



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

Mr John Sutton
National Secretary
National Office
Construction, Forestry, Mining and Energy Union
PO Box Q235 QVB Post Office
SYDNEY NSW 1230

Dear Mr Sutton

**Re: Lodgement of Financial Statements and Accounts – Construction Forestry Mining
and Energy Union - National Office – for year ending 31 December 2007 (FR2007/529)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 2 July 2008.

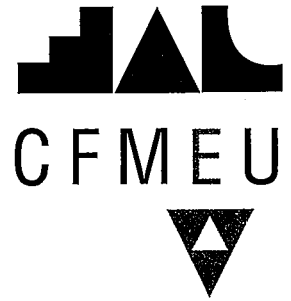
As the legislative requirements have been met, the documents have been filed.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'David Vale'.

Statutory Services Branch

16 July 2008



2 July 2008

Industrial Registrar
Australian Industrial Registry
L 8/ 80 William Street
Sydney NSW 2011

Dear Sir/Madam,

Re: Financial Returns

Please find enclosed herewith the financial returns of the Construction Forestry Mining and Energy Union National Office for the year ending 31 December 2008.

Please confirm receipt at your earliest convenience.

Yours faithfully

John Sutton
National Secretary
CFMEU



**Construction, Forestry Mining and Energy Union
NATIONAL OFFICE**

FOR THE YEAR ENDED 31 DECEMBER 2007

SECRETARY'S CERTIFICATE

Pursuant to Section 268 of Schedule 1 of the Workplace Relations Act 1996, I, John David Sutton certify that the auditor's report, accounts and statements of the CFMEU National Office for the year ended 31 December 2007, annexed hereto and provided to members on and after 15 May 2008 are copies of the documents presented to the meeting of the National Executive Committee on 23 June 2008.



National Secretary
CFMEU

2 July 2008

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
NATIONAL OFFICE**

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007**

CONTENTS

| | |
|-------|---|
| 1-2 | Operating Report |
| 3 | Committee of Managements' Certificate |
| 4-5 | Independent Audit Report to the Members |
| 6 | Income Statement |
| 7 | Balance Sheet |
| 8 | Statement of Changes in Equity |
| 9 | Cash Flow Statement |
| 10-22 | Notes to the Financial Statements |

OPERATING REPORT

Your Committee of Management present their Operating Report on the Union for the year ended 31 December 2007.

Committee of Management

The names of Committee of Management (COM) in office at any time during the year are:

| Name | Position | Period of Appointment |
|------------------|------------------------------|------------------------------|
| Tony Maher | National President | 1/1/2007 to 31/12/2007 |
| John Sutton | National Secretary | 1/1/2007 to 31/12/2007 |
| Peter Murray | National Executive Committee | 1/1/2007 to 31/12/2007 |
| Andrew Vickers | National Executive Committee | 1/1/2007 to 31/12/2007 |
| Michael O'Connor | National Executive Committee | 1/1/2007 to 31/12/2007 |
| Leo Skourdombis | National Executive Committee | 1/1/2007 to 31/12/2007 |
| Jane Calvert | National Executive Committee | 1/1/2007 to 31/12/2007 |
| Albert Littler | National Executive Committee | 1/1/2007 to 31/12/2007 |
| Tim Woods | National Executive Committee | 1/1/2007 to 31/12/2007 |
| Dave Noonan | National Executive Committee | 1/1/2007 to 31/12/2007 |
| Lindsay Fraser | National Executive Committee | 1/1/2007 to 31/12/2007 |
| Chris Price | National Executive Committee | 1/1/2007 to 29/5/2007 |
| Tom Watson | National Executive Committee | 29/5/2007 to 31/12/2007 |
| Kevin Reynolds | National Executive Committee | 1/1/2007 to 31/12/2007 |
| Andrew Ferguson | National Executive Committee | 1/1/2007 to 31/12/2007 |
| Martin Kingham | National Executive Committee | 1/1/2007 to 31/12/2007 |

Principal Activities

The principal activities of the Union during the year were: -

- Adherence to the rules of the Union in furtherance of the objects of the Union consistent with the industrial relations legislation.
- Implementation of the decisions of the National Executive Committee.
- Industrial support including assistance with legal and legislative matters.

Results of Activities

The result for the year was a Profit of \$15,537. (2006: Loss of \$3,624).

The Union has been involved in lobbying and negotiating with different levels of Government and key industry organisations around issues of importance to the broader CFMEU, including but not limited to health and safety issues, industrial and compensation matters, superannuation entitlements and environmental matters impacting the CFMEU membership.

The Union has successfully recruited new members in conjunction with a national objective of recruitment and training.

Significant Changes in Nature of Activities

There were no significant changes in the nature of activities of the Union during the year.

OPERATING REPORT

Continued

Significant Changes in Financial Affairs

There were no significant changes in the financial affairs of the Union during the year.

Membership of the Union

There were 103,850 members of the Union as at 31 December 2007 (2006: 118,000).

Rights of Members to Resign

All members of the Union have the right to resign in accordance with Rule 11(1) of the Union Rules (and section 174 of the Workplace Relations Act), namely, by providing written notice addressed and delivered to the Union Secretary.

Employees of the Union

As at 31 December 2007 the Union employed 3 full time employee (2006: 2).

Superannuation Trustees

Mr John Sutton was the National Secretary of the Union for the year and is a director of United Super Pty Ltd which acts as Trustee of C Bus.

Mr Dave Noonan is a director of United Super Pty Ltd which acts as Trustee of C Bus.

Mr Andrew Ferguson holds an alternate directorship (on behalf of Mr John Sutton and Mr Dave Noonan) of United Super Pty Ltd which acts as Trustee of C Bus.

Mr Albert Littler is a director of United Super Pty Ltd which acts as Trustee of C Bus. Mr Martin Kingham holds an alternate directorship (on behalf of Mr Albert Littler) of United Super Pty Ltd which acts as Trustee of C Bus.

Mrs Jane Calvert is a director of the Timber Industry Superannuation Scheme (TISS).

Mr Michael O'Connor is a director of TISS and FIRST.

Mr Tim Woods is a director of the Pulp and Paper Workers Superannuation Fund.

No officer or member of the Union acts:

- (i) as a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) as a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.



.....
John Sutton

Dated this 23 day of May 2008.

COMMITTEE OF MANAGERMENTS' CERTIFICATE

On 30th April 2008, the Committee of Management of the Construction Forestry Mining and Energy Union – National Office passed the following resolution in relation to the financial report of the Union, for the year ended 31 December 2007:

The Committee of Management declares in relation to the general purpose financial report that in its opinion:

- a) The financial statements and notes comply with Australian Accounting Standards;
- b) The financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year to which they relate;
- d) There are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
- e) During the financial year to which the general purpose financial report relates and since the end of that year:-
 - (i) Meetings of the Board of Management were held in accordance with the rules of the Union; and
 - (ii) The financial affairs of the Union have been managed in accordance with the rules of the Union; and
 - (iii) The financial records of the Union have been kept and maintained in accordance with the RAO Schedules and the RAO Regulations; and
 - (iv) The financial records of the Union have been kept, as far as practicable, in a consistent manner to each other reporting unit of the organisation; and
 - (v) No information has been sought in any request of a member of the Union or by a Registrar duly made under section 272 of the RAO Schedule; and
 - (vi) No orders have been made by the Commission in regard to inspection of financial records under section 273 of the RAO Schedule.

Signed for and on behalf of the Committee of Management by:



.....
John Sutton

Dated this 23rd day of May 2008.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS
OF THE CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION – NATIONAL OFFICE**

Report on the Financial Report

We have audited the accompanying financial report of the Construction, Forestry, Mining and Energy Union – National Office ("the Union"), which comprises the Balance Sheet as at 31 December 2007 and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of the significant accounting policies and other explanatory notes and the Committee of Management Statement.

Committee of Management's Responsibility for the Financial Report

The Union's Committee of Management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. In Note 1, the Committee of Management also state, in accordance with Australian Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

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

**INDEPENDENT AUDIT REPORT TO THE MEMBERS
OF THE CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION – NATIONAL OFFICE**
(Continued)

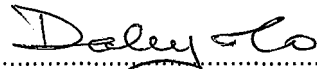
AUDIT OPINION

In our opinion, the general purpose financial report of the Construction Forestry Mining and Energy Union – National Office is in accordance with:

(a) The Workplace Relations Act 1996, including:

- (i) Giving a true and fair value of the Union's financial position as at 31 December 2007 and of its performance for the year ended on that date; and
- (ii) Complying with Accounting Standards in Australia and other mandatory professional reporting requirements.

(b) The requirements imposed by Part 3 of Chapter 8 of Schedule 1 of the Act.



DALEY & CO
Chartered Accountants
98 Kembla Street
Wollongong NSW 2500

Dated this 23rd day of May 2008.



M L Gleeson
Registered Company Auditor

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

| | | 2007 | 2006 |
|---|-------|----------------|------------------|
| | NOTES | \$ | \$ |
| Revenue | 3 | <u>889,847</u> | <u>1,080,773</u> |
| Expenses | | | |
| Affiliation Fees | | 287,608 | 281,001 |
| Employee Benefits | | 283,146 | 482,692 |
| Depreciation and Amortisation Expense | | 8,632 | 7,630 |
| Meeting and Conferences | | 61,987 | 91,633 |
| Operating Expenditure | | <u>232,937</u> | <u>221,441</u> |
| | | <u>874,310</u> | <u>1,084,397</u> |
| NET RESULT ATTRIBUTABLE TO MEMBERS | | <u>15,537</u> | <u>(3,624)</u> |

The accompanying notes form part of this financial report

**BALANCE SHEET
AS AT 31 DECEMBER 2007**

| | NOTES | 2007 \$ | 2006 \$ |
|----------------------------------|-------|----------------|----------------|
| CURRENT ASSETS | | | |
| Cash and Cash Equivalents | 4 | 661,190 | 351,737 |
| Trade and Other Receivables | 5 | 61,997 | 137,873 |
| Other | 6 | 16,211 | 4,520 |
| TOTAL CURRENT ASSETS | | <u>739,398</u> | <u>494,130</u> |
| NON-CURRENT ASSETS | | | |
| Plant & Equipment | 7 | 29,176 | 29,097 |
| TOTAL NON-CURRENT ASSETS | | <u>29,176</u> | <u>29,097</u> |
| TOTAL ASSETS | | <u>766,574</u> | <u>523,227</u> |
| CURRENT LIABILITIES | | | |
| Trade and Other Payables | 8 | 249,487 | 55,220 |
| Provisions | 9 | 111,070 | 94,829 |
| GST Liability | | 23,624 | 6,322 |
| TOTAL CURRENT LIABILITIES | | <u>384,181</u> | <u>156,371</u> |
| TOTAL LIABILITIES | | <u>384,181</u> | <u>156,371</u> |
| NET ASSETS | | <u>382,393</u> | <u>366,856</u> |
| MEMBERS FUNDS | | | |
| Accumulated Members' Funds | | <u>382,393</u> | <u>366,856</u> |

The accompanying notes form part of this financial report

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2007**

| | 2007 | 2006 |
|------------------------------------|----------------|----------------|
| | \$ | \$ |
| Opening Balance as at 1 January | 366,856 | 370,480 |
| Net Result Attributable to Members | 15,537 | (3,624) |
| Closing Balance as at 31 December | <u>382,393</u> | <u>366,856</u> |

The accompanying notes form part of this financial report

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

| | NOTES | 2007 \$ | 2006 \$ |
|---|-------|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from Members | | 896,018 | 989,473 |
| Receipts from Interest | | 25,530 | 4,715 |
| Receipts from Sitting Fees | | 44,175 | 22,654 |
| Other income received | | - | 256,386 |
| Payments to Suppliers and Employees | | (647,559) | (1,113,324) |
| NET PROVIDED BY OPERATING ACTIVITIES | 12(A) | <u>318,164</u> | <u>159,904</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Property, Plant & Equipment | | - | 23,005 |
| Payment for Property, Plant & Equipment | | (8,711) | (29,880) |
| NET USED IN INVESTING ACTIVITIES | | <u>(8,711)</u> | <u>(6,875)</u> |
| NET INCREASE / (DECREASE) IN CASH HELD | | 309,453 | 153,029 |
| CASH AT THE START OF THE FINANCIAL YEAR | | <u>351,737</u> | <u>198,708</u> |
| CASH AT THE END OF THE FINANCIAL YEAR | 12(B) | <u><u>661,190</u></u> | <u><u>351,737</u></u> |

The accompanying notes form part of this financial report

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

1. STATEMENT OF ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements imposed by the reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act, 1996.

The financial report is for the entity Construction Forestry Mining and Energy Union – National Office, as an individual entity. This organisation is registered under the Workplace Relations Act 1996 and domiciled in Australia. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union is not subject to the Corporations Act 2001.

The financial report complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis, except where specifically stated, and is based on historical costs modified by the revaluation of selected financial assets for which the fair value basis of accounting has been applied.

Accounting Policies

(a) PLANT AND EQUIPMENT

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

Continued

1. STATEMENT OF ACCOUNTING POLICIES

Continued

(a) PLANT & EQUIPMENT
CONTINUED

Depreciation

The depreciation amount of all fixed assets including capitalised lease assets (where applicable) is depreciated on a straight line basis over their useful lives to the Union. The depreciation rates used for each class of depreciable assets are:

| Class of Fixed Asset | Depreciation Rate |
|-----------------------------------|--------------------------|
| Furniture, Fittings and Equipment | 7.50 - 20% |
| Motor Vehicles | 20% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Balance Sheet date.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

(b) INCOME TAX

No provision for income tax is necessary as the Union (being a registered Industrial Trade Union) is exempt from tax under section 50-15 of the Income Tax Assessment Act.

(c) EMPLOYEE BENEFITS

Provision is made in respect of the Union's liability for employee benefits arising from services rendered by officers and employees to balance date.

Long service leave is accrued in respect of all officers and employees with more than 5 years service. Related on-costs are included in these provisions.

Contributions are made to employee superannuation funds and are charged as expenses where incurred.

(d) REVENUE

Revenue from capitation fees are recognised on an accruals basis.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

Continued

1. STATEMENT OF ACCOUNTING POLICIES

Continued

(e) FINANCIAL INSTRUMENTS

Recognition

Financial instruments are initially measured at cost on trade date, which included transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-Maturity Investments

These investments have fixed maturities, and it is the Union's intention to hold these investments to maturity. Any held-to-maturity investments held by the Union are stated at amortised cost using the effective interest rate method.

Available-for-Sale Financial Assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the Union assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(f) IMPAIRMENT OF ASSETS

At each reporting date, the Union reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Union estimates the recoverable amount of cash-generating unit to which the asset belongs.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

Continued

1. STATEMENT OF ACCOUNTING POLICIES

Continued

(g) CASH AND CASH EQUIVALENTS.

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Balance Sheet.

(h) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the Cash Flow Statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) COMPARATIVE FIGURES

Where required, comparative figures have been adjusted to conform to changes in presentation in the current financial year.

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 of Schedule 1B which reads as follows:

- (1) A member of a Union, or a Registrar, may apply to the Union for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) An application must be made 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 Union.
- (3) The Union must comply with an application made under subsection (1).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

Continued

| | 2007 \$ | 2006 \$ |
|---|----------------|------------------|
| 3. OPERATING PROFIT FROM ORDINARY ACTIVITIES | | |
| Profit from ordinary activities is arrived at after taking into account | | |
| (a) REVENUE: | | |
| <i>Operating Activities</i> | | |
| Capitation Fees | 805,633 | 797,017 |
| Sitting Fees | 44,175 | 22,654 |
| Interest Received | 25,530 | 4,715 |
| Other Income | 14,509 | 256,387 |
| | <u>889,847</u> | <u>1,080,773</u> |
| (b) EXPENSES | | |
| Depreciation of Non-Current Assets | | |
| Motor Vehicles | 5,145 | 4,846 |
| Plant & Equipment | 3,487 | 2,784 |
| Total Depreciation | <u>8,632</u> | <u>7,630</u> |
| Movements In Employee Entitlements | 16,241 | 149,106 |
| Bad Debts: Receivables | - | 9,456 |
| Remuneration of Auditors | | |
| - Auditing the Financial Report | 8,860 | 10,790 |
| - Accounting & Taxation Services | 3,370 | 2,870 |
| 4. CASH AND CASH EQUIVALENTS | | |
| Cash on Hand | 700 | 400 |
| Cash at Bank | 147,654 | 58,543 |
| Business Direct Savings | 512,836 | 292,794 |
| | <u>661,190</u> | <u>351,737</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

Continued

| | NOTES | 2007 \$ | 2006 \$ |
|--|-------|---------------|----------------|
| 5. TRADE AND OTHER RECEIVABLES | | | |
| Current | | | |
| Sundry Debtors | | 25,109 | 102,742 |
| Accounts Due from Branches – Capitation Fees | 14 | 36,888 | 35,131 |
| TOTAL RECEIVABLES | | <u>61,997</u> | <u>137,873</u> |
| (i) The funds advanced have no set repayment date. Interest is not charged on the amount advanced. | | | |
| <i>Amounts Relating to:-</i> | | | |
| CFMEU – Construction & General Division | | 14,365 | 28,696 |
| CFMEU – FEDFA Division | | - | - |
| CFMEU – FFTS Division | | - | 95,131 |
| CFMEU – Mining & Energy Division | | - | - |
| CFMEU – Forest & Forestry Products Division | | 36,888 | 14,046 |
| CFMEU – Construction & General Division, NSW Branch | | - | - |
| CFMEU – FFTS Division – NSW Branch | | - | - |
| | | <u>51,253</u> | <u>137,873</u> |
| 6. OTHER | | | |
| Prepayments | | <u>16,211</u> | <u>4,520</u> |
| 7. PROPERTY, PLANT & EQUIPMENT | | | |
| FURNITURE, FITTINGS & EQUIPMENT | | | |
| At Cost | | 13,131 | 4,420 |
| Accumulated Depreciation | | (6,250) | (2,763) |
| | | <u>6,881</u> | <u>1,657</u> |
| MOTOR VEHICLES | | | |
| At Cost | | 28,016 | 28,016 |
| Accumulated Depreciation | | (5,721) | (576) |
| | | <u>22,295</u> | <u>27,440</u> |
| TOTAL PROPERTY, PLANT & EQUIPMENT | | <u>29,176</u> | <u>29,097</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

Continued

7. PROPERTY, PLANT & EQUIPMENT

Continued

Movements In Carrying Amounts

Movements in the carrying amounts (written down values) for each class of property, plant and equipment between the start and end of the current financial year.

| | FURNITURE, FITTINGS & EQUIPMENT | MOTOR VEHICLES | TOTAL |
|----------------------------|---------------------------------------|-------------------|---------|
| Balance at Start of Year | 1,657 | 27,440 | 29,097 |
| Additions | 8,711 | - | 8,711 |
| Disposals – Assets | - | - | - |
| Amort/Depreciation Expense | (3,487) | (5,145) | (8,632) |
| Disposals – Accum Dep'n | - | - | - |
| Balance at End of Year | 6,881 | 22,295 | 29,176 |

2007
\$

2006
\$

8. TRADE AND OTHER PAYABLES

| | | |
|------------------|---------|--------|
| Sundry Creditors | 249,487 | 55,220 |
|------------------|---------|--------|

Amounts Relating to:-

| | | |
|---|---------|--------|
| CFMEU – Mining & Energy Division | 93,000 | 3,000 |
| CFMEU – Forest & Forestry Products Division | 91,250 | - |
| CFMEU – Construction & General Division | 4,457 | 21,563 |
| | 188,707 | 24,563 |

9. PROVISIONS

| | Provision for Annual Leave \$ | Other Employee Entitlements \$ | TOTAL \$ |
|-----------------------------------|--|---|-------------|
| Opening balance at 1 January 2007 | 37,654 | 57,175 | 94,829 |
| Amounts Transferred In | - | - | - |
| Additional provisions | 15,107 | 5,021 | 20,128 |
| Amounts Paid Out | (3,887) | - | (3,887) |
| Balance at 31 December 2007 | 48,874 | 62,196 | 111,070 |

(a) Analysis of ageing of provisions

| | | |
|---------|---------|--------|
| Current | 111,070 | 94,829 |
|---------|---------|--------|

(b) Number of Employees at Balance Date

| | | |
|--|---|---|
| | 3 | 2 |
|--|---|---|

(c) Total Employee Benefits Attributable to:

| | | |
|----------------|---------|--------|
| Office Holders | 101,972 | 91,192 |
| Staff | 9,098 | 3,637 |
| | 111,070 | 94,829 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

Continued

10. CONTINGENT LIABILITIES

A contingent liability may exist in relation to debts incurred by the Divisions of the Union for which the National Office may become liable under the rules of the Union. Disclosure for such liabilities are not brought to account in the National Office on the basis that each Division is a separate reporting entity responsible for disclosing its own contingent and other liabilities.

The Union and specified officials are being sued for as yet unspecified damages in an action arising from an alleged industrial dispute. The National Executive is of the opinion that the action can be successfully defended by the Union which is challenging the action. Given the complex nature of this action and advice of legal counsel, it is not practicable to estimate the potential financial impact, if any, of this action at this time.

The information usually required by AASB 137 Provisions, Contingent Liabilities and Contingent Assets, is not disclosed on the grounds it can be expected to prejudice seriously the outcome of the litigation.

11. ECONOMIC DEPENDENCE

The principal source of income for the Union is capitation fees from its Divisions. Accordingly, the National Office is economically dependent on the ability of the Divisions to continue to service the needs of its members on industrial and workplace matters

| | 2007 \$ | 2006 \$ |
|---|----------------|----------------|
| 12. CASH FLOW INFORMATION | | |
| (A) RECONCILIATION OF CASH FLOWS FROM OPERATIONS WITH OPERATING RESULT | | |
| Net Operating Result | 15,537 | (3,624) |
| Non-Cash Flows in Net Result | | |
| Depreciation | 8,632 | 7,630 |
| Increase / (Decrease) in Employee Benefits | 16,241 | 77,618 |
| Loss on Sale of Fixed Assets | - | 7,533 |
| Changes in Assets and Liabilities | | |
| (Increase) / Decrease in Sundry Debtors | 75,876 | 192,456 |
| (Increase) / Decrease in Prepayments | (11,691) | (1,151) |
| Increase / (Decrease) in Sundry Creditors | 196,267 | (121,098) |
| Increase in Tax Liability | 17,302 | 540 |
| CASH FLOWS FROM OPERATIONS | <u>318,164</u> | <u>159,904</u> |
| (B) RECONCILIATION OF CASH | | |
| Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to terms in the Balance Sheet as follows: | | |
| • Cash [Note 4] | <u>661,190</u> | <u>351,737</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

Continued

| | 2007 \$ | 2006 \$ |
|---|----------------|------------------|
| 12. CASH FLOW INFORMATION | | |
| Continued | | |
| (C) NET CASH FLOWS (EXCLUDING GST) RELATING TO ANOTHER REPORTING UNITS OF THE ORGANISATION ARE AS FOLLOWS: | | |
| CFMEU – Construction and General Division | 502,012 | 679,580 |
| CFMEU – Mining and Energy Division | 150,381 | 301,156 |
| CFMEU – Forest and Forest Products Division | 145,618 | 142,467 |
| CFMEU – Construction and General Division – WA Branch | - | 10,000 |
| | <u>798,011</u> | <u>1,113,203</u> |

13. LEGAL AND PROFESSIONAL FEES & EXPENSES

Amounts received, or due and receivable, by the auditor for:

| | | |
|-------------------|---------------|---------------|
| ▪ Auditing | 8,860 | 10,790 |
| ▪ Accounting fees | 3,370 | 2,870 |
| ▪ Legal Expenses | - | 35,058 |
| TOTAL | <u>12,230</u> | <u>48,718</u> |

Legal Expenses relate to the following matters:

| | | |
|--|----------|---------------|
| ▪ Duties of Officers | - | 5,086 |
| ▪ Liability of Unions under Work Choices | - | 15,250 |
| ▪ Policy Report | - | 12,000 |
| ▪ Union Rules | - | 2,722 |
| | <u>-</u> | <u>35,058</u> |

14. AMOUNTS DUE FROM DIVISIONS - CAPITATION FEES

(Amounts are Inclusive of GST)

| | BALANCE OWING (31.12.06) | AMOUNTS CHARGED | CASH RECEIVED | BALANCE OWING (31.12.07) |
|-----------------------------------|--------------------------------|--------------------|------------------|--------------------------------|
| Construction and General Division | - | 534,786 | (534,786) | - |
| Forest & Forest Products Division | 35,131 | 134,137 | (132,380) | 36,888 |
| Mining & Energy Division | - | 136,710 | (136,710) | - |
| | <u>35,131</u> | <u>805,633</u> | <u>(803,876)</u> | <u>36,888</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

Continued

15. ORGANISATION DETAILS

The Union is a Trade Union registered and domiciled in Australia. The registered office and principle place of business of the Union is: Level 12, 276 Pitt Street, Sydney NSW 2000.

16. EVENTS SUBSEQUENT TO BALANCE DATE

(a) No matter or circumstance has arisen since the end of the year that has significantly affected or may significantly affect:

- (i) the operations of the Union;
- (ii) the results of those operations; or
- (iii) the state of affairs of the Union, in subsequent financial years.

(b) The financial report was authorised for issue in May 2008 by the Board of Management.

17. KEY MANAGEMENT PERSONNEL COMPENSATION

Key Management Personnel

- Mr John Sutton (National Secretary – from 1 July 2007)
- Mr Dave Kelly
- Mr Hamish Quinn
- Mr Sean Marshall

| | 2007 \$ | 2006 \$ |
|----------------------------|------------|------------|
| Total Compensation | | |
| - Short Term Benefits | 248,339 | 203,068 |
| - Post Employment Benefits | 38,412 | 18,849 |
| - Long Term Benefits | 2,734 | 10,294 |
| | 289,485 | 232,211 |

18. RELATED PARTY INFORMATION

(a) MEMBERS OF THE BOARD OF MANAGEMENT

Persons holding positions within the Union and as members of the Board of Management during the year:

| Name | Position |
|--------------------|------------------------------|
| ➤ Tony Maher | National President |
| ➤ John Sutton | National Secretary |
| ➤ Peter Murray | National Executive Committee |
| ➤ Andrew Vickers | National Executive Committee |
| ➤ Michael O'Connor | National Executive Committee |
| ➤ Leo Skourdoumbis | National Executive Committee |
| ➤ Jane Calvert | National Executive Committee |
| ➤ Albert Littler | National Executive Committee |
| ➤ Tim Woods | National Executive Committee |
| ➤ Dave Noonan | National Executive Committee |
| ➤ Lindsay Fraser | National Executive Committee |
| ➤ Chris Price | National Executive Committee |
| ➤ Tom Watson | National Executive Committee |
| ➤ Kevin Reynolds | National Executive Committee |
| ➤ Andrew Ferguson | National Executive Committee |
| ➤ Martin Kingham | National Executive Committee |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

Continued

18. RELATED PARTY INFORMATION

Continued

(b) RELATED PARTY TRANSACTIONS

Other related parties

- i) Rent and Outgoings were paid to the Construction, Forestry, Mining and Energy Union – Mining and Energy Division totaling \$nil (2006: \$11,050).
- ii) Administration fees were paid to the Construction, Forestry, Mining and Energy Union – Mining and Energy Division totaling \$nil (2006: \$11,363).
- iii) Rent and Administration charges were paid to Construction, Forestry, Mining and Energy Union – Construction and General Division totaling \$80,371 (2006: \$21,563).
- iv) Directors fees were received from Eraring Energy Ltd for Mr John Maitland \$nil (2006: \$13,955).
- v) Directors fees totaling \$20,532 (2006: \$8,699) were received from the Construction & Building Industry Super (CBUS) by the Union in respect of board attendances by Mr John Sutton.
- vi) Directors fees totaling \$7,500 (2006: \$nil) were received from ACIRT by the Union in respect of board attendances by Mr John Sutton.
- vii) Directors fees totaling \$20,081 (2006: \$nil) were received from ISPT by the Union in respect of board attendances by Mr John Sutton.

19. OPERATING LEASE AND CAPITAL EXPENDITURE COMMITMENTS

(a) Operating Lease Commitment

A commitment exists in respect of the sub-lease of floor area within premises situated at Pitt Street, Sydney. The maximum amount committed plus the maximum extension of options is as follows :-

| | 2007 \$ | 2006 \$ |
|--|------------|------------|
| The total operating lease commitments are: | | |
| Due within 1 year | 78,411 | 65,889 |
| Due within 1-2 years | - | - |
| | 78,411 | 65,889 |

(b) Capital Expenditure Commitment

A capital commitment exists for the redevelopment of the CFMEU website. The total commitment for the National Office is 20% of the full costs of \$53,410 of which 50% is due in the 2007 year.

The total capital expenditure projects are:

| | | |
|----------------------|---|-------|
| Due within 1 year | - | 5,341 |
| Due within 1-2 years | - | - |
| | - | 5,341 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

Continued

20. FINANCIAL INSTRUMENTS

The Union's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivables and payable and loans to related parties.

The group does not have any derivative instruments at balance date.

The main risks the Union is exposed to through its financial instruments are interest rate risk and credit risk.

(a) Interest Rate Risk

The Union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

| 2007 | WEIGHTED AVERAGE EFFECTIVE INTEREST RATES % | FLOATING INTEREST RATE \$ | FIXED INTEREST RATE MATURING | | NON INTEREST BEARING \$ | TOTAL \$ |
|------------------------------------|--|------------------------------------|---------------------------------|------------------------------|----------------------------------|----------------|
| | | | WITHIN 1 YEAR \$ | BETWEEN 1 & 5 YEARS \$ | | |
| Financial Assets | | | | | | |
| Cash at Bank | 5.45% | 661,190 | - | - | - | 661,190 |
| Receivables | - | - | - | - | 61,997 | 61,997 |
| Total Financial Assets | | <u>661,190</u> | <u>-</u> | <u>-</u> | <u>61,997</u> | <u>723,187</u> |
| Financial Liabilities | | | | | | |
| Trade & Sundry Creditors | - | - | - | - | 249,487 | 249,487 |
| Total Financial Liabilities | | <u>-</u> | <u>-</u> | <u>-</u> | <u>249,487</u> | <u>249,487</u> |
| 2006 | | | | | | |
| 2006 | WEIGHTED AVERAGE EFFECTIVE INTEREST RATES % | FLOATING INTEREST RATE \$ | FIXED INTEREST RATE MATURING | | NON INTEREST BEARING \$ | TOTAL \$ |
| | | | WITHIN 1 YEAR \$ | BETWEEN 1 & 5 YEARS \$ | | |
| Financial Assets | | | | | | |
| Cash at Bank | 5.36% | 351,737 | - | - | - | 351,737 |
| Receivables | - | - | - | - | 138,702 | 138,702 |
| Total Financial Assets | | <u>351,737</u> | <u>-</u> | <u>-</u> | <u>138,702</u> | <u>490,439</u> |
| Financial Liabilities | | | | | | |
| Trade & Sundry Creditors | - | - | - | - | 55,220 | 55,220 |
| Total Financial Liabilities | | <u>-</u> | <u>-</u> | <u>-</u> | <u>55,220</u> | <u>55,220</u> |

20. FINANCIAL INSTRUMENTS

Continued

b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the Balance Sheet and Notes to the Financial Statements.

The Union does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Union.

(c) Net Fair Values

The net fair values of all assets and liabilities approximate their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

21. ADDITIONAL DISCLOSURES REQUIRED UNDER THE RAO SCHEDULE

In accordance with the requirements of Section 255 of Schedule 1B [the Registration and Accountability of Organisations (RAO) schedule], the following necessary disclosures are made:

| | 2007 \$ | 2006 \$ |
|--|----------------|----------------|
| i) ITEMS OF REVENUE | | |
| Donations or Grants Income | - | - |
| ii) ITEMS OF EXPENSE | | |
| Affiliation fees/subscriptions to organisations with an interest in industrial matters. | 287,608 | 282,419 |
| Donations or Grant Expenses. | | |
| • [REDACTED] | [REDACTED] | - |
| • [REDACTED] | [REDACTED] | - |
| • [REDACTED] | [REDACTED] | [REDACTED] |
| • [REDACTED] | - | [REDACTED] |
| • [REDACTED] | [REDACTED] | - |
| • [REDACTED] | [REDACTED] | - |
| • [REDACTED] | [REDACTED] | - |
| • [REDACTED] | - | [REDACTED] |
| • [REDACTED] | [REDACTED] | - |
| • General (< \$1,000) | 1,750 | 350 |
| | <u>64,250</u> | <u>33,350</u> |
| Employee Benefits Expense: | | |
| - Office Holders | 113,838 | 132,337 |
| - Employees (Other than Office Holders) | 133,569 | 39,567 |
| | <u>247,407</u> | <u>171,904</u> |
| Expenses incurred in connection with meetings of members, councils, committees, panels to other bodies for which the Union was wholly or partly responsible. | 93,903 | 91,633 |