortisation	77,975	79,957
- non-operating cashflows, interest	42	-
Changes in assets and liabilities:		
- decrease in deductions in transit	-	184,092
- (increase)/decrease in trade and other receivables	(741,095)	100,973
- increase in prepayments	(30,892)	-
- increase/(decrease) in trade and other payables	51,769	(52,074)
- increase/(decrease) in sundry creditors	16,942	(42,579)
- increase in provisions	222,867	51,349
Cashflows from operations	(763,218)	175,520

11 Contingent liabilities, assets and commitments

In the opinion of the Committee of Management, the CEPU NSW P&T Branch did not have any contingencies at 24 October 2022 (31 March 2022:None).

12 Related parties disclosure

12A Related party transactions for the reporting period

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

- The aggregate amount of remuneration paid to officers during the financial period is disclosed in the Financial Report Note 4G.
- The aggregate amount paid during the financial period to a superannuation plan in respect of elected full-

Notes to the Financial Statements
For the Period Ended 24 October 2022

12 Related parties disclosure (continued)

12A Related party transactions for the reporting period (continued)

time officers was \$82,184 (31 March 2022: \$159,580).

- iii. There have been no other transactions between the officers and the Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW other than those relating to their membership of the Union and the reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.
- iv. Capitation fees and administration fees paid to Divisional Conference are disclosed as income and expenses respectively in the Statement of Profit or Loss and Other Comprehensive Income and as cash paid in Note 4.
- v. Amounts receivable from and payable to the Divisional Conference at balance date are disclosed in Note 5B and 7A.
- vi. The Branch Secretary's son is employed by the Union on terms and conditions no more favourable than applicable to other employees of the same level of experience and position within the Union. The appointment had been made independently of the Branch Secretary's involvement.
- vii. The Divisional Secretary's spouse is employed by the Union on terms and conditions no more favourable than applicable to other employees on the same level of experience and position within the Union.

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 end of the period 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. Impairment of receivables relating to amounts owed by related parties and declared person or body are as disclosed in Note 5B to the financial statements. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

No property was transferred to related parties during the financial period ended 24 October 2022.

Notes to the Financial Statements

For the Period Ended 24 October 2022

12B Key Management Personnel Remuneration

The remuneration paid to key management personnel of Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications Branch NSW during the period is as follows:

	24 October 2022	31 March 2022
	\$	\$
Salary (including annual leave taken)	218,865	392,823
Annual leave accrued	-	43,097
Performance bonus	-	-
Total short-term employee benefits	218,865	435,920
Post-employment benefits		
Superannuation	36,875	66,477
Total post-employment benefits	36,875	66,477
Other long-term benefits:		
Long-service leave	-	55,600
Total other long-term benefits	-	55,600
Termination benefits	-	-
	255,740	557,997

Transactions with key management personnel & their close family members

	24 October 2022	31 March 2022
	\$	\$
Loans to/from key management personnel	-	-
Other transactions with key management personnel	-	-

13 Remuneration of auditors

	24 October 2022	31 March 2022
	\$	\$
Remuneration of the auditor Kreston Stanley and Williamson, for:		
- Financial statements audit service	37,000	30,300
- other services	-	2,852
Total	37,000	33,152

Notes to the Financial Statements

For the Period Ended 24 October 2022

14 Financial Instruments

The entity's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to and from related unions.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

14A Categories of financial instruments

The entity's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to and from related unions.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		24 October 2022	31 March 2022
	Note	\$	\$
Financial assets			
At amortised cost:			
Cash and cash equivalents		37,957,239	46,444,524
Loans and receivables			
Trade and other receivables	5B	836,894	62,495
Carrying amount of financial assets		38,794,133	46,507,019
Financial liabilities			
Trade and other payables		293,195	241,426
Lease liabilities		-	2,781
Carrying amount of financial liabilities		293,195	244,207
Net income and expense from financial assets			
		24 October 2022	31 March 2022
		\$	\$
At amortised cost:			
Interest - investment		287,542	31,559
Interest on lease liabilities		(42)	(154)
Net gain from financial assets		287,500	31,405

The net income/expense from financial assets not at fair value through profit and loss is \$287,500 (31 March 2022: \$31,405).

Credit risk

Credit risk

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

Notes to the Financial Statements

For the Period Ended 24 October 2022

14 Financial Instruments (continued)

Credit risk (continued)

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

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

Credit risk exposures

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

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

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

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 5B.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	24 October 2022	31 March 2022
	\$	\$
Financial assets		
Trade and other receivables	836,894	62,495
Total	836,894	62,495
Financial liabilities		
Trade and other payables	293,195	241,426
Lease liabilities	-	2,781
Total	293,195	244,207

In relation to the entity's gross credit risk the following collateral is held: Nil

Currently the CEPU NSW P&T Branch does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

Set out below is the information about the credit risk exposure on financial assets using a provision matrix:

Notes to the Financial Statements

For the Period Ended 24 October 2022

14 Financial Instruments (continued)

Credit risk (continued)

24 October 2022

24 October 2022	Trade and other receivables						
	Days past due						
	Current	<30days	30-60days	61-90days	>91days	>180days	Total
	\$	\$	\$	\$	\$	\$	\$
Expected credit loss rate	0%	0%	0%	0%	0%	0%	-
Estimate total gross carrying amount at default	-	-	-	-	-	-	-
Expected credit loss	-	-	-	-	-	-	-

31 March 2022

31 March 2022	Trade and other receivables						
	Days past due						Total
	Current	<30days	30-60days	61-90days	>91days	>180days	
	\$	\$	\$	\$	\$	\$	
Expected credit loss rate	0%	0%	0%	0%	0%	0%	-
Estimate total gross carrying amount at default	-	-	-	-	-	-	-
Expected credit loss	-	-	-	-	-	-	-

14B Liquidity risk

Contractual maturities for financial liabilities 24 October 2022

	On demand	<1 year	1-2 years	2-5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
Trade and other payables	-	293,195	-	-	-	293,195
Lease liabilities	-	-	-	-	-	-

Contractual maturities for financial liabilities 31 March 2022

	On demand	<1 year	1-2 years	2-5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
Trade and other payables	-	241,426	-	-	-	241,426
Lease liabilities	-	2,781	-	-	-	2,781
Total	-	244,207	-	-	-	244,207

14C Market risk

Interest rate risk

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

Notes to the Financial Statements

For the Period Ended 24 October 2022

14 Financial Instruments (continued)

Interest rate risk (continued)

	Effective Weighted Average Interest rate			
	24 October 2022	31 March 2022	24 October 2022	31 March 2022
Floating Interest Rate	%	%	\$	\$
Cash and cash equivalents	2.85 %	0.70 %	37,957,239	46,444,524

Sensitivity analysis of the risk that the entity is exposed to for 24 October 2022

	Risk variable	Change in risk variable	Effect on	
			Profit and loss	Equity
			\$	\$
Interest rate risk	- %	1.00 %	1,461,353	1,461,353
Interest rate risk	- %	(1.00)%	702,209	702,209

Sensitivity analysis of the risk that the entity is exposed to for 31 March 2022

	Risk variable	Change in risk variable	Effect on	
			Profit and loss	Equity
			\$	\$
Interest rate risk	- %	1.00 %	789,557	789,557
Interest rate risk	- %	(1.00)%	(139,334)	(139,334)

Price risk

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

Notes to the Financial Statements

For the Period Ended 24 October 2022

15 Fair Value Measurement

Financial assets and liabilities

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

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

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 24 October 2022 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the reporting entity based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 24 October 2022 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	Carrying amount 24 October 2022	Fair value 24 October 2022	Carrying amount 31 March 2022	Fair value 31 March 2022
Financial Assets				
Cash and cash equivalents	37,957,239	37,957,239	46,444,524	46,444,524
Trade and other receivables	836,894	836,894	62,495	62,495
Total	38,794,133	38,794,133	46,507,019	46,507,019
Financial Liabilities				
Trade and other payables	293,195	293,195	241,426	241,426
Lease liabilities	-	-	2,781	2,781
	293,195	293,195	244,207	244,207

Fair value measurement

No financial and non-financial assets and liabilities are measured at a fair value that is different to their carrying amount as at 24 October 2022.

Notes to the Financial Statements

For the Period Ended 24 October 2022

15 Fair Value Measurement (continued)

Fair value hierarchy

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

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
24 October 2022				
Recurring fair value measurements				
Property, plant and equipment				
Buildings	7,706,949	-	-	7,706,949
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 March 2022				
Recurring fair value measurements				
Property, plant and equipment				
Buildings	-	-	-	-

16 Administration of financial affairs by a third party

There was no administration of financial affairs by a third party during the period (31 March 2022: None).

Name of entity providing service: Not applicable

Terms and conditions: Not applicable

Nature of expenses/consultancy service: Not applicable

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 General manager:

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

**Communications, Electrical, Plumbing Union of Australia Postal and Telecommunications
Branch NSW**

Officer declaration statement

I, Shane Murphy, being the branch Secretary of the Communications, Electrical, Electronic, Energy, Information Postal, Plumbing and Allied Services Union of Australia, NSW Postal and Telecommunications branch, declare that the following activities did not occur during the reporting period ending 24 October, 2022.

The reporting unit did not:

- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive revenue from undertaking recovery of wages activity
- have a fund or 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
- make a payment to a former related party of the reporting unit

Signed by the officer.....

Dated 23 August 2023

Independent Auditor's Report

To the Members of Communications, Electrical, Plumbing Union of Australia, Postal and Telecommunications Branch NSW

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Communications, Electrical, Plumbing Union of Australia, Postal and Telecommunications Branch NSW (the Reporting Unit) which comprises the statement of financial position as at 24 October 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, notes to the financial statements, including a summary of significant accounting policies, the branch 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 Union as at 24 October 2022, and its financial performance and its cash flows for the period ended on that date in accordance with:

- the Australian Accounting Standards; and
- 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).

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 Reporting Unit in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared using the non-going concern basis of accounting to reflect the cessation of activities of the Reporting Unit. The assets and liabilities recognised in the statement of financial position of the Reporting Unit as at 24 October 2022 are at their realisable value. This, and other matters as set out in Note 1, detail the basis of accounting adopted for the financial report. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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

The branch 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 our 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 the Branch Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the branch committee of management.
- Conclude on the appropriateness of the branch committee of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material

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

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

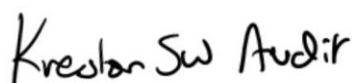
We communicate with the branch committee of management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

I declare that I am an auditor registered under the RO Act, a director of KrestonSW Audit Pty Ltd, an authorised audit company, and a registered auditor.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, we are required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

Our opinion on the financial report is not modified in respect of any such matter(s) because, in our opinion, any such matters have been appropriately addressed by the Reporting Unit and are not considered material in the context of the audit of the financial report as a whole.

A handwritten signature in black ink that reads "Kreston SW Audit".

KrestonSW Audit Pty Ltd

A handwritten signature in black ink that appears to read "K Thakkar".

Kamal Thakkar

Director

Registration number: AA2017/175

Sydney

23 August 2023