



16 July 2014

Dean Hall
Branch Secretary
Construction, Forestry, Mining and Energy Union, Construction and General Division, Australian
Capital Territory Branch
PO Box 498
DICKSON ACT 2602

Dear Mr Hall

**Construction, Forestry, Mining and Energy Union Construction and General Division
Australian Capital Territory Branch Financial Report for the year ended 31 December 2013
- [FR2013/439]**

I acknowledge receipt of the financial report of the Construction, Forestry, Mining and Energy Union Construction and General Division, Australian Capital Territory Branch. The documents were lodged with the Fair Work Commission (FWC) on 30 May 2014.

I acknowledge receipt of supplementary information on 11 July 2014 in relation to addressing the issues raised in the letter Ken Morgan from the FWC sent to you dated 11 June 2014. I also acknowledge the phone conversation between myself and Glenn Carlos from your office on 15 July 2014 in which Glenn was able to clarify a few questions I had in relation to the amended financial statements provided.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

I make the following comments to assist you when you next prepare a financial report. The FWC will confirm these concerns have been addressed prior to filing next year's report.

Committee of Management Statement

Management statements

As stated in the letter from Ken Morgan from the FWC on the 11 June 2014, reporting guideline 41 requires the committee of management statement to include the following:

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

It is noted that the amended Committee of Management Statement that was dated 24 June 2014 stated that:

(e) v. the CFMEU, Construction and General Division - ACT Branch is a reporting unit for the purposes of the Fair Work (Registered Organisations) Act 2009 and no other reporting units are part of the Branch.

This statement is not in accordance with the purpose and requirements of reporting guideline 41. The FWC expects that each Branch of a Registered Organisation would undertake reasonable steps to confirm whether in their opinion (e) iv. as described above is true. If the Branch is not in a position to do that then the appropriate declaration would be:

(e) iv. the CFMEU, Construction and General Division - ACT Branch is not in a position to confirm where the organization consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the organization.

General Purpose Financial Report

Disclosure of employee expenses/provisions for office holders and other employees

It is noted that most of the disclosure relating to employee expenses/provision for office holders and other employees has been included in the amended financial statement. However, in relation to employee expenses separate disclosure for leave and other entitlements and separation and redundancies was not provided and for employee provision, separation and redundancies.

Activities under Reporting Guidelines not disclosed

Please note that in future years the total amount paid in donations must be disclosed separately from grants. This also applies to legal costs which must be disclosed separately from other litigation expenses.

Changes to the reporting guidelines and model financial statement

A fourth edition of the General Manager's s.253 Reporting Guidelines was gazetted on 13 June 2014. These guidelines will apply to all financial reports that end on or after 30 June 2014. A model set of financial statements for the 2013-2014 financial year is also available on the FWC website. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards.

The Reporting Guidelines and Model Financial Statements are available on the website here:

<https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>

If you have any queries regarding this letter, please contact me on (03) 8661 7886 or via email at joanne.fenwick@fwc.gov.au.

Yours sincerely



Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch



11 June 2014

Dean Hall
Branch Secretary
Construction, Forestry, Mining and Energy Union, Construction and General Division, ACT
Branch
PO Box 498
Dickson ACT 2602

via e-mail: notices@cfmeuffpd.org

Dear Mr Hall

**Construction, Forestry, Mining and Energy Union, Construction and General Division, ACT
Branch
Financial Report for the year ended 31 December 2013 - FR2013/439**

I acknowledge receipt of the financial report for the year ended 31 December 2013 for the Construction, Forestry, Mining and Energy Union, Construction and General Division, ACT Branch (CFMEU-ACT). The financial report was lodged with the Fair Work Commission (FWC) on 30 May 2014.

The financial report has not been filed. I have examined the report and identified a number of matters, the details of which are set out below, that you are required to address before the report can be filed.

The Committee of Management Statement, General Purpose Financial Report (GPFR) and Auditor's Statement will require amendments. The amended report will need to be presented to a Committee of Management meeting, republished on the CFMEU-ACT website and lodged with FWC.

I have noted the inclusion of an additional report "Detailed Income and Expenditure Statement for the Year Ended 31 December 2013". This report has not been the subject of an audit and cannot be considered part of the General Purpose Financial Report to satisfy the reporting requirements under the *Fair Work (Registered Organisations) Act 2009*.

The matters identified should be read in conjunction with the *Fair Work (Registered Organisations) Act 2009* (the RO Act), *Fair Work (Registered Organisations) Regulations 2009* (the RO Regs), Reporting Guidelines (RG) made under section 255 of the RO Act and Australian Accounting Standards. A 'Model financial statements' is also available on the FWC website to assist organisations in preparing returns.

1. Committee of Management Statement

Management statements

Reporting guideline 41 requires the committee of management statement to include the following:

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

Please amend the Committee of Management statement accordingly and resubmit to FWC.

2. General Purpose Financial Report

For-profit or not-for profit entity

Australian Accounting Standard *AASB 1054 Australian Additional Disclosures* paragraph 8(b) requires that the entity disclose whether, for the purposes of preparing the financial statements, it is a for-profit or not-for-profit entity.

This information has not been provided.

Notice setting out sections 272(1), (2) & (3)

There should be included in the accounts a notice drawing attention to the fact that prescribed information is available to members on request. This requirement is set out in subsection 272(5) of the RO Act, and it specifically requires the accounts to include a copy of subsections 272(1), (2) & (3) as follows:

- (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).*

This information should be set out in the Notes to the Accounts.

General purpose financial report to be prepared on accrual basis

Section 252 of the RO Act places obligations upon reporting units to keep financial records. Under section 252(4) an organisation may keep the financial records for its membership subscriptions on a cash basis.

This is distinct from the obligation under section 253 to prepare a General Purpose Financial Report (GPFR). Section 253 requires that ‘...a reporting unit must cause a General Purpose Financial Report to be *prepared*, in accordance with the Australian Accounting Standards, from the financial records kept under subsection 252(1) in relation to the financial year...’. Paragraph 27 of Australian Accounting Standard *AASB101 Presentation of Financial Statements*, states that ‘an entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting’.

The notes to the financial statements state ‘Revenue from membership is recognised when individual members become financial and pay their membership fees.’

Membership fees will need to be brought to account on an accruals basis in accordance with the Australian Accounting Standards and the relevant statements and items will need to be amended accordingly. This will also require the re-auditing of these statements by your auditor and the reissuing of the GPFR to members and FWC.

It is further noted that this will result in a change of accounting policy that will need to be disclosed in accordance with *AASB 108 (Accounting Policies, Changes in Accounting Estimates and Errors)*. You may need to discuss this with your auditor.

Key management personnel

Australian Accounting Standard *AASB 124 Related Party Disclosures* paragraph 17 requires the General Purpose Financial Report to disclose within the statements or the notes compensation paid to key management personnel.

This normally includes a listing of the key management personnel for the organisation, the total amount of compensation paid to all key management personnel, and then totals for each of the following categories:

- Short term employee benefits
- Post employment benefits
- Other long term employee benefits
- Termination benefits
- Any share based payments.

The definition for these categories can be found within accounting standard *AASB 119: Employee Benefits*.

Materiality

Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 97 requires material items to be presented separately. The Statement of Comprehensive Income reports \$820,798 as 'Administrative expense', which is a material amount. This item is required to be further divided within the Notes to the audited GPFR to ensure that any material items within expenses are separately disclosed.

Disclosure of employee expenses/provisions for office holders and other employees

The employee expense note to the financial statements has disclosed a total 'wages and salaries and superannuation' separately for officer holders and employees, but is required to separately disclose, wages and salaries, superannuation, leave and other entitlements, separation and redundancies and other employee expenses provided for office holders and employees.

The employee provisions note to the financial statements is required to disclose annual leave, long service leave, separation and redundancies and other employee provisions for office holders and employees.

The Reporting Guidelines require that all employee and office holder benefits be detailed separately (refer to items 17(f), 17(g), 21(c) and 21(d)).

Activities under Reporting Guidelines not disclosed

Items 14, 16, 18, 20, 22 and 26 of the RG state that if the activities identified in items 10, 11, 13, 15, 17, 19, 21 and 25 respectively have not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR. I note that for the following items no such disclosure has been made:

- 10 going concern financial support received from another reporting unit
- 11 going concern financial support provided to another reporting unit
- 13 business combinations
- 15(b) capitation fees received
- 15(c) compulsory levies raised
- 15(e) financial support received from another reporting unit
- 17(a) fees incurred as consideration for employers making payroll deductions of membership subscriptions
- 17(b)(i) & 17(b)(ii) capitation fees paid - name and amount for each entity

- 17(c) affiliation fees paid to each entity
- 17(d) compulsory levies imposed
- 17(e)(i) the total amount paid in grants
- 17(e)(ii) the total amount paid in donations
- 17(h) fees or allowances paid to persons to attend a conferences or other meeting as a representative of the reporting unit
- 17(i) expenses incurred with holding meeting of members or any conferences or meeting of councils, committees, panels or other bodies
- 17(j) legal costs or other litigation expenses incurred
- 17(k) penalties imposed under the RO Act.
- 19 receivable or payable with another reporting unit
- 21(a) payables to employers as consideration for the employers making payroll deductions of membership subscriptions
- 21(b) payables in respect of legal costs and other expenses related to litigation or other legal matters
- 25 cash flows to/from other reporting units and/or controlled entity to be reported in Cash Flow Statement or in the notes to the GPFR

3. Auditor's Statement

Auditor's qualifications

Regulation 4 of the RO Regulations provides the definition of an approved auditor. Item 44 of the Reporting Guidelines requires that in the Auditor's Statement, the auditor must declare they are either an approved auditor or the auditor is a member of a firm where at least one member is an approved auditor and must specify that the auditor is a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the Institute of Public Accountants, and holds a current Public Practice Certificate.

I note that this information has not been included in the Auditor's Statement. The Auditor's Statement will require amendment.

Declaration relating to going concern basis of accounting

Item 45 of the Reporting Guidelines requires that the Auditor's Statement include a declaration, that as part of the audit of the financial statements, they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statement is appropriate. No such declaration is contained in the Auditor's Statement.

Please discuss this with your auditor. The Auditor's Statement should provide a view on whether management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statement is appropriate.

Please arrange for the auditor to issue an amended statement.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7675 or by email at ken.morgan@fwc.gov.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH**

ABN 38 491 952 173

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2013**


**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

CERTIFICATE OF SECRETARY

S268 of Fair Work (Registered Organisations) Act 2009

I, Dean Hall being the Branch Secretary of the Construction Forestry Mining and Energy Union Construction and General Division – ACT Branch certify:

- that the documents lodged herewith are copies of the full report referred to in S268 of Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members on 25 February 2014; and
- that additional disclosures were added to the full report and the report was again provided to members on 24 June 2014; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 27 May 2014 and again on 8 July 2014 (with the additional disclosures), in accordance with section 266 of Fair Work (Registered Organisations) Act 2009.



Dean Hall
Branch Secretary
CFMEU
Construction and General Division
ACT Branch

Dated this 8th day of July 2014
at Canberra, Australian Capital Territory

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

OPERATING REPORT

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 the Committee of Management present their Operating Report on the Construction Forestry Mining and Energy Union, Construction and General – ACT Branch, the relevant reporting unit, for the financial year ended 31 December 2013.

Principal Activities

CFMEU, Construction & General Division – ACT Branch ("reporting unit") is committed to advancing the wages, conditions, and wellbeing of its membership.

The reporting unit's principal activities during the year were:

- Representation of members on the job.
- Union-negotiated collective agreements.
- Assisting members with legal representation.
- Facilitating access to training courses.
- Informing members through the regular newsletter.
- Sale of products to union members.
- Investment of union funds.

The operating loss of the reporting unit for the year ended 31 December 2013 is \$182,552 (2012: profit \$6,051).

Significant changes

There were no significant changes in the nature of the reporting unit's activities during the year.

Members rights to resign

Members may resign from the Union in accordance with Section 174 of the Fair Work Act, which reads as follows:

- 1) A member of the Union may resign from membership by written notice addressed and delivered to the Secretary of the Branch of which he is a member.
- 2) A notice of resignation from membership of the Union takes effect:
 - a) Where the member ceases to be eligible to become a member of the Union:
 - i) On the day on which notice is received by the Union; or
 - ii) On the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member; Which ever is later; or
 - b) In any other case:
 - i) At the end of two (2) weeks after the notice is received by the Union; or
 - ii) On the day specified in the notice;Whichever is later.
- 3) Any dues payable but not paid by a former member of the Union, in relation to a period before the member's resignation from the Union took effect, may be sued for and recovered in the name of the Union in a court of competent jurisdiction, as a debt due to the Union.
- 4) A notice delivered to the person mentioned in subsection (1) shall be taken to have been received by the Union when it was delivered.
- 5) A notice of resignation that has been received by the Union is not invalid because it was not addressed and delivered in accordance with subsection (1).

A resignation from membership of the Union is valid even if it is not affected in accordance with the rule if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.

Officers as Trustees

No officer of the reporting unit is a trustee.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

OPERATING REPORT (CONT)

Prescribed Information

- (a) the number of persons that were, at 31st December 2013, recorded in the register of members for section 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the reporting unit under section 244 of the Fair Work (Registered Organisations) Act 2009 was 2,834 (2,266 financial members and 568 un-financial members); (2012: total 4303 members; 2,029 financial members and 2,274 un-financial members);
- (b) the number of persons who were, at 31st December 2013, employees of the reporting unit, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis was 12 employees (2012: 13 employees);
- (c) the name of each person who has been a member of the committee of management of the reporting unit at any time during the year ended 31st December 2013, and the period for which he or she held such a position is:

NAME	PERIOD
Dean Hall	Full year
Rod Driver	Full year
Brett Harrison	Full year
Jason O'Mara	Full year
Mark Dymock	Full year
Anthony Vitler	Full year
Duncan Bennett-Burleigh	Full year
Leon Arnold	Full year
Des Marland	Full year
Halafihi Kivalu	Full year
Jason Jennings	Full year
Trevor Scott	Full year
Richard Garrety	Full year
Cameron Hardy	Full year
Tim Puckett	Full year
Jeff Polsen	Full year

Other Information

There is no other information that the reporting unit considers is relevant.

For and on behalf of the Committee of Management:

Dated at Canberra, Australian Capital Territory this 24th day of June 2014.


DEAN HALL

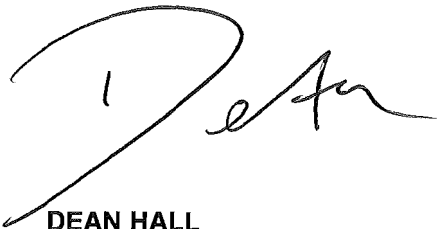

JASON O'MARA

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

ACCOUNTING OFFICER'S CERTIFICATE

I, Dean Hall, being the officer responsible for keeping the accounting records of the Construction Forestry Mining and Energy Union – Construction and General Division – ACT Branch, hereby certify that as at 31st December 2013 the number of members of the Branch was 2,834 and that in relation to the 2013 financial year, in my opinion;

- (a) the accounts annexed hereto show a true and fair view of the financial affairs of the Branch as at the end of the financial year;
- (b) a record has been kept of all monies paid by, or collected from, members of the Branch, and all monies so paid or collected have been credited to the bank account to which these monies are to be credited in accordance with the rules of the Branch;
- (c) before any expenditure was incurred by the Branch, approval for the incurring of the expenditure was obtained in accordance with the rules of the Branch;
- (d) as to funds of the Branch raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of such funds other than for the purposes for which the fund was created;
- (e) all loans or other financial benefits granted to persons holding office in the Branch were authorised in accordance with the rules of the Branch; and
- (f) the register of members of the Branch was maintained in accordance with the Act.



DEAN HALL

Dated at Canberra, Australian Capital Territory this 24th day of June 2014

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND GENERAL DIVISION- (ACT BRANCH)

We have audited the accompanying financial report of Construction Forestry Mining and Energy Union Construction and General Division - ACT Branch ("the union"), which comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Committee of Management Statement.

Committee's Responsibility for the Financial Report

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

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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, 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.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion;

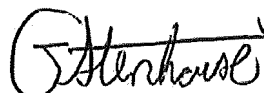
- (a) the financial report presents fairly, in all material respects, the financial position of the Construction Forestry Mining and Energy Union Construction and General Division - ACT Branch as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Fair Work (Registered Organisations) Act 2009*; and
- (b) Management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statement is appropriate.

Reissued Financial Report

Without qualifying our opinion, we draw attention to the following matter. As indicated in Note 1, Reissued Financial Report, the attached report of Construction Forestry Mining and Energy Union Construction and General Division – ACT Branch for the year ended 31 December 2013 is a "Re-issued Financial Report" and supersedes the financial report signed 25 February 2014. This audit report supersedes our audit report dated 28 February 2014 relating to the previously issued and now superseded financial report.

I declare that I am an approved auditor, a member of the Institute of Chartered Accountants in Australia, and hold a current public practice certificate.

RSM Bird Cameron



G M STENHOUSE
Director

Canberra, Australian Capital Territory
Dated: 24th June 2014

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

COMMITTEE OF MANAGEMENT STATEMENT

On the 25th February 2014 the Committee of Management of the Construction Forestry Mining and Energy Union, Construction and General Division – ACT Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2013:

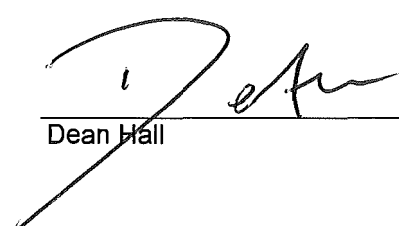
The Committee of Management declares in relation to the GPFR that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with the reporting guidelines of the Industrial registrar for the purposes of section 270 of the Fair Work (Registered Organisations) Act 2009;
- c) the financial statements and notes give a true and fair view of the income and expenses, balance sheet, changes in equity and cash flows of the reporting unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts when they become due and payable;
- e) during the year to which the GPFR relates and since the end of that year:
 - i) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
 - ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of the branch concerned;
 - iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009;
 - iv) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or Registrar;
 - v) the CFMEU, Construction and General Division – ACT Branch is a reporting unit for the purposes of the Fair Work (Registered Organisations) Act 2009 and no other reporting units are part of the Branch; and
 - vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.
- f) no recovery of wages activities undertaken by the reporting unit resulted in any revenues or receipts paid or payable to the reporting unit. All recovered wages were paid directly to reporting unit members by relevant employers.


This reissued financial report replaces the previously issues financial report approved on 27 May 2014. The reason for the reissue of the financial report was to include additional disclosures in the notes to the financial report to comply with the reporting requirements under the Fair Work (Registered Organisations) Act 2009. On 24 June 2014 the Committee of Management re-passed the above resolution.

For Committee of Management:

Dated at Canberra, Australian Capital Territory this 24th day of June 2014.



Dean Hall



Jason O'Mara

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013**

	NOTE	2013 \$	2012 \$
Revenue from ordinary activities	2	2,323,870	2,225,852
Depreciation and amortisation expense	3	(44,384)	(42,291)
Employee benefits expense	3	(1,525,064)	(1,402,314)
Donations expense		(116,177)	(72,684)
Administrative expense	3	<u>(820,798)</u>	<u>(702,512)</u>
Net loss attributable to members of the Union		<u>(182,552)</u>	<u>6,051</u>
Other comprehensive income		-	-
Total comprehensive loss attributable to members of the Union		<u><u>(182,552)</u></u>	<u><u>6,051</u></u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

	NOTE	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	5	964,113	1,279,316
Others		<u>77,243</u>	<u>36,806</u>
TOTAL CURRENT ASSETS		<u>1,041,356</u>	<u>1,316,122</u>
NON-CURRENT ASSETS			
Financial Assets	6	132,916	2,214
Property, plant and equipment	7	<u>214,957</u>	<u>183,055</u>
TOTAL NON-CURRENT ASSETS		<u>347,873</u>	<u>185,269</u>
TOTAL ASSETS		<u>1,389,229</u>	<u>1,501,391</u>
CURRENT LIABILITIES			
Trade and other payables	8	93,674	126,840
Provisions	9	324,072	256,269
Borrowings	10	<u>48,008</u>	<u>85,000</u>
TOTAL CURRENT LIABILITIES		<u>465,754</u>	<u>468,109</u>
NON-CURRENT LIABILITIES			
Provisions	9	59,565	37,585
Borrowings	10	<u>50,764</u>	<u>-</u>
TOTAL NON-CURRENT LIABILITIES		<u>110,329</u>	<u>37,585</u>
TOTAL LIABILITIES		<u>576,083</u>	<u>505,694</u>
NET ASSETS		<u>813,145</u>	<u>995,697</u>
EQUITY			
Retained profits		<u>813,145</u>	<u>995,697</u>
TOTAL EQUITY		<u>813,145</u>	<u>995,697</u>

The accompanying notes form part of these financial statements.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2013

	Retained Earnings \$	Total \$
Balance as at 31 December 2011	989,646	989,646
Profit attributable to the entity	6,051	6,051
Balance as at 31 December 2012	<u>995,697</u>	<u>995,697</u>
Profit attributable to the entity	(182,552)	(182,552)
Balance as at 31 December 2013	<u><u>813,145</u></u>	<u><u>813,145</u></u>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	NOTE	2013	2012
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from members' subscriptions		1,034,704	939,298
Cash Receipts from Customers		158,107	240,325
Cash payments to suppliers and employees		(2,336,645)	(2,065,969)
Interest received		32,056	51,978
Donations received		736,320	952,871
Payment of affiliation fees, capitation fees and dispute levies		(119,710)	(103,586)
Other Revenue		355,000	145,000
Adjustment to Trust Distribution		(55,000)	
		<hr/>	<hr/>
Net cash generated from operating activities	11	(195,168)	159,917
		<hr/>	<hr/>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for Property, Plant and Equipment		(161,581)	(84,239)
Proceeds from Property, Plant and Equipment		90,000	-
Marque Investment		(130,000)	-
		<hr/>	<hr/>
Net cash provided by investing activities		(201,581)	(84,239)
		<hr/>	<hr/>
CASH FLOW FROM FINANCING ACTIVITIES			
Net proceeds from borrowings		130,000	55,000
Loans repaid to related parties		-	322,157
Repayment of borrowings		(48,456)	(42,142)
		<hr/>	<hr/>
Net cash provided by financing activities		81,546	335,015
		<hr/>	<hr/>
Net change in cash held		(315,203)	410,693
		<hr/>	<hr/>
Cash at beginning of the financial year		1,279,316	868,623
		<hr/>	<hr/>
Cash at the end of the financial year	5	964,113	1,279,316
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

The financial report covers the Construction Forestry Mining and Energy Union, Construction and General Division – ACT Branch (the Union) as an individual entity. The Union is an unincorporated entity. The Union is a not-for-profit entity for the purposes of Australian Accounting Standard AASB 1054.

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

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Reissued Financial Report

This reissued financial report replaces the previously issues financial report approved on 27 May 2014. The reason for the reissue of the financial report was to include additional disclosures in the notes to the financial report to comply with the reporting requirements under the Fair Work (Registered Organisations) Act 2009.

Accounting Policies

a) Income Tax

The Union is exempt from income tax under the provisions of Section 50-5 of the *Income Tax Assessment Act 1997*.

b) Property, Plant and Equipment

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

Property

Leasehold buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

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 directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on 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 group 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 2013

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increase of the same asset are charged against fair value reserves directly in equity, all other decrease are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value basis over their useful economic lives commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<i>Class of asset</i>	<i>Depreciation rate</i>
Office Equipment	12.5-66%
Motor Vehicles	25%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

Gain and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

c) Leases

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

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

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

d) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised as expenses in profit or loss immediately.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated hedges. Realised and unrealised gains or losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

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.

Impairment

At each reporting date, the entity 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.

e) Impairment of Assets

At each reporting date, the Union reviews the carrying values of its tangible and intangible 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 the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

f) Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the Union's share of post acquisition reserves of its associates.

Associated entities are those that the Committee of Management have determined that the Union has significant influence, but not controlling interest, by means of the level of equity held and the relationship to the Union and the Committee of Management members. There are currently no Investments in Associates.

g) Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, and annual leave which will be settled after one year, have been measured at their nominal amount, plus any related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

h) Provisions

Provisions are recognised when the Union has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

i) 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.

j) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to members and customers.

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the members and customers.

Revenue from membership fees is recognised at the fair value of consideration received or receivable in the period the membership fees relate and is net of returns, discounts or rebates.

Revenue from Trusts is recognised at the end of the Trust reporting period and may include early distributions where appropriate.

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

k) 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 Tax 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

l) Comparative figures

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

m) Critical accounting estimates and judgements

The Committee evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Union.

Key estimates – Impairment

The Union assesses impairment at each reporting date by evaluating conditions specific to the Union that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

At the date of this financial report the following standards and interpretations, which may impact the entity in the period of initial application, have been issued but are not yet effective:

Reference	Title	Summary	Application date	Expected Impact
AASB 9	<i>Financial Instruments</i>	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	1 January 2015	Minimal impact
2009-11	<i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12 as a result of the issuance of AASB 9.	1 January 2015	Minimal impact
2010-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>	Amends AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127 for amendments to AASB 9 in December 2010	1 January 2015	Minimal impact
AASB 12	<i>Disclosure of Interests in Other Entities</i>	Replaces the disclosure requirements of AASB 127 and AASB 131 pertaining to interests in other entities.	1 January 2014	Disclosure only
AASB 128	<i>Investments in Associates and Joint Ventures</i>	Prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1 January 2014	Minimal impact
2011-7	<i>Amendments to Australian Accounting Standards arising from AASB 10, 11, 12, 127, 128</i>	Amends AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17 as a result of the issuance of AASB 10, 11, 12, 127 and 128	1 January 2013 (for-profit) / 1 January 2014 (Not For Profit)	Minimal impact
AASB 13	<i>Fair Value Measurement</i>	Provides a clear definition of fair value, a framework for measuring fair value and requires enhanced disclosures about fair value measurement.	1 January 2013	Minimal impact

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
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Reference	Title	Summary	Application date	Expected Impact
2011-8	<i>Amendments to Australian Accounting Standards arising from AASB 13</i>	Amends AASB 1, 2, 3, 4, 5, 7, 9, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132 as a result of issuance of AASB 13 <i>Fair Value Measurement</i> .	1 January 2013	Minimal impact
AASB 119	<i>Employee Benefits</i>	The amendments to this Standard eliminates the option for defined benefit plans to use the corridor approach to defer the recognition of actuarial gains and losses and introduce enhanced disclosures about defined benefit plans. The amendments also incorporate changes to the accounting for termination benefits.	1 January 2013	Minimal impact
2011-10	<i>Amendments to Australian Accounting Standards arising from AASB 119</i>	Amends AASB 1, 8, 101, 124, 134, 1049, 2011-8 & Interpretation 14 as a result of the issuance of AASB 119 <i>Employee Benefits</i> .	1 January 2013	Minimal impact
2012-5	<i>Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle</i>	This Standard makes amendments to AASB 1, 101, 116, 132, 134 & Interpretation 2 as a result from 2009-2011 Annual Improvements Cycle.	1 January 2013	Minimal impact
2012-6	<i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures</i>	This Standard amends the mandatory effective date of AASB 9 <i>Financial Instruments</i> so that AASB 9 is required to be applied for annual reporting periods beginning on or after 1 January 2015 instead of 1 January 2013.	1 January 2013	Minimal impact
2012-10	<i>Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments</i>	Amends AASB 10, AASB 11 and related Standards with respect to transition guidance to clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments. In addition amends these standards so that they apply mandatorily to not-for-profit entities from 1 January 2014, with early application permitted for not-for-profit entities only from 1 January 2013.	1 January 2013	Minimal impact

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$
NOTE 2 – REVENUE		
Operating revenue:		
Membership subscriptions	1,034,704	859,487
Donations received	736,320	952,871
Sitting fees	29,930	24,724
Counselling Income	0	18,333
Advertising Income	84,773	101,955
EBA Lodgement Income	21,236	21,091
Grant Income	-	-
Sundry income	32,168	50,413
	<u>1,939,131</u>	<u>2,028,874</u>
Other income:		
Profits from trusts	355,000	145,000
Interest	29,739	51,978
	<u>384,739</u>	<u>196,978</u>
Total Revenue	<u>2,323,870</u>	<u>2,225,852</u>

	2013	2012
	\$	\$
NOTE 3 – PROFIT FROM ORDINARY ACTIVITIES		
Profit has been determined after:		
(a) Expenses		
Depreciation of property, plant and equipment	44,384	42,291
	<u>44,384</u>	<u>42,291</u>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$
Employee expenses attributable to:		
Office Holders		
Wages and salaries	315,508	333,769
Superannuation	28,638	30,039
Other	-	-
	344,146	363,808
Employees other than Office Holders		
Wages and salaries	1,020,897	917,073
Superannuation	84,001	72,861
Other	76,020	63,086
	1,180,918	1,053,020
Total Employee Expenses	1,525,064	1,416,828

Key Management Personnel Remuneration for the Reporting Period

The key management personnel of the Branch are the Office Holders, Secretary and Assistant Secretary. The totals of remuneration paid to the key management personnel during the year are as follows:

Short-term employee benefits		
Salary (including leave taken)	315,508	333,769
Annual Leave and RDO Accrual	135,026	93,634
Long Term Benefits		
Long term benefits	58,350	42,592
Post Employment Benefits		
Post-employment benefits (to Superannuation fund only)	28,638	30,039
Termination benefits	-	-
Total	537,522	500,034

Office holders receive honorariums for positions they hold with other entities. The amounts received are contributed back to the Union and are recorded as Sitting Fees in Revenue (Note 2).

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

(b) Significant Revenue and Expenses

The following significant revenue and expense items are relevant in explaining the financial performance:

	2013	2012
	\$	\$
Donations paid or payable, including grants	116,177	72,684
Printing & Stationery	54,289	79,687
Membership fees	16,633	8,539
Member expenses	60,208	-
Capitation fees	101,159	97,785
Travelling expenses	98,027	76,753
Advertising and Promotion Costs	128,135	35,814
Computer Expenses	46,508	14,674
Insurance	41,495	17,760
Motor Vehicles Expenses	74,689	99,713
Depreciation	44,384	42,291
Meeting Expenses	9,441	14,555
Legal Costs	3,003	1,647
Other expenses	26,650	140,611

All capitation fees were paid to the Construction Forestry Mining and Energy Union, Construction and General Division National Office.

During 2013 the Union was part of establishing the "Building Industry Group". Supported by a number of ACT based construction businesses, building industry unions and the ACT Government, the Building Industry Group seeks to promote activity in this sector and to educate relevant parties about key issues. The Union provides some administrative support to the Group, together with funding of \$5,000.

NOTE 4 – REMUNERATION OF AUDITOR

Total amounts received and receivable by the auditors of the Union for:

	2013	2012
	\$	\$
Audit of the Union's financial report	16,364	18,000
	<u>16,364</u>	<u>18,000</u>

NOTE 5 – CASH AND CASH EQUIVALENTS

	2013	2012
	\$	\$
Cash on hand	1,400	1,400
Cash at bank	962,713	1,277,916
	<u><u>964,113</u></u>	<u><u>1,279,316</u></u>

The effective interest rate on cash at bank was 3.3% (2012: 4.5%)

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

	2013	2012
	\$	\$
Cash assets and cash equivalents	964,113	1,279,316
	2013	2012
	\$	\$

NOTE 6 – FINANCIAL ASSETS

Shares in listed corporations - available for sale	2,916	2,214
Equity in the Marque	130,000	
	132,916	2,214

At the date of this report the Union has subscribed to 130,000 \$1 units in Marque Northbourne Limited as trustee for The Marque Northbourne Unit Trust. The Trust is a Special Purpose Trust which has entered into a joint venture agreement with Prime Space as trustee of the Northbourne Trust and Worth Street Commercial Pty Ltd. The purpose of the JV is to construct and develop a residential development project. The project is known as IQ Apartments.

The Union is a minority unit holder in the Trust. At the date of these financials there does not exist any conditions precedent that have not yet been satisfied. We have no reason to believe that the project will not be successfully concluded.

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

	2013	2012
	\$	\$
Office Equipment - at cost	32,938	32,938
Less accumulated depreciation	(20,268)	(16,380)
	12,671	16,558
Motor Vehicles – at cost	339,900	263,615
Less accumulated depreciation	(137,614)	(97,118)
	202,286	166,497
Total Property, Plant and Equipment	214,957	183,055

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

Movements in carrying amounts

Movement in the carrying amounts for property, plant and equipment between the beginning and the end of the current financial year.

	Motor Vehicles	Office Equipment	Total
	\$	\$	\$
Balance at the beginning of the period	166,497	16,558	183,055
Additions	161,581	-	161,581
Disposals	(85,296)	-	(85,296)
Depreciation expense	(40,496)	(3,887)	(44,383)
	202,286	12,671	214,957
Carrying amount at the end of the period		2013	2012
		\$	\$

**NOTE 8 – TRADE AND OTHER PAYABLES
CURRENT**

Trade creditors	0	663
Accrued expenses	93,674	126,177
	93,674	126,840
	2013	2012
	\$	\$

NOTE 9 - PROVISIONS

Opening balance at 1 January 2013	293,854	203,910
Net provision movement during year	89,784	89,944
Balance at 31 December 2013	383,638	293,854

Current	324,072	256,269
Non-Current	59,566	37,585
	383,638	293,854

Employee benefits attributable to:

Office Holders

Annual Leave	48,548	29,628
Long Service Leave	58,350	42,592
Other	86,478	64,006

	193,376	136,226
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Employees other than Office Holders

Annual Leave	79,806	83,319
Long Service Leave	57,192	36,361
Other	53,264	37,948

	190,262	157,628
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Total Provisions	383,638	293,854
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**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The recognition criteria for employee benefits has been included in Note 1.

NOTE 10 – BORROWINGS

	2013	2012
	\$	\$
Current	48,008	30,000
Non-Current	61,388	55,000
Less future finance charges	(10,624)	
	98,722	85,000

NOTE 11 - CASH FLOW INFORMATION

(a) Reconciliation of Cash Flows from Operations with Profit

	2013	2012
	\$	\$
Profit/(Loss) for the year	(182,552)	6,051
Non-cash flows in profit:		
Depreciation and amortisation	44,384	42,291
Unrealised gain on Investments	(1,422)	(743)
Loss on sale of Assets	3,478	-
Changes in operating assets and liabilities:		
(Increase)/Decrease in receivables	(19,563)	(6,138)
(Increase)/Decrease in other assets	(55,000)	(4,945)
Increase/(Decrease) in payables	(74,276)	32,333
Increase/(Decrease) in employee provisions	89,783	91,068
Cash flows from operations	(195,168)	159,917

(b) Non-cash Financing and Investing Activities

There were no non-cash financing or investing activities during the period.

(c) Credit Stand by Arrangement and Loan Facilities

The Union has three credit cards issued to office holders and employees, with a total credit limit for all three of \$25,000. No other credit stand-by or financing facilities are in place.

(d) Cash Flow to/from other reporting units

Cash Flow from other reporting units

CFMEU Construction and General Head Office	3,069	-
CFMEU Construction and General Qld	2,000	-
CFMEU FFFD	13,000	6,500

Cash Flow to other reporting units

CFMEU Construction and General Head Office	184,544	111,950
CFMEU Construction and General NSW	25,571	55,954
CFMEU Construction and General QLD	62	1,860
CFMEU FFFD	20,520	-
CFMEU Head Office	110,000	-

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

NOTE 12 – EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events after the balance sheet date.

NOTE 13 – RELATED PARTY TRANSACTIONS

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

Sitting fees for Office Holders

	2013	2012
	\$	\$
ACT Construction Industry Long Service Leave Board	1,560	1,705
ACIRT	26,060	13,935
Membership	2,310	9,084
	29,930	24,724

Affiliation Fees paid

	2013	2012
	\$	\$
Australian Labor Party – ACT Branch	7,292	6,953
Union ACT	11,955	11,831
	19,247	18,784

Payables to other reporting units

	2013	2012
	\$	\$
Payables to other reporting units	-	-
	-	-

Receivables from other reporting units

	2013	2012
	\$	\$
BLF Queensland	2,000	-
CFMEU NSW Branch	2,000	-
CFMEU Vic/Tas Branch	2,000	-
	6,000	-

NOTE 14 – ECONOMIC DEPENDENCY

The continuing operation of the Union is dependent upon the financial support by the Canberra Tradesmen's Union Club to the CFMEU ACT Branch. The previous support from Canberra Tradesmen's Union Club included financial support totalling \$718,320 for the year ended 31 December 2013.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

NOTE 15 - FINANCIAL RISK MANAGEMENT

The union's financial instruments consist mainly of deposits with bank, short term investments, accounts receivable and accounts payable.

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:

	NOTE	2013 \$	2012 \$
Financial Assets			
Cash and cash equivalents	5	964,113	1,279,316
Available for sale financial assets			
– Shares in listed corporations		2,916	2,214
– Marke	6	130,000	-
		1,097,029	1,281,530
Financial Liabilities			
Financial liabilities at amortised cost			
– Trade and other payables	9	93,674	126,840
Loans from related parties (CSI Trust)	10	-	55,000
		93,674	181,840

Financial Risk Management Policies

Consisting of senior committee members, the finance and investment committee's overall risk management strategy seeks to assist the union in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

NOTE 15 – FINANCIAL RISK MANAGEMENT (CONT)

Specific Financial Risk Exposures and Management

The main risks the union is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and equity price risk.

a. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

b. Liquidity risk

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

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing only in surplus cash with major financial institutions; and
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

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

Financial liability and financial asset maturity analysis

	Note	Within 1 Year		1 to 5 Years		Total contractual cash flow	
		2013	2012	2013	2012	2013	2012
		\$	\$	\$	\$	\$	\$
Financial liabilities due for payment							
Trade and other payables (excluding estimated annual leave and deferred income)	8	93,674	126,840	-	-	93,674	126,840
Borrowings	10	48,008	85,000	61,388	-	109,396	85,000
		141,682	211,840	61,388	-	203,070	211,840
Total expected outflows							
Financial assets — cash flows realisable							
Cash and cash equivalents	5	964,113	1,279,316	-	-	964,113	1,279,316
Trade, term and loans receivables	6	-	-	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

NOTE 15 – FINANCIAL RISK MANAGEMENT (CONT)

Net Fair Values

Fair value estimation

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

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

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

	Footnote	2013 Net Carrying Value \$	Net Fair Value \$	2012 Net Carrying Value \$	Net Fair Value \$
Financial assets					
Cash and cash equivalents	(i)	964,113	964,113	1,279,316	1,279,316
Trade and other receivables	(i)	-	-	-	-
Loans receivable	(i)	-	-	-	-
Investments – available-for-sale	(ii)	132,916	132,916	2,214	2,214
Total financial assets		1,097,029	1,097,029	1,281,530	1,281,530
Financial liabilities					
Trade and other payables	(i)	93,674	93,674	126,840	126,840
Loans payable	(i)	98,772	98,772	85,000	85,000
Total financial liabilities		192,446	192,446	211,840	211,840

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

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for relating to annual leave and deferred income which is not considered a financial instrument.
- (ii) For listed available-for-sale financial assets, closing quoted bid prices at reporting date are used.
- (iii) Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates. The fair values of fixed rate lease liability will differ to the carrying values.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

NOTE 15 – FINANCIAL RISK MANAGEMENT (CONT)

Sensitivity Analysis

The following table illustrates sensitivities to the union's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Financial Assets	
	Profit	Equity
	\$	\$
Year Ended 31 December 2013		
+/- 2% in interest rates	19,254	19,254
+/- 10% in listed investments	13,292	13,292
Year Ended 31 December 2012		
+/- 2% in interest rates	25,586	25,586
+/- 10% in listed investments	221	221

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

No sensitivity analysis has been performed on foreign exchange risk, as the union is not exposed to foreign currency fluctuations.

NOTE 16 – CAPITAL MANAGEMENT

Management control the capital of the union to ensure that adequate cash flows are generated to fund its operations and that returns from investments are maximised. Management ensures that the overall risk management strategy is in line with this objective.

Management operates under policies approved by the Committee of Management. Risk management policies are approved and reviewed by the Committee on a regular basis. These include credit risk policies and future cash flow requirements.

There have been no changes to the strategy adopted by management to control the capital of the union since previous year.

NOTE 17 – CONTINGENT LIABILITIES

As at balance date the Union has no known contingent liabilities.

NOTE 18 – COMMITMENTS

	2013	2012
	\$	\$
Hire Purchase Liability		
Payable – minimum lease payments		
Not later than 12 months	48,008	30,897
Between 12 months but not later than 5 years	61,387	
Greater than 5 years		
Less future finance charges	10,624	897
	98,722	30,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

NOTE 19 – MEMBERS’ ACCESS TO FINANCIAL RECORDS

Pursuant to Section 272 of the Fair Work (Registered Organisations) Act 2009, Members may access financial records as follows:

- 1) A member of the Union, or the General Manager, may apply to the Union for specified prescribed information in relation to the Union 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 Union.
- 3) A Union must comply with an application made under subsection (1).

NOTE 20 – GENERAL DISCLOSURES

Pursuant to the reporting guidelines of Section 253 of the Fair Work (Registered Organisations) Act 2009 the Union notes that:

- 1) The reporting entity is not reliant on an agreed financial support of another reporting unit;
- 2) The reporting entity has not agreed to provide financial support to another reporting unit;
- 3) The reporting unit has not acquired an asset or a liability during the year as a result of an amalgamation, or other restructure or business combination;
- 4) The reporting unit has not received any capitation fees from another reporting unit;
- 5) The reporting unit has not raised funds from members or as an appeal for voluntary contributions from members during the year, and no compulsory levies have been imposed on the reporting unit;
- 6) The reporting unit is not in receipt of financial support from another reporting unit;
- 7) The reporting unit has not incurred expenses as consideration for employers making payroll deductions of membership subscriptions;
- 8) The reporting unit has no payables in respect of legal costs and other expenses related to litigation or other legal matters;
- 9) The reporting unit has not had penalties applied under the Fair Work (Registered Organisations) Act 2009;

NOTE 21 – UNION DETAILS

The registered office of the union is:

2 Badham Street
Dickson ACT 2602

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH**

ABN 38 491 952 173

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2013**

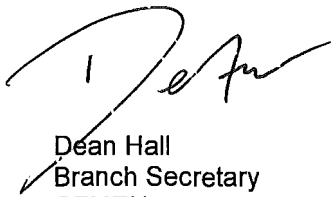
CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

CERTIFICATE OF SECRETARY

S268 of Fair Work (Registered Organisations) Act 2009

I, Dean Hall being the Branch Secretary of the Construction Forestry Mining and Energy Union Construction and General Division – ACT Branch certify:

- that the documents lodged herewith are copies of the full report referred to in S268 of Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members on 25 February 2014; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 27 May 2014, in accordance with section 266 of Fair Work (Registered Organisations) Act 2009.



Dean Hall
Branch Secretary
CFMEU
Construction and General Division
ACT Branch

Dated this 27 day of May 2014
at Canberra, Australian Capital Territory

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

OPERATING REPORT

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 the Committee of Management present their Operating Report on the Construction Forestry Mining and Energy Union, Construction and General – ACT Branch, the relevant reporting unit, for the financial year ended 31 December 2013.

Principal Activities

CFMEU, Construction & General Division – ACT Branch ("reporting unit") is committed to advancing the wages, conditions, and wellbeing of its membership.

The reporting unit's principal activities during the year were:

- Representation of members on the job.
- Union-negotiated collective agreements.
- Assisting members with legal representation.
- Facilitating access to training courses.
- Informing members through the regular newsletter.
- Sale of products to union members.
- Investment of union funds.

The operating loss of the reporting unit for the year ended 31 December 2013 is \$182,552 (2012: profit \$6,051).

Significant changes

There were no significant changes in the nature of the reporting unit's activities during the year.

Members rights to resign

Members may resign from the Union in accordance with Section 174 of the Fair Work Act, which reads as follows:

- 1) A member of the Union may resign from membership by written notice addressed and delivered to the Secretary of the Branch of which he is a member.
- 2) A notice of resignation from membership of the Union takes effect:
 - a) Where the member ceases to be eligible to become a member of the Union:
 - i) On the day on which notice is received by the Union; or
 - ii) On the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member; Which ever is later; or
 - b) In any other case:
 - i) At the end of two (2) weeks after the notice is received by the Union; or
 - ii) On the day specified in the notice;Whichever is later.
- 3) Any dues payable but not paid by a former member of the Union, in relation to a period before the member's resignation from the Union took effect, may be sued for and recovered in the name of the Union in a court of competent jurisdiction, as a debt due to the Union.
- 4) A notice delivered to the person mentioned in subsection (1) shall be taken to have been received by the Union when it was delivered.
- 5) A notice of resignation that has been received by the Union is not invalid because it was not addressed and delivered in accordance with subsection (1).

A resignation from membership of the Union is valid even if it is not affected in accordance with the rule if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.

Officers as Trustees

No officer of the reporting unit is a trustee.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

OPERATING REPORT (CONT)

Prescribed Information

- (a) the number of persons that were, at 31st December 2013, recorded in the register of members for section 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the reporting unit under section 244 of the Fair Work (Registered Organisations) Act 2009 was 2,834 (2,266 financial members and 568 un-financial members); (2012: total 4303 members; 2,029 financial members and 2,274 un-financial members);
- (b) the number of persons who were, at 31st December 2013, employees of the reporting unit, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis was 12 employees (2012: 13 employees);
- (c) the name of each person who has been a member of the committee of management of the reporting unit at any time during the year ended 31st December 2013, and the period for which he or she held such a position is:


NAME	PERIOD
Dean Hall	Full year
Rod Driver	Full year
Brett Harrison	Full year
Jason O'Mara	Full year
Mark Dymock	Full year
Anthony Vitler	Full year
Duncan Bennett-Burleigh	Full year
Leon Arnold	Full year
Des Marland	Full year
Halafihi Kivalu	Full year
Jason Jennings	Full year
Trevor Scott	Full year
Richard Garrety	Full year
Cameron Hardy	Full year
Tim Puckett	Full year
Jeff Polsen	Full year

Other Information


There is no other information that the reporting unit considers is relevant.

For and on behalf of the Committee of Management:

Dated at Canberra, Australian Capital Territory this 25th day of February 2014.



DEAN HALL



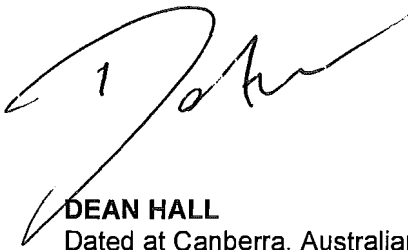
JASON O'MARA

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

ACCOUNTING OFFICER'S CERTIFICATE

I, Dean Hall, being the officer responsible for keeping the accounting records of the Construction Forestry Mining and Energy Union – Construction and General Division – ACT Branch, hereby certify that as at 31st December 2013 the number of members of the Branch was 2,834 and that in relation to the 2013 financial year, in my opinion;

- (a) the accounts annexed hereto show a true and fair view of the financial affairs of the Branch as at the end of the financial year;
- (b) a record has been kept of all monies paid by, or collected from, members of the Branch, and all monies so paid or collected have been credited to the bank account to which these monies are to be credited in accordance with the rules of the Branch;
- (c) before any expenditure was incurred by the Branch, approval for the incurring of the expenditure was obtained in accordance with the rules of the Branch;
- (d) as to funds of the Branch raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of such funds other than for the purposes for which the fund was created;
- (e) all loans or other financial benefits granted to persons holding office in the Branch were authorised in accordance with the rules of the Branch; and
- (f) the register of members of the Branch was maintained in accordance with the Act.



DEAN HALL

Dated at Canberra, Australian Capital Territory this 25th day of February 2014

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND GENERAL DIVISION- (ACT BRANCH)

We have audited the accompanying financial report of Construction Forestry Mining and Energy Union Construction and General Division - ACT Branch ("the union"), which comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Committee of Management Statement.

Committee's Responsibility for the Financial Report

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

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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, 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.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of the Construction Forestry Mining and Energy Union Construction and General Division - ACT Branch as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009.

RSM Bird Cameron



G M STENHOUSE
Director

Canberra, Australian Capital Territory
Dated: 28 February 2014

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

COMMITTEE OF MANAGEMENT STATEMENT

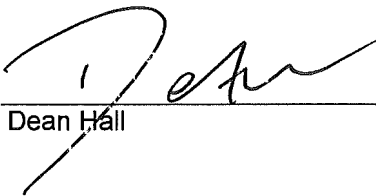
On the 25th February 2014 the Committee of Management of the Construction Forestry Mining and Energy Union, Construction and General Division – ACT Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2013:

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


- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with the reporting guidelines of the Industrial registrar for the purposes of section 270 of the Fair Work (Registered Organisations) Act 2009;
- c) the financial statements and notes give a true and fair view of the income and expenses, balance sheet, changes in equity and cash flows of the reporting unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts when they become due and payable;
- e) during the year to which the GPFR relates and since the end of that year:
 - i) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
 - ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of the branch concerned;
 - iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009;
 - iv) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or Registrar; and
 - v) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.
- f) no recovery of wages activities undertaken by the reporting unit resulted in any revenues or receipts paid or payable to the reporting unit. All recovered wages were paid directly to reporting unit members by relevant employers.

For Committee of Management:

Dated at Canberra, Australian Capital Territory this 25th day of February 2014.



Dean Hall



Jason O'Mara

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013**

	NOTE	2013 \$	2012 \$
Revenue from ordinary activities	2	2,323,870	2,225,852
Depreciation and amortisation expense	3	(44,384)	(42,291)
Employee benefits expense	3	(1,525,064)	(1,402,314)
Donations expense		(116,177)	(72,684)
Administrative expense		<u>(820,798)</u>	<u>(702,512)</u>
Net loss attributable to members of the Union		<u>(182,552)</u>	<u>6,051</u>
Other comprehensive income		-	-
Total comprehensive loss attributable to members of the Union		<u><u>(182,552)</u></u>	<u><u>6,051</u></u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

	NOTE	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	5	964,113	1,279,316
Others		<u>77,243</u>	<u>36,806</u>
TOTAL CURRENT ASSETS		<u>1,041,356</u>	<u>1,316,122</u>
NON-CURRENT ASSETS			
Financial Assets	6	132,916	2,214
Property, plant and equipment	7	<u>214,957</u>	<u>183,055</u>
TOTAL NON-CURRENT ASSETS		<u>347,873</u>	<u>185,269</u>
TOTAL ASSETS		<u>1,389,229</u>	<u>1,501,391</u>
CURRENT LIABILITIES			
Trade and other payables	8	93,674	126,840
Provisions	9	324,072	256,269
Borrowings	10	<u>48,008</u>	<u>85,000</u>
TOTAL CURRENT LIABILITIES		<u>465,754</u>	<u>468,109</u>
NON-CURRENT LIABILITIES			
Provisions	9	59,565	37,585
Borrowings	10	<u>50,764</u>	<u>-</u>
TOTAL NON-CURRENT LIABILITIES		<u>110,329</u>	<u>37,585</u>
TOTAL LIABILITIES		<u>576,083</u>	<u>505,694</u>
NET ASSETS		<u>813,145</u>	<u>995,697</u>
EQUITY			
Retained profits		<u>813,145</u>	<u>995,697</u>
TOTAL EQUITY		<u>813,145</u>	<u>995,697</u>

The accompanying notes form part of these financial statements.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2013

	Retained Earnings \$	Total \$
Balance as at 31 December 2011	989,646	989,646
Profit attributable to the entity	6,051	6,051
Balance as at 31 December 2012	995,697	995,697
Profit attributable to the entity	(182,552)	(182,552)
Balance as at 31 December 2013	813,145	813,145

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	NOTE	2013 \$	2012 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from members' subscriptions		1,034,704	939,298
Cash Receipts from Customers		158,107	240,325
Cash payments to suppliers and employees		(2,336,645)	(2,065,969)
Interest received		32,056	51,978
Donations received		736,320	952,871
Payment of affiliation fees, capitation fees and dispute levies		(119,710)	(103,586)
Other Revenue		355,000	145,000
Adjustment to Trust Distribution		(55,000)	
		<hr/>	<hr/>
Net cash generated from operating activities	11	(195,168)	159,917
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for Property, Plant and Equipment		(161,581)	(84,239)
Proceeds from Property, Plant and Equipment		90,000	-
Marque Investment		(130,000)	-
		<hr/>	<hr/>
Net cash provided by investing activities		(201,581)	(84,239)
CASH FLOW FROM FINANCING ACTIVITIES			
Net proceeds from borrowings		130,000	55,000
Loans repaid to related parties		-	322,157
Repayment of borrowings		(48,456)	(42,142)
		<hr/>	<hr/>
Net cash provided by financing activities		81,546	335,015
		<hr/>	<hr/>
Net change in cash held		(315,203)	410,693
		<hr/>	<hr/>
Cash at beginning of the financial year		1,279,316	868,623
		<hr/>	<hr/>
Cash at the end of the financial year	5	964,113	1,279,316
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

The financial report covers the Construction Forestry Mining and Energy Union, Construction and General Division – ACT Branch (the Union) as an individual entity. The Union is an unincorporated entity.

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

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

a) Income Tax

The Union is exempt from income tax under the provisions of Section 50-5 of the *Income Tax Assessment Act 1997*.

b) Property, Plant and Equipment

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

Property

Leasehold buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

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 directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on 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 group 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.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increase of the same asset are charged against fair value reserves directly in equity, all other decrease are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value basis over their useful economic lives commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<i>Class of asset</i>	<i>Depreciation rate</i>
Office Equipment	12.5-66%
Motor Vehicles	25%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

Gain and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

c) Leases

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

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

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

d) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised as expenses in profit or loss immediately.

NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated hedges. Realised and unrealised gains or losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

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.

Impairment

At each reporting date, the entity 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.

e) Impairment of Assets

At each reporting date, the Union reviews the carrying values of its tangible and intangible 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 the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

f) Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the Union's share of post acquisition reserves of its associates.

Associated entities are those that the Committee of Management have determined that the Union has significant influence, but not controlling interest, by means of the level of equity held and the relationship to the Union and the Committee of Management members. There are currently no Investments in Associates.

g) Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, and annual leave which will be settled after one year, have been measured at their nominal amount, plus any related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

h) Provisions

Provisions are recognised when the Union has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

i) 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.

j) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to members and customers.

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the members and customers.

Revenue from membership fees is recognised when individual members become financial and pay their membership fees.

Revenue from Trusts is recognised at the end of the Trust reporting period and may include early distributions where appropriate.

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

k) 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 Tax 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

l) Comparative figures

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

m) Critical accounting estimates and judgements

The Committee evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Union.

Key estimates – Impairment

The Union assesses impairment at each reporting date by evaluating conditions specific to the Union that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

At the date of this financial report the following standards and interpretations, which may impact the entity in the period of initial application, have been issued but are not yet effective:

Reference	Title	Summary	Application date	Expected Impact
AASB 9	<i>Financial Instruments</i>	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	1 January 2015	Minimal impact
2009-11	<i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12 as a result of the issuance of AASB 9.	1 January 2015	Minimal impact
2010-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>	Amends AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127 for amendments to AASB 9 in December 2010	1 January 2015	Minimal impact
AASB 12	<i>Disclosure of Interests in Other Entities</i>	Replaces the disclosure requirements of AASB 127 and AASB 131 pertaining to interests in other entities.	1 January 2014	Disclosure only
AASB 128	<i>Investments in Associates and Joint Ventures</i>	Prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1 January 2014	Minimal impact
2011-7	<i>Amendments to Australian Accounting Standards arising from AASB 10, 11, 12, 127, 128</i>	Amends AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17 as a result of the issuance of AASB 10, 11, 12, 127 and 128	1 January 2013 (for-profit) / 1 January 2014 (Not For Profit)	Minimal impact
AASB 13	<i>Fair Value Measurement</i>	Provides a clear definition of fair value, a framework for measuring fair value and requires enhanced disclosures about fair value measurement.	1 January 2013	Minimal impact

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Reference	Title	Summary	Application date	Expected Impact
2011-8	<i>Amendments to Australian Accounting Standards arising from AASB 13</i>	Amends AASB 1, 2, 3, 4, 5, 7, 9, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132 as a result of issuance of AASB 13 <i>Fair Value Measurement</i> .	1 January 2013	Minimal impact
AASB 119	<i>Employee Benefits</i>	The amendments to this Standard eliminates the option for defined benefit plans to use the corridor approach to defer the recognition of actuarial gains and losses and introduce enhanced disclosures about defined benefit plans. The amendments also incorporate changes to the accounting for termination benefits.	1 January 2013	Minimal impact
2011-10	<i>Amendments to Australian Accounting Standards arising from AASB 119</i>	Amends AASB 1, 8, 101, 124, 134, 1049, 2011-8 & Interpretation 14 as a result of the issuance of AASB 119 <i>Employee Benefits</i> .	1 January 2013	Minimal impact
2012-5	<i>Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle</i>	This Standard makes amendments to AASB 1, 101, 116, 132, 134 & Interpretation 2 as a result from 2009-2011 Annual Improvements Cycle.	1 January 2013	Minimal impact
2012-6	<i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures</i>	This Standard amends the mandatory effective date of AASB 9 <i>Financial Instruments</i> so that AASB 9 is required to be applied for annual reporting periods beginning on or after 1 January 2015 instead of 1 January 2013.	1 January 2013	Minimal impact
2012-10	<i>Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments</i>	Amends AASB 10, AASB 11 and related Standards with respect to transition guidance to clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments. In addition amends these standards so that they apply mandatorily to not-for-profit entities from 1 January 2014, with early application permitted for not-for-profit entities only from 1 January 2013.	1 January 2013	Minimal impact

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**NOTES TO THE FINANCIAL STATEMENTS
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	2013	2012
	\$	\$
NOTE 2 – REVENUE		
Operating revenue:		
Membership subscriptions	1,034,704	859,487
Donations received	736,320	952,871
Sitting fees	29,930	24,724
Counselling Income	0	18,333
Advertising Income	84,773	101,955
EBA Lodgement Income	21,236	21,091
Grant Income	-	-
Sundry income	32,168	50,413
	<u>1,939,131</u>	<u>2,028,874</u>
Other income:		
Profits from trusts	355,000	145,000
Interest	29,739	51,978
	<u>384,739</u>	<u>196,978</u>
Total Revenue	<u>2,323,870</u>	<u>2,225,852</u>

	2013	2012
	\$	\$
NOTE 3 – PROFIT FROM ORDINARY ACTIVITIES		
Profit has been determined after:		
(a) Expenses		
Depreciation of property, plant and equipment	44,384	42,291
Employee Benefits		
- Salaries, wages and superannuation – office holders	344,146	363,808
- Salaries, wages and superannuation – employees	1,180,918	1,053,020
	<u>1,525,064</u>	<u>1,416,828</u>

Office holders receive honorariums for positions they hold with other entities. The amounts received are contributed back to the Union and are recorded as Sitting Fees in Revenue (Note 2).

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(b) Significant Revenue and Expenses

The following significant revenue and expense items are relevant in explaining the financial performance:

	2013	2012
	\$	\$
Donations paid or payable	116,177	72,684
Printing & Stationery	54,289	79,687
Membership fees	16,633	8,539
Capitation fees	101,159	97,785
Travelling expenses	98,027	76,753
Motor Vehicles Expenses	74,689	99,713

During 2013 the Union was part of establishing the "Building Industry Group". Supported by a number of ACT based construction businesses, building industry unions and the ACT Government, the Building Industry Group seeks to promote activity in this sector and to educate relevant parties about key issues. The Union provides some administrative support to the Group, together with funding of \$5,000.

NOTE 4 – REMUNERATION OF AUDITOR

Total amounts received and receivable by the auditors of the Union for:

	2013	2012
	\$	\$
Audit of the Union's financial report	16,364	18,000
	<u>16,364</u>	<u>18,000</u>

NOTE 5 – CASH AND CASH EQUIVALENTS

	2013	2012
	\$	\$
Cash on hand	1,400	1,400
Cash at bank	962,713	1,277,916
	<u>964,113</u>	<u>1,279,316</u>

The effective interest rate on cash at bank was 3.3% (2012: 4.5%)

Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

	2013	2012
	\$	\$
Cash assets and cash equivalents	<u>964,113</u>	<u>1,279,316</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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	2013	2012
	\$	\$
NOTE 6 – FINANCIAL ASSETS		
Shares in listed corporations - available for sale	2,916	2,214
Equity in the Marque	130,000	
	132,916	2,214

At the date of this report the Union has subscribed to 130,000 \$1 units in Marque Northbourne Limited as trustee for The Marque Northbourne Unit Trust. The Trust is a Special Purpose Trust which has entered into a joint venture agreement with Prime Space as trustee of the Northbourne Trust and Worth Street Commercial Pty Ltd. The purpose of the JV is to construct and develop a residential development project. The project is known as IQ Apartments.

The Union is a minority unit holder in the Trust. At the date of these financials there does not exist any conditions precedent that have not yet been satisfied. We have no reason to believe that the project will not be successfully concluded.

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

	2013	2012
	\$	\$
Office Equipment - at cost	32,938	32,938
Less accumulated depreciation	(20,268)	(16,380)
	12,671	16,558
Motor Vehicles – at cost	339,900	263,615
Less accumulated depreciation	(137,614)	(97,118)
	202,286	166,497
Total Property, Plant and Equipment	214,957	183,055

Movements in carrying amounts

Movement in the carrying amounts for property, plant and equipment between the beginning and the end of the current financial year.

	Motor Vehicles	Office Equipment	Total
	\$	\$	\$
Balance at the beginning of the period	166,497	16,558	183,055
Additions	161,581	-	161,581
Disposals	(85,296)	-	(85,296)
Depreciation expense	(40,496)	(3,887)	(44,383)
Carrying amount at the end of the period	202,286	12,671	214,957

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	2013	2012
	\$	\$
NOTE 8 – TRADE AND OTHER PAYABLES		
CURRENT		
Trade creditors	0	663
Accrued expenses	93,674	126,177
	93,674	126,840

	Employee Entitlements	Total
	\$	\$
NOTE 9 - PROVISIONS		
Opening balance at 1 January 2013	293,854	203,910
Net provision movement during year	89,784	89,944
Balance at 31 December 2013	383,638	293,854

	2013	2012
	\$	\$
Current	324,072	256,269
Non-Current	59,566	37,585
	383,638	293,854

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The recognition criteria for employee benefits has been included in Note 1.

NOTE 10 – BORROWINGS

	2013	2012
	\$	\$
Current	48,008	30,000
Non-Current	61,388	55,000
Less future finance charges	(10,624)	
	98,722	85,000

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 11 - CASH FLOW INFORMATION

(a) Reconciliation of Cash Flows from Operations with Profit

	2013	2012
	\$	\$
Profit/(Loss) for the year	(182,552)	6,051
Non-cash flows in profit:		
Depreciation and amortisation	44,384	42,291
Unrealised gain on Investments	(1,422)	(743)
Loss on sale of Assets	3,478	-
Changes in operating assets and liabilities:		
(Increase)/Decrease in receivables	(19,563)	(6,138)
(Increase)/Decrease in other assets	(55,000)	(4,945)
Increase/(Decrease) in payables	(74,276)	32,333
Increase/(Decrease) in employee provisions	89,783	91,068
Cash flows from operations	(195,168)	159,917

(b) Non-cash Financing and Investing Activities

There were no non-cash financing or investing activities during the period.

(c) Credit Stand by Arrangement and Loan Facilities

The Union has three credit cards issued to office holders and employees, with a total credit limit for all three of \$25,000. No other credit stand-by or financing facilities are in place.

NOTE 12 – EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events after the balance sheet date.

NOTE 13 – RELATED PARTY TRANSACTIONS

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

Sitting fees for Office Holders

	2013	2012
	\$	\$
ACT Construction Industry Long Service Leave Board	1,560	1,705
ACIRT	26,060	13,935
Membership	2,310	9,084
	29,930	24,724

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NOTE 14 – ECONOMIC DEPENDENCY

The continuing operation of the Union is dependent upon the financial support by the Canberra Tradesmen’s Union Club to the CFMEU ACT Branch. The previous support from Canberra Tradesmen’s Union Club included financial support totalling \$718,320 for the year ended 31 December 2013.

NOTE 15 - FINANCIAL RISK MANAGEMENT

The union’s financial instruments consist mainly of deposits with bank, short term investments, accounts receivable and accounts payable.

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:

	NOTE	2013 \$	2012 \$
Financial Assets			
Cash and cash equivalents	5	964,113	1,279,316
Available for sale financial assets			
– Shares in listed corporations		2,916	2,214
Marque	6	130,000	-
		1,097,029	1,281,530
Financial Liabilities			
Financial liabilities at amortised cost			
– Trade and other payables	9	93,674	126,840
Loans from related parties (CSI Trust)	10	-	55,000
		93,674	181,840

Financial Risk Management Policies

Consisting of senior committee members, the finance and investment committee’s overall risk management strategy seeks to assist the union in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 15 – FINANCIAL RISK MANAGEMENT (CONT)

Specific Financial Risk Exposures and Management

The main risks the union is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and equity price risk.

a. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

b. Liquidity risk

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

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing only in surplus cash with major financial institutions; and
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

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

Financial liability and financial asset maturity analysis

	Note	Within 1 Year		1 to 5 Years		Total contractual cash flow	
		2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$
Financial liabilities due for payment							
Trade and other payables (excluding estimated annual leave and deferred income)	8	93,674	126,840	-	-	93,674	126,840
Borrowings	10	48,008	85,000	61,388	-	109,396	85,000
		141,682	211,840	61,388	-	203,070	211,840
Total expected outflows							
Financial assets — cash flows realisable							
Cash and cash equivalents	5	964,113	1,279,316	-	-	964,113	1,279,316
Trade, term and loans receivables	6	-	-	-	-	-	-

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NOTE 15 – FINANCIAL RISK MANAGEMENT (CONT)

Net Fair Values

Fair value estimation

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

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

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

	Footnote	2013 Net Carrying Value \$	Net Fair Value \$	2012 Net Carrying Value \$	Net Fair Value \$
Financial assets					
Cash and cash equivalents	(i)	964,113	964,113	1,279,316	1,279,316
Trade and other receivables	(i)	-	-	-	-
Loans receivable	(i)	-	-	-	-
Investments – available-for-sale	(ii)	132,916	132,916	2,214	2,214
Total financial assets		1,097,029	1,097,029	1,281,530	1,281,530
Financial liabilities					
Trade and other payables	(i)	93,674	93,674	126,840	126,840
Loans payable	(i)	98,772	98,772	85,000	85,000
Total financial liabilities		192,446	192,446	211,840	211,840

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

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for relating to annual leave and deferred income which is not considered a financial instrument.
- (ii) For listed available-for-sale financial assets, closing quoted bid prices at reporting date are used.
- (iii) Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates. The fair values of fixed rate lease liability will differ to the carrying values.

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 15 – FINANCIAL RISK MANAGEMENT (CONT)

Sensitivity Analysis

The following table illustrates sensitivities to the union's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Financial Assets	
	Profit	Equity
	\$	\$
Year Ended 31 December 2013		
+/- 2% in interest rates	19,254	19,254
+/- 10% in listed investments	13,292	13,292
Year Ended 31 December 2012		
+/- 2% in interest rates	25,586	25,586
+/- 10% in listed investments	221	221

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

No sensitivity analysis has been performed on foreign exchange risk, as the union is not exposed to foreign currency fluctuations.

NOTE 16 – CAPITAL MANAGEMENT

Management control the capital of the union to ensure that adequate cash flows are generated to fund its operations and that returns from investments are maximised. Management ensures that the overall risk management strategy is in line with this objective.

Management operates under policies approved by the Committee of Management. Risk management policies are approved and reviewed by the Committee on a regular basis. These include credit risk policies and future cash flow requirements.

There have been no changes to the strategy adopted by management to control the capital of the union since previous year.

NOTE 17 – CONTINGENT LIABILITIES

As at balance date the Union has no known contingent liabilities.

NOTE 18 – COMMITMENTS

	2013	2012
	\$	\$
Hire Purchase Liability		
Payable – minimum lease payments		
Not later than 12 months	48,008	30,897
Between 12 months but not later than 5 years	61,387	
Greater than 5 years		
Less future finance charges	10,624	897
	98,722	30,000

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

NOTE 19 – UNION DETAILS

The registered office of the union is:

2 Badham Street
Dickson ACT 2602

AUDITOR'S DISCLAIMER

The additional financial data presented in the following pages is in accordance with the books and records of the Construction Forestry Mining and Energy Union Construction and General Division – ACT Branch (CFMEU) which have been subjected to the auditing procedures applied in our audit of the CFMEU for the year ended 31 December 2013. It will be appreciated that our audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person, (other than to the CFMEU), in respect of such data, including any errors or omissions therein however caused.

RSM Bird Cameron



G M STENHOUSE
Director

Canberra, Australian Capital Territory
Dated: 28 February 2014

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$
Revenue		
Membership subscriptions	1,034,704	859,487
Grant Income		-
Donations received	736,320	952,871
Sitting fees	29,930	24,724
EBA Lodgement Income	21,236	21,091
JLT Income	-	27,471
Management Fee Income	-	-
Sundry income	32,168	22,943
Interest received	29,739	51,978
Counselling Income	-	18,333
Advertising	84,773	101,955
Profit on Sale of Assets	-	-
Profits from trusts	355,000	145,000
Total Revenue	<u>2,323,870</u>	<u>2,225,852</u>
Expenditure		
Membership fees	16,633	8,539
Audit and accounting fees	16,711	19,491
ACIRT	44,875	39,320
Advertising and promotion costs	128,135	35,814
Bank charges	11,034	8,452
Bad Debts expense	-	-
Capitation fees – National Office	101,159	97,785
Loss on sale of motor vehicles	3,478	-
Catering	258	2,643
CITEA rent	8,333	18,333
Consultancy services	2,909	6,401
Depreciation	44,384	42,291
Donations	116,177	72,684
Fines and Penalties	-	180
Fringe Benefits Tax	10,218	14,514
Interest	5,745	256
Insurance	41,495	17,760
Publications	24,642	21,316
Legal costs	3,003	1,647
Meeting expenses	9,441	14,555
Affiliation fees	18,551	26,693
Motor vehicle expenses	74,688	99,713
Payroll tax	26,587	19,669
Postage, printing and stationery	63,774	89,234
Political payments	2,030	79,655
Protective clothing	18,082	6,514
Salaries and wages – office holders & employees	1,336,404	1,236,328
Subscriptions	144	1,210
Sundry expenses	6,536	1,953
Superannuation contributions	112,639	102,900
Telephone	27,606	24,666
Training	4,636	7,968
Travelling & accommodation expenses	98,027	76,753
Workers compensation	4,558	4,097
Computer expenses	46,508	14,674
Repair and maintenance	9,900	6,748
Office expenses	6,912	6,045
Member expenses	60,208	-
Total Expenditure	<u>2,506,422</u>	<u>2,219,801</u>
Operating Profit / (Loss)	<u>(182,552)</u>	<u>6,051</u>