Australian Government
Registered Organisations Commission

16 September 2020

Jason O'Mara
Secretary, Australian Capital Territory Divisional Branch
Construction and General Division
Construction, Forestry, Maritime, Mining and Energy Union

Dear Mr Jason O'Mara

Re: – Financial reporting – Construction, Forestry, Maritime, Mining and Energy Union, Australian Capital Territory Divisional Branch - for year ending 31 March 2020 (FR2020/4)

I refer to the financial report of the Australian Capital Territory Divisional Branch in respect of the year ending 31 March 2020. The documents were lodged with the Registered Organisations Commission ('ROC') on 31 July 2020.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the Fair Work (Registered Organisations) Act 2009 (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements. Please note the report for year ending 31 March 2021 may be subject to an advanced compliance review.

You do not have to take any further action in respect of the financial report lodged. However I make the following comments to assist when preparing the next report.

New Accounting Standards – AASB 15 and AASB 1058

Note 1.4 stated that the adoption of AASB 15 and AASB 1058 had not affected the financial statements. For future reference I take this opportunity to draw attention to the following.

AASB 15 - Disaggregation of revenue from contracts with customers

Australian Accounting Standard AASB 15 Revenue from Contracts with Customers paragraph 114 requires an entity to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

AASB 1058 - Disaggregation of income of not-for-profit entities

Australian Accounting Standard AASB 1058 Income of Not-for-Profit Entities paragraph 26 requires an entity to disclose income recognised during the period, disaggregated into categories that reflect how the nature and amount of income are affected by economic factors based on the following categories:

a. grants, bequests and donations of cash, other financial assets and goods;
b. recognised volunteer services; and
c. for government departments and other public sector entities, appropriation amounts recognised as income, by class of appropriation.

Please note that in future years the reporting unit must include all/any relevant and required financial disclosures in accordance with AASBs 15 and 1058.

Officer-Related party remuneration and non-cash benefits disclosures - clarification

Note 22 of the financial report replicates some of the information provided to the ROC in the branch's officer and related party disclosure statement lodged separately under section 293J of the RO Act. The information relates to disclosures described in section 293BC, which are set out in Part 2A of Chapter 9 of the RO Act. For your reference, I wish to clarify the relevant requirements of the RO Act.

Subsection 293BC(3) only requires such information to be made as part of the officer and related party disclosure statement and does not require it to be also included in the financial report.

I note, rather, that the inclusion of such information in the financial report reflects the Branch's compliance with union rules, specifically, National rule 24B(d)(iii) which provides that the disclosure of remuneration and non-cash benefits shall be *"published in the annual financial returns".*

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 Reporting Guidelines and Australian Accounting Standards. Access to this information is available via this link.

Yours faithfully

Stephen Kellett

Stephen Kellett
Financial Reporting
Registered Organisations Commission

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
THE CONSTRUCTION AND GENERAL DIVISION
AUSTRALIAN CAPITAL TERRITORY DIVISIONAL BRANCH

ABN 38 491 952 173

FINANCIAL REPORT
FOR THE YEAR ENDING 31 MARCH 2020

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
THE CONSTRUCTION AND GENERAL DIVISION
AUSTRALIAN CAPITAL TERRITORY DIVISIONAL BRANCH
ABN 38 491 952 173

DESIGNATED OFFICER'S CERTIFICATE

S268 of Fair Work (Registered Organisations) Act 2009

I, Jason O'Mara being the Divisional Branch Secretary of the Construction Forestry Maritime Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch certify:

- that the documents lodged herewith are copies of the full report for Construction Forestry Maritime Mining and Energy Union, The Construction and General Division, Australian Capital Territory Branch for the year ending 31 March 2020 referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members on 25 June 2020; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 28 July 2020, in accordance with s 266 of the *Fair Work (Registered Organisations) Act 2009*.

Jason O'Mara
Divisional Branch Secretary
Construction Forestry Maritime Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch

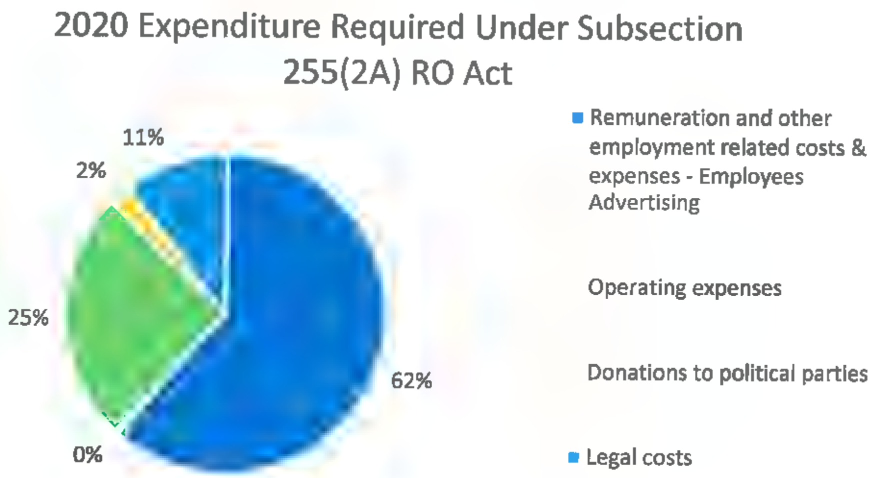
Dated this 31st day of July 2020
at Canberra, Australian Capital Territory

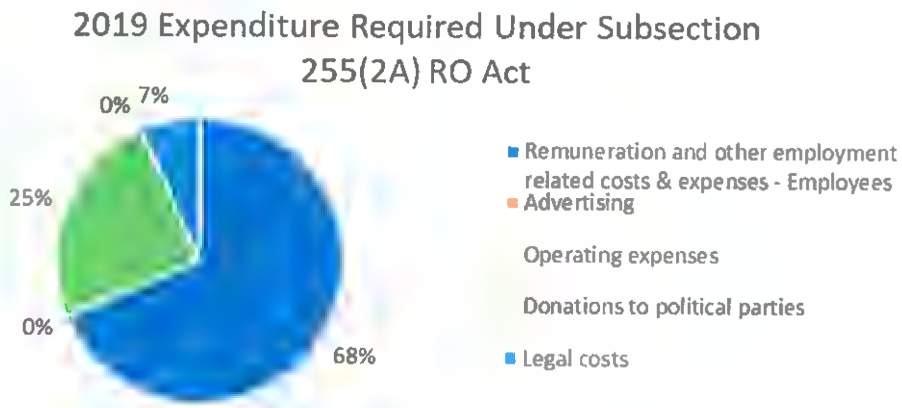
CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
THE CONSTRUCTION AND GENERAL DIVISION
AUSTRALIAN CAPITAL TERRITORY DIVISIONAL BRANCH
ABN 38 491 952 173

EXPENDITURE REPORT REQUIRED UNDER SUBSECTION 255(2A)

FOR THE PERIOD 1 APRIL 2019 TO 31 MARCH 2020

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Construction Forestry Maritime Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch for the year ended 31 March 2020.





Signature: ....

Jason O'Mara
Divisional Branch Secretary
Construction Forestry Maritime Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION

THE CONSTRUCTION AND GENERAL DIVISION

AUSTRALIAN CAPITAL TERRITORY DIVISIONAL 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 Maritime Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch, the relevant reporting unit, for the year ended 31 March 2020.

Principal Activities
Construction Forestry Maritime Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional 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.

Review of principal activities
The Committee of Management has reviewed its principal activities and is satisfied that activities have been successfully conducted throughout the year.

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

Review of results
The results of the reporting unit's activities were consistent with the reporting unit's aims and activities.

Significant changes to financial affairs
During the period 1 April 2019 to 31 March 2020, the Union received a donation from the Canberra Tradesmen's Union Club to ensure the Union continues as a going concern and to meet expected legal costs. During the financial year ending 31 March 2020, the full extent of the legal costs is not yet realised. Staffing costs have decreased slightly on the prior due to effective changes to staffing structure in the 2019 year. Provisions for staff have increased as annual entitlements not taken in full by all staff. The reporting unit at Note 1.25 has considered the going concern principle and is satisfied that the going concern concept is satisfied.

The operating profit of the reporting unit for the year ending 31 March 2020 is $3,253,041 (2019: operating loss ($578,158)).

OPERATING REPORT (CONTINUED)

Novel Coronavirus (COVID-19)
The COVID-19 outbreak in a number of countries is expected to have an impact on the financial performance and liquidity of the entity in 2020. As at the time of completion of the 2020 Financial Statements, there was minimal impact on membership dues. All member benefits continue to be provided.

The entity continues to monitor the financial and non-financial impacts and has measures in place to manage the position as the situation evolves.

There were no other events that occurred after 31 March 2020, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Construction Forestry Maritime Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch (the Union).

Members rights to resign
Members may resign from the Union in accordance with Section 254(2)(c) of the Fair Work (Registered Organisations) Act 2009, 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; Whichever 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 or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
THE CONSTRUCTION AND GENERAL DIVISION
AUSTRALIAN CAPITAL TERRITORY DIVISIONAL BRANCH
ABN 38 491 952 173

OPERATING REPORT (CONTINUED)

Prescribed Information

(a) the number of persons that were, at 31st March 2020, 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 254(2)(f) of the Fair Work (Registered Organisations) Act 2009 and Regulation 159(a) was 2,970 (2,097 financial members and 873 non-financial members); (2019: total 2,619 members; 1,956 financial members and 663 non-financial members);

(b) the number of persons who were, at 31st March 2020, 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 13 employees (2019: 11 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 period 1 April 2019 to 31 March 2020, and the period for which he or she held such a position is:

NAME	PERIOD
Jason Lawrence O'Mara	1 April 2019 – 31 March 2020
Mark Stephen Dymock	1 April 2019 – 31 March 2020
Anthony Paul Vitler	1 April 2019 – 31 March 2020
Duncan James Bennett-Burleigh	1 April 2019 – 31 March 2020
Leon Mark Arnold	1 April 2019 – 31 March 2020
Dean Hart	20 January 2020 – 31 March 2020
Seamus Maher	28 May 2019 – 31 March 2020
Desmond Marland	1 April 2019 – 31 March 2020
Zachary Alan Smith	1 April 2019 – 31 March 2020
Jason John Jennings	1 April 2019 – 31 March 2020
Cameron David Hardy	1 April 2019 – 31 March 2020
Jeffrey Allan Polsen	1 April 2019 – 31 March 2020
Timothy Puckett	20 January 2020 – 31 March 2020
Scott Andrew Stenner	1 April 2019 – 31 March 2020
Peter John Cain	1 April 2019 – 4 July 2019
Michael Barry Cousins	1 April 2019 – 31 March 2020
Johnny Junior Lomax	1 April 2019 – 28 May 2019
Clyde Thomas Peter Stewart	1 April 2019 – 25 March 2020

For and on behalf of the Committee of Management:

JASON O'MARA
Dated at Canberra, ACT: 23/06/2020

ZACHARY SMITH
Dated at Canberra, ACT: 23/6/2020

RSM Australia Pty Ltd

Equinox Building 4, Level 2, 70 Kent Street Deakin ACT 2600
GPO Box 200 Canberra ACT 2601

T +61 (0) 2 6217 0300
F +61 (0) 2 6217 0401

www.rsm.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION CONSTRUCTION AND GENERAL DIVISION- (ACT BRANCH)

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Construction Forestry Maritime Mining and Energy Union Construction and General Division - (ACT Branch), which comprises the statement of financial position as at 31 March 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 March 2020, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement, the subsection 255(2A) report and Officer Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Construction Forestry Maritime Mining and Energy Union Construction and General Division - (ACT Branch) as at 31 March 2020, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

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

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

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

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

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

I declare that I am an auditor registered under the RO Act.

Report on Other Legal and Regulatory Requirements

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

In my opinion, no such matters were noted.

RSM Australia Pty Ltd

[redacted]

Rodney Miller
Director

Canberra
24 June 2020

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/144

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
THE CONSTRUCTION AND GENERAL DIVISION
AUSTRALIAN CAPITAL TERRITORY DIVISIONAL BRANCH
ABN 38 491 952 173

COMMITTEE OF MANAGEMENT STATEMENT

On the 23rd of June 2020 the Committee of Management of the Construction Forestry Maritime Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 31 March 2020:

The Committee of Management declares that in its opinion:

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

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

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

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

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

(i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a 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 a branch concerned; and

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

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

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

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

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

Jason O'Mara
Divisional Branch Secretary

Zachary Smith
Divisional Branch Assistant Secretary

Dated at Canberra, Australian Capital Territory this 23 June 2020.

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
THE CONSTRUCTION AND GENERAL DIVISION
AUSTRALIAN CAPITAL TERRITORY DIVISIONAL BRANCH
ABN 38 491 952 173

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD 1 APRIL 2019 TO 31 MARCH 2020

	NOTE	2020 $	2019 $
Revenue			
Membership Subscriptions		1,650,650	1,384,497
Advertising Income		700	-
Capitation fees and Other revenue from another reporting unit	3A	485,749	43,963
Levies and voluntary contributions	3B	2,445	3,824
Interest Received	3C	13,264	1,737
Other Revenue	3F	243,260	339,003
Total Revenue		2,396,068	1,773,024
Other Income			
Grants and/or donations	3D	4,957,205	1,675,000
Profits from Trusts		8,072	271,772
Revenue from recovery of wages activity	3E	269,445	-
Total Other Income		5,234,722	1,946,772
Total Income		7,630,790	3,719,796
Expenses			
Employee Expenses	4A	(2,382,019)	(2,611,972)
Capitation Fees and other expenses to another reporting unit	4B	(276,896)	(246,890)
Affiliation Fees	4C	(46,586)	(76,581)
Administrative Expenses	4D	(770,517)	(758,090)
Grants or Donations	4E	(140,946)	(72,360)
Legal Fees	4F	(432,779)	(270,907)
Penalties – via RO Act RO Regulations	4G	-	-
Depreciation Expense	4H	(133,252)	(83,093)
Finance costs	4I	(6,741)	(3,485)
Bad Debts Expense		(2,186)	-
Member Benefits		(154,673)	(141,435)
Audit Fees	14	(25,169)	(17,079)
Unrealised loss on shares		(1,039)	-
Loss on Sale of Motor Vehicles	4J	(4,946)	(16,062)
Total Expenses		(4,377,749)	(4,297,954)
Surplus(deficit) for the year		3,253,041	(578,158)
Other comprehensive income		-	-
Total comprehensive income for the year		3,253,041	(578,158)

The accompanying notes form part of these financial statements.

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
THE CONSTRUCTION AND GENERAL DIVISION
AUSTRALIAN CAPITAL TERRITORY DIVISIONAL BRANCH
ABN 38 491 952 173

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	NOTE	2020 $	2019 $
CURRENT ASSETS			
Cash and Cash Equivalents	5A	3,545,841	321,541
Trade and Other Receivables	5B	28,723	88,930
Other Current Assets	5C	67,728	48,286
TOTAL CURRENT ASSETS		3,642,292	458,757
NON-CURRENT ASSETS			
Financial Assets	6A	4,253	15,904
Property, plant and equipment	6B	549,232	468,402
TOTAL NON-CURRENT ASSETS		553,485	484,306
TOTAL ASSETS		4,195,777	943,063
CURRENT LIABILITIES			
Trade payables	7A	239,687	255,635
Other payables	7B	30,882	73,311
Other Current Liabilities	7C	133,373	111,160
Employee Provisions	8A	714,441	571,118
Borrowings	9	69,120	138,755
TOTAL CURRENT LIABILITIES		1,187,503	1,149,979
NON-CURRENT LIABILITIES			
Employee Provisions	8A	45,194	13,925
Borrowings	9	-	69,120
TOTAL NON-CURRENT LIABILITIES		45,194	83,045
TOTAL LIABILITIES		1,232,697	1,233,024
NET ASSETS		2,963,080	(289,961)
EQUITY			
Retained earnings (accumulated deficit)		2,963,080	(289,961)
TOTAL EQUITY		2,963,080	(289,961)

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2020

	Retained Earnings $	Total $
Balance as at 31 March 2018	288,197	288,197
(Loss) attributable to the entity	(578,158)	(578,158)
Balance as at 31 March 2019	(289,961)	(289,961)
Profit attributable to the entity	3,253,041	3,253,041
Balance as at 31 March 2020	2,963,080	2,963,080

The accompanying notes form part of these financial statements

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
THE CONSTRUCTION AND GENERAL DIVISION
AUSTRALIAN CAPITAL TERRITORY DIVISIONAL BRANCH
ABN 38 491 952 173

STATEMENT OF CASH FLOWS
For the year ended 31 March 2020

	NOTE	2020	2019
		$	$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash Received			
Receipts from other reporting units/controlled entity(s)	11(d)	483,725	216,297
Cash receipts from members' subscriptions		1,727,752	1,539,018
Cash Receipts from Customers		184,808	58,016
Interest received		13,264	1,737
Donations received		4,957,205	1,675,000
Other Revenue		327,361	271,079
Cash Used			
Cash payments to suppliers and employees		(3,724,185)	(3,388,259)
Payments to other reporting units/controlled entity(s)	11(d)	(316,164)	(364,080)
Donations paid		(83,771)	(72,360)
Interest paid		(6,741)	-
Net cash generated from operating activities	11(a)	3,563,254	(63,551)
CASH FLOW FROM INVESTING ACTIVITIES			
Cash Received			
Proceeds from Property, Plant and Equipment		59,545	99,591
Proceeds from loans		-	-
Cash Used			
Purchase of Property, Plant and Equipment		(278,575)	(370,760)
Net cash provided by investing activities		(219,030)	(271,169)
CASH FLOW FROM FINANCING ACTIVITIES			
Cash Received			
Proceeds from borrowings		-	200,000
Cash Used			
Repayment of Borrowings		(119,924)	(31,791)
Net cash provided by financing activities		(119,924)	168,209
Net increase/(decrease) in cash held		3,224,300	(166,511)
Cash & cash equivalents at the beginning of the reporting period		321,541	488,052
Cash & cash equivalents at the end of the reporting period	5A	3,545,841	321,541

The accompanying notes form part of these financial statements.

Index to the notes of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements (Tier 1) and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Construction Forestry Maritime Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch (the Union) is a not-for-profit entity.

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

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

The 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.

Note 1 Summary of significant accounting policies (continued)

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements
No accounting standard has been adopted earlier than the application date stated in the standard.

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

For NFP entities, AASB 16 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 16. The Union has adopted AASB 16 on the required effective date1 April 2019.

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

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

Lessor accounting under AASB 16 is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

During the financial year ended 31 March 2020, the Union performed an assessment of AASB 16 and the Union does not have any leases that have an accounting impact on the adoption of AASB 16.

Note 1 Summary of significant accounting policies (continued)

AASB 1058 *Income of Not-for-Profit Entities (AASB 1058) and AASB 15 Revenue from Contracts with Customers (AASB 15)*

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

For NFP entities, both AASB 1058 and 15 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 15. The Union has adopted AASB 15 on the required effective date 1 April 2019.

During the financial year ended 31 March 2020, the Union performed an assessment of AASB 1058 and 15 and there was no impact.

AASB 2017-6 *Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation*

The amendments to AASB 9 clarify that a financial asset passes the solely payments of principal and interest criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments apply retrospectively and are effective from 1 January 2019, with earlier application permitted.

These amendments have no impact on the financial statements of the Union.

AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement

The amendments to AASB 119 specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period using the actuarial assumptions used to re-measure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event

- Determine net interest for the remainder of the period using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to re-measure that net defined benefit liability (asset).

Note 1 Summary of significant accounting policies (continued)

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019, with early application permitted.

These amendments will apply only to any future plan amendments, curtailments, or settlements of the Union.

AASB 2017-7 *Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation*

The amendments clarify that an entity applies AASB 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in AASB 9 applies to such long-term interests.

The amendments apply retrospectively and are effective from 1 January 2019, with early application permitted.

Since the Union does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its financial statements.

AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle

These improvements include:

- **AASB 11 Joint Arrangements**

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in AASB 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

Amendment applies to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

Note 1 Summary of significant accounting policies (continued)

These amendments are currently not applicable to the Union but may apply to future transactions.

- **AASB 123 Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

Amendment applies for annual reporting periods beginning on or after 1 January 2019, with early application permitted.

These amendments are currently not applicable to the Union but may apply to future transactions

1.5 Investment in associates and joint arrangements

An associate is an entity over which the Union has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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

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

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

Note 1 Summary of significant accounting policies (continued)

1.6 Acquisition of assets and or liabilities that do not constitute a business combination

The Union did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

1.7 Revenue

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

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

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Donation income is recognised when it is received.

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

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Note 1 Summary of significant accounting policies (continued)

1.8 Gains

Sale of assets

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

1.9 Capitation fees and levies

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

1.10 Employee benefits

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

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

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

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

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

1.11 Leases

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Note 1 Summary of significant accounting policies (continued)

1.11 Leases (continued)

Lease liabilities area measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

1.12 Borrowing costs

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

1.13 Cash

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

1.14 Financial instruments

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

1.15 Financial assets

Initial recognition and measurement

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

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

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

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

Note 1 Summary of significant accounting policies (continued)

1.15 Initial recognition and measurement (continued)

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

Subsequent measurement

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

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

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

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

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

Note 1 Summary of significant accounting policies (continued)

1.15 Financial Assets (continued)

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Union has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  a) The Union has transferred substantially all the risks and rewards of the asset, or

  b) the Union has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Offsetting

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

Impairment

(i) Trade receivables

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

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

(ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Union recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference

Note 1 Summary of significant accounting policies (continued)

1.15 (ii) Debt instruments other than trade receivables (continued)

between the contractual cash flows due in accordance with the contract and all the cash flows that the Union expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).

- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

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

1.16 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

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

Note 1 Summary of significant accounting policies (continued)

1.16 Financial Liabilities (continued)

Financial liabilities at amortised cost

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

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

Derecognition

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

1.17 Contingent liabilities and contingent assets

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

1.18 Land, buildings, plant and equipment

Asset Recognition Threshold

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

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class

Note 1 Summary of significant accounting policies (continued)

1.18 *Revaluations—Land and Buildings* (continued)

of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

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

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

	2020	2019
Motor Vehicles	**5 years**	5 years
Plant and equipment	**3 to 10 years**	3 to 10 years

Derecognition

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

1.19 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Note 1 Summary of significant accounting policies (continued)

1.20 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of the Union intangible assets are:

	2020	**2019**
Intangibles	**3 to 10 years**	3 to 10 years

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

1.21 Impairment of non-financial assets

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

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

1.22 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

Note 1 Summary of significant accounting policies (continued)

1.23 Taxation

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

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

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

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

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

1.24 Fair value measurement

The Union measures financial instruments, such as, financial assets as at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 19.

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

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

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

Note 1 Summary of significant accounting policies (continued)

1.24 Fair value measurement (continued)

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

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

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

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

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

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

Note 1 Summary of significant accounting policies (continued)

1.25 Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The Construction Forestry Maritime Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch (the Union) made a surplus of $3,253,041 and had net cash inflows from operating activities of $3,563,254. As at 31 March 2020 the Union had net current liabilities of $2,454,789 and net assets of $2,963,080. The entity has prepared a cashflow forecast that indicates the entity may not have sufficient cash to meet its operating commitments for the next 12 months.

The Canberra Tradesmen's Union Club Limited (the Club) has provided a letter of support stating the Club undertakes to provide the CFMMEU with financial support to a level that will allow the CFMMEU to continue to operate as a going concern for a period of 12 months from the date of this financial report.

As a result, the Committee of Management believe that it is reasonably foreseeable that the Union will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

Note 2 Events after the reporting period

Novel Coronavirus (COVID-19)

The COVID-19 outbreak in a number of countries is expected to have an impact on the financial performance and liquidity of the entity in 2020. As at the time of completion of the 2020 Financial Statements, there is minimal impact on membership dues. All member benefits continue to be provided.

The entity continues to monitor the financial and non-financial impacts and has measures in place to manage the position as the situation evolves.

There were no other events that occurred after 31 March 2020, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Construction Forestry Maritime Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch (the Union).

NOTES TO THE FINANCIAL STATEMENTS

	2020	2019
	$	$
Note 3 Income		
Note 3A: Capitation fees and other revenue from another reporting unit		
Capitation fees:		
	-	-
Subtotal capitation fees	-	-
Other revenue from another reporting unit:		
CFMMEU Construction and General NSW	-	-
- Staff expenses reimbursed	-	2,267
- Donation to ACT Branch	100,000	
CFMMEU Construction and General VIC/TAS		
- Donation to ACT Branch	100,000	-
CFMMEU Construction and General QLD/NT		
- Donation to ACT Branch	100,000	-
CFMMEU Construction and General SA		
- Purchase of flags	5,749	-
CFMMEU Construction and General WA		
- Donation to ACT Branch	100,000	-
CFMMEU Construction and General National Office		
- Legal costs reimbursed	-	41,696
- Donation to ACT Branch	50,000	-
- Donation bushfire appeal	30,000	-
Subtotal other revenue from another reporting unit	485,749	43,963
Total capitation fees and another revenue from other reporting unit	485,749	43,963

NOTES TO THE FINANCIAL STATEMENTS

Note 3 – Income (continued)	2020 $	2019 $
Note 3B: Levies and voluntary contributions raised from members		
The following funds were raised from the members as appeals for voluntary contributions (including whip arounds) for the furtherance of the following:		
Voluntary contributions from whip around for CFMEU Children's Charitable Trust – To benefit the children's wing at the Canberra Hospital	1,175	3,824
Voluntary contributions from whip around for Red Cross Bushfire Appeal	1,000	-
Voluntary contributions from whip around for B Verning	270	-
Total Levies	2,445	3,824
Note 3C: Interest		
Deposits	13,264	1,737
Loans	-	-
Total interest	13,264	1,737
Note 3D: Grants or donations		
Grants	-	-
Donations – received from Canberra Tradesmen's Union Club for financial support to the Union	4,957,205	1,675,000
Total grants or donations	4,957,205	1,675,000

Note 3 – Income (continued)	**2020** $	**2019** $
Note 3E: Revenue from recovery of wages activity		
Amounts recovered from employers in respect of wages	269,445	-
Interest received on recovered money	-	-
Total revenue from recovery of wages activity	269,445	-

Note 3F: Other Revenue

	2020 $	2019 $
Dividends received	173	244
Bad debts write back	-	56,884
Branch conference income	27,900	-
EBA Lodgement income	6,546	-
Court order receipts	15,000	56,600
Merchandise revenue	2,695	-
Sitting Fees	31,094	23,795
Sponsorship income	156,058	200,500
Sundry income	3,794	-
Unrealised gain on shares	-	980
Total other revenue	243,260	339,003

NOTES TO THE FINANCIAL STATEMENTS

Note 4 - Expenses

Note 4A – Employee Expenses

	2020 $	2019 $
Holders of Office		
Wages and Salaries	656,794	625,650
Wages and Salaries – Leave Paid Out	51,092	-
Superannuation	80,465	67,626
Separation and redundancies	-	-
Other employee expenses	177,002	316,530
	965,353	1,009,806
Employees other than Office Holders		
Wages and salaries	1,063,474	1,185,631
Wages and Salaries – Leave Paid Out	-	-
Superannuation	125,712	123,889
Separation and redundancies	16,075	134,002
Other employee expenses	211,405	158,644
	1,416,666	1,602,166
Total Employee Expenses	2,382,019	2,611,972

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.

NOTES TO THE FINANCIAL STATEMENTS

	2020 $	2019 $
Note 4 – Expenses (Continued)		
Note 4B – Capitation fees and other expense to another reporting unit		
Capitation Fees to another reporting unit		
CFMMEU Construction & General Division National Office	132,410	115,427
Subtotal Capitation Fees	132,410	115,427
Other expense to another reporting unit		
CFMMEU Construction and General NSW	-	-
CFMMEU Construction and General National Office		
- Campaign Levies	-	36,497
- Contribution to C&G National for legal Fees – Litigation	-	2,720
- National campaign contribution	54,576	
- Campaign analysis costs to C&G National Office	25,807	-
- Media costs contribution	23,908	-
- Travel and accommodation reimbursement to C&G National Office	-	3,473
- Staff expense contribution to C&G National Office	-	2,500
- Sponsorship for Claire Murray documentary to C&G National Office	-	50,000
-		
CFMMEU Construction and General QLD/NT		
- Merchandise	5,195	-
CFMMEU Construction and General WA		
- Accommodation	-	1,273
CFMMEU Head Office		
- Graphic design support	35,000	35,000
Subtotal other expense to another reporting unit	144,486	131,463
Total capitation fees and other expense to another reporting unit	**276,896**	**246,890**

NOTES TO THE FINANCIAL STATEMENTS

Note 4B – Expenses (Continued)

Terms and conditions of transactions with related parties
From time-to-time, the National Office of the Construction & General Division of the CFMMEU ("CFMMEU C&G National Office") coordinates various administrative activities on behalf of the Union. This includes the collation of certain costs, which are apportioned to the appropriate branches and invoiced in full. Accordingly, with the CFMMEU C&G National Office merely being the facilitator of such transactions between the Union and independent third parties (and there is no profit component in recharging these costs), these are not considered to be related party expenditures of the Union and hence are not required to be disclosed. Notwithstanding this, the transfer of funds to meet these obligations remain related party transactions, and accordingly have been disclosed in the related party cash flows reported at note 15(d). Additionally, any amounts outstanding as at balance date between related parties have been disclosed at note 10A.

	2020	2019
	$	$
Note 4C - Affiliation Fees		
Australian Labor Party	9,256	9,999
Unions ACT	34,544	62,795
BWI	2,786	3,787
Total Affiliation Fees	46,586	76,581
Note 4D - Administration Expenses		
Consideration to Employers for Payroll Deductions	-	-
Compulsory levies	-	-
Fees/Allowances – Meeting and Conferences	37,097	41,206
Conference and Meeting Expenses	216,563	204,026
Contractors/Consultants	16,592	8,606
Property Expenses	71,390	52,119
Office Expenses	286,666	292,620
Motor Vehicle Expenses	64,858	59,340
Advertising Expenses	19,570	1,856
Other Expenses	57,781	98,317
Total Administration Expenses	770,517	758,090
Note 4E - Grants or Donations		
Grants:		
Total paid that were $1,000 or less	-	-
Total paid that exceeded $1,000	-	-
Donations:		
Total paid that were $1,000 or less	2,092	546
Total paid that exceeded $1,000	138,854	71,814
Total Grants or Donations	140,946	72,360

NOTES TO THE FINANCIAL STATEMENTS

Note 4 – Expenses (Continued)

	2020	2019
	$	$
Note 4F - Legal fees		
Litigation	431,891	265,707
Other legal matters	888	5,200
Total Legal Fees	432,779	270,907
Note 4G - Other expenses		
Penalties – via RO Act or the *Fair Work Act 2009*	-	-
Total Other expenses	-	-
Note 4H - Depreciation and amortisation		
Depreciation		
Land & buildings	-	-
Property, Plant & Equipment	133,252	83,093
Total Depreciation	133,252	83,093
Note 4I - Finance costs		
Overdrafts/loans	6,741	3,485
Total Finance costs	6,741	3,485
Note 4J - Net losses from sale of assets		
Plant & equipment	4,946	16,062
Total Losses from sale of assets	4,946	16,062

NOTES TO THE FINANCIAL STATEMENTS

Note 5 – Current Assets

Note 5A – Cash and Cash Equivalents

	2020	2019
	$	$
Cash on hand	941	2,300
Cash at bank	3,544,900	319,241
	3,545,841	321,541

The effective interest rate on cash at bank was 0.01% (2019: 0.01%)

	2020	2019
	$	$
Note 5B – Trade and other receivables		
Receivables from other reporting units		
	-	-
Total receivables from other reporting units	-	-
Less allowance for expected credit losses	-	-
Total allowance for expected credit losses	-	-
Receivable from other reporting units (net)	-	-
Receivables from other related parties		
Receivables from related party – J O'Mara	-	840
ACIRT	-	4,594
Construction Charitable Works Ltd	-	189
Construction Employment Training & Welfare Ltd ATF Creative Safety Initiatives Trust	-	567
J Jennings	-	6
Total receivables from other related parties	-	6,196

NOTES TO THE FINANCIAL STATEMENTS

Note 5B – Trade and Other receivables (Continued)

	2020	2019
	$	$
Other Receivables		
GST Receivable from the Australian Taxation Office	-	3,131
Trade receivables	28,723	28,161
Other trade receivables (Net)	-	51,442
Total other receivables	28,723	82,734
Total trade and other receivables (net)	28,723	88,930

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

	Movement	Total
At 1 April 2019	(35,526)	(35,526)
Provision for expected credit losses	(2,186)	(2,186)
Write-off	-	-
At 31 March 2020	**(37,712)**	**(37,712)**

NOTES TO THE FINANCIAL STATEMENTS

	2020 $	2019 $
Note 5C – OTHER CURRENT ASSETS		
Accrued Income	4,789	1,830
Prepayments	62,939	46,456
Total other current assets	67,728	48,286

Note 6 – Non-current Assets

	2020 $	2019 $
NOTE 6A – Financial Assets		
Financial assets at fair value through profit or loss		
Equity in Marque Northbourne Trust	-	10,812
Shares in listed corporations	4,253	5,092
Total financial assets	4,253	15,904

At the date of this report the Union has subscribed to Nil $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 and does not have control over the Trust. The project has now reached practical completion and development risk has been eliminated. There are no liquidity arrangements, guarantees or other commitments with the joint venture that will affect the Union's interest in the investment. The Trust was finalised at July 2019 or shortly thereafter.

At the date of these financials there does not exist any conditions precedent that have not yet been satisfied.

The investment has resulted in a distribution of 2020: $8,072 which was received during the financial year ending 31st March 2020. The Trust is now closed.

NOTES TO THE FINANCIAL STATEMENTS

Note 6B – Property, Plant and Equipment

	2020	2019
	$	$
Office Equipment - at cost	417,298	226,494
Less accumulated depreciation	(120,669)	(88,866)
	296,629	137,628
Motor Vehicles – at cost	328,069	379,668
Less accumulated depreciation	(75,466)	(48,894)
	252,603	330,774
Total Property, Plant and Equipment	549,232	468,402

Reconciliation of the Opening and Closing Balances of Plant and Equipment

	Motor Vehicles	Office Equipment	Total
	$	$	$
As at 31 March 2019			
Gross book value	379,668	226,494	606,162
Accumulated depreciation and impairment	(48,894)	(88,866)	(137,760)
Net book value 31 March 2019	330,774	137,628	468,402
Additions:			
By purchase	52,393	226,183	278,576
From acquisition of entities (including restructuring)	-	-	-
Impairments	-	-	-
Depreciation expense	(66,169)	(67,082)	(133,251)
Other movement (reversal of accumulated depreciation on disposal or write off)	39,598	35,279	74,877
Disposals:	-	-	-
From disposal of entities (including restructuring)	-	-	-
From disposal or write off	(103,993)	(35,379)	(139,372)
Net book value 31 March 2020	252,603	296,629	549,232
Net book value as of 31 March 2020 represented by:			
Gross book value	328,069	417,298	745,367
Accumulated depreciation and impairment	(75,466)	(120,669)	(196,135)
Net book value 31 March 2020	252,603	296,629	549,232

NOTES TO THE FINANCIAL STATEMENTS

Note 7 – Current Liabilities

	2020 $	2019 $
NOTE 7A – Trade payables		
Trade creditors	22,612	51,870
Accrued expenses	198,724	176,929
Subtotal trade creditors	183,770	228,799
Payables to other reporting unit		
CFMMEU Construction & General National Office	8,896	9,803
CFMMEU Construction & General WA branch	-	1,400
Subtotal payables to other reporting unit	8,896	11,203
Payables to related parties		
ACIRT Pty Ltd	7,203	8,305
CFMEU ACT Branch – end of month union dues employees	838	897
Canberra Tradesmen's Union Club Ltd	-	5,556
Organisers Contribution fund – end of month payroll deduction	1,415	875
Subtotal payables to related parties	9,456	15,633
Total trade payables	239,687	255,635

Settlement is usually made within 30 days.

Note 7B – Other payables		
Legal costs - Litigation	-	30,061
Legal costs - Other	-	-
Subtotal Legal costs	-	30,061
Wages & salaries	5,027	18,095
Superannuation	20,901	25,155
Salary packaging	855	-
Payable to employers for making payroll deductions of membership subscriptions	-	-
GST Payable	4,099	-
Total other payables	30,882	43,250

Total other payables are expected to be settled in:		
No more than 12 months	30,882	73,311
Total other payables	30,882	73,311

NOTES TO THE FINANCIAL STATEMENTS

	2020 $	2019 $
Note 7C – Other current liabilities		
Income in Advance	133,373	111,160
	133,373	111,160

Note 8 - Provisions

Note 8A – Employee provisions

	2020 $	2019 $
Current	714,441	571,118
Non-Current	45,194	13,925
	759,635	585,043
Employee benefits attributable to:		
Office Holders		
Annual Leave	135,694	88,349
Sick Leave	189,831	150,160
Long Service Leave - current	127,315	114,606
Long Service Leave – non-current	15,334	6,112
Separations and redundancies	-	-
Other	109,147	126,969
Subtotal employee provisions – office holders	577,321	486,196
Employees other than Office Holders		
Annual Leave	34,359	20,513
Sick Leave	22,940	8,960
Long Service Leave - current	-	-
Long Service Leave – non-current	29,860	7,814
Separations and redundancies	-	-
Other	95,155	61,560
Subtotal employee provisions – employees other than office holders	182,314	98,847
Total Employee Provisions	759,635	585,043

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 9 – Borrowings

	2020 $	2019 $
Current		
Loan from Canberra Tradesmen's Union Club Ltd	69,120	99,089
Loan from Marque Northbourne Trust	-	39,666
	69,120	138,755
Non-Current		
Loan from Canberra Tradesmen's Union Club Ltd	-	69,120
	-	69,120

The loan from Canberra Tradesmen's Union Club Ltd is unsecured for a term of 2 years. Interest rate is 5.5%pa. Loan to be repaid by November 2020.

Note 10 – Equity

Note 10A – Other specific disclosures - funds

	2020 $	2019 $
Compulsory levy/voluntary contribution fund – if invested in assets	-	-
Other fund(s) required by rules		
Balance as at start of year	-	-
Balance as at end of year	-	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 – Cash flow reconciliation

(a) Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement

	2020 $	2019 $
Cash and cash equivalents as per:		
Cash flow statement	3,545,841	321,541
Balance sheet	3,545,841	321,541
Difference	-	-

Reconciliation of profit/(deficit) to net cash from operating activities

	2020	2019
Profit/(deficit) for the year	3,253,041	(578,158)
Adjustments for non-cash items:		
Depreciation and amortisation	133,252	83,093
Unrealised (gain)/loss on Investments	1,039	(980)
Bad Debts Expense	2,186	(56,884)
IAG Shares – Dividend Reinvestment Plan	(200)	(115)
Loss on sale of Assets	4,946	16,062
Investment Income	(8,018)	(57,292)
Changes in assets and liabilities:		
(Increase)/Decrease in receivables	58,020	264,872
(Increase)/Decrease in other assets	(19,441)	7,951
Increase/(Decrease) in payables	(58,376)	(81,519)
Increase/(Decrease) in provisions	174,592	280,490
Increase/(Decrease) in other liabilities	22,213	58,929
Cash flows from operations	**3,563,254**	**(63,551)**

(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 four credit cards issued to office holders and employees, with a total credit limit for all four of $32,500. No other credit stand-by or financing facilities are in place.

NOTES TO THE FINANCIAL STATEMENTS

Note 11 – Cash flow information (Continued)

(d) Cash Flow to/from other reporting units

	2020 $	2019 $
Cash Inflows from other reporting units		
CFMMEU Construction and General National Office	77,401	213,803
CFMMEU Head Office	-	-
CFMMEU Construction and General NSW	100,000	2,494
CFMMEU Construction and General QLD/NT	100,000	-
CFMMEU Manufacturing Division VIC	-	-
CFMMEU Construction and General WA	100,000	-
CFMMEU Construction and General VIC/TAS	100,000	-
CFMMEU Construction and General SA	6,324	-
Total Cash Inflow from Other reporting units	483,725	216,297
Cash Outflow to other reporting units		
CFMMEU Construction and General National Office	271,949	314,180
CFMMEU Construction and General NSW	-	10,000
CFMMEU Construction and General QLD/NT	5,715	-
CFMMEU Forestry and Furnishings Products Division VIC	-	-
CFMMEU Head Office	38,500	38,500
CFMMEU Construction and General WA	-	1,400
CFMMEU Construction and General SA	-	-
CFMMEU Construction and General VIC/TAS	-	-
Total Cash Outflow from Other reporting units	316,164	364,080

NOTE 12 – ECONOMIC DEPENDENCY

The continuing operation of the Union is dependent upon the financial support by the Canberra Tradesmen's Union Club Limited to the Construction Forestry Maritime Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch. The support from Canberra Tradesmen's Union Club included financial support totalling $4,957,205 (2019: $1,675,000).

NOTES TO THE FINANCIAL STATEMENTS

Note 13 – Related party disclosure
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

REVENUE RECEIVED

Sitting fees for Office Holders

	2020 $	2019 $
ACT Construction Industry Long Service Leave Board	3,285	1,145
ACIRT	25,454	18,600
Training Fund Authority	2,355	4,050
	31,094	23,795

Donations received

	2020 $	2019 $
Canberra Tradesmen's Union Club	4,957,205	1,675,000
	4,957,205	1,675,000

EXPENSES PAID

Affiliation Fees

	2020 $	2019 $
Australian Labor Party – ACT Branch	9,255	9,999
Unions ACT	34,544	62,795
BWI	2,786	3,787
	46,585	76,581

Goods & Services

	2020 $	2019 $
CFMEU Children's Healthcare Trust	1,175	3,824
Canberra Tradesmen's Union Club Charity Trust	3,050	-
Construction Employment Training & Welfare Ltd ATF Creative Safety Initiatives Trust	970	16,734
Construction Charitable Works Ltd	1,265	-
Canberra Tradesmen's Union Club Ltd	277,128	78,082
	283,588	98,640

Note 13 – Related party transactions (Continued)

Other expense to another reporting unit

CFMMEU Construction and General National Office

	2020 $	2019 $
• ACTU Change the rules campaign contribution/donation	25,988	26,495
• Construction & General Division, ACT Branch contribution to Construction & General Division, National Branch Bushfire appeal	2,599	-
• CFMMEU national campaign contribution/donation	28,587	26,495
	57,174	52,990

The above expense is included in Note 4E Grants or donations for amounts exceeding $1,000.

Payments to other related parties - Rule 24D(a)(i)(A)

	2020 $	2019 $
Rosalind Read(1)	145,004	136,465
Rachel Jennings(1)	58,834	-
Lachlan Hardy(1)	-	15,405
	203,839	151,870
Outstanding balances including commitments	-	-
Provision for doubtful debts related to outstanding balances	-	-
Expense recognised during the period in respect of bad or doubtful debts	-	-

(1) Rosalind Read is an employee of the reporting unit and was, pursuant to s.9B(2) of the Fair Work (Registered Organisations) Act 2009, a related party of the reporting unit, by virtue of being the spouse of an officer of the Reporting Union during the reporting period. These payments are for wages and other conditions of employment, and were made on terms that reflect the ordinary employment arrangement offered to other employees of the branch and that would be reasonable in the circumstances if the branch and the related party were dealing at arm's length.

(1) Rachel Jennings is an employee of the reporting unit and was, pursuant to s.9B(2) of the Fair Work (Registered Organisations) Act 2009, a related party of the reporting unit, by virtue of being the spouse of an officer of the Reporting Union during the reporting period. These payments are for wages and other conditions of employment, and were made on terms that reflect the ordinary employment arrangement offered to other employees of the branch and that would be reasonable in the circumstances if the branch and the related party were dealing at arm's length.

(1) Lachlan Hardy was an employee of the reporting unit and was, pursuant to s.9B(3) of the Fair Work (Registered Organisations) Act 2009, a related party of the reporting unit, by virtue of being the child of an officer of the Reporting Union during the reporting period. These payments are for wages and other conditions of employment, and were made on terms that reflect the ordinary employment arrangement offered to other employees of the branch and that would be reasonable in the circumstances if the branch and the related party were dealing at arm's length.

Note 13 – Related party transactions (Continued)

Rent payable

	2020 $	2019 $
Canberra Tradesmen's Union Club Ltd	548,690	406,725
	548,690	406,725

The CFMMEU has a peppercorn rental agreement with the Canberra Tradesmen's Union Club Ltd for premises it occupies. The annual payment is for $1 and the lease agreement is for a term of 1 year commencing 6 August 2018. The lease has an option of a further 1 year, which was exercised ending 5 August 2020, there is no outstanding lease payable as at 31 March 2020. The market value of the rent for the year ending 31 March 2020 is $548,690.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ending 31 March 2020, the Construction Forestry Maritime Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2020: $Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTES TO THE FINANCIAL STATEMENTS

Note 13 – Related party transactions (Continued)

Key Management Personnel Remuneration for the Reporting Period

In accordance with AASB 124, the key management personnel of the Branch are the Secretary and Assistant Secretary. The totals of remuneration paid to the key management personnel during the year are as follows:

	2020	2019
Short-term employee benefits	$	$
Salary (including leave taken)	470,432	388,712
Annual Leave and RDO Accrual	29,879	68,975
Sick leave accrual	34,658	110,425
Long Term Benefits		
Long term benefits Accrual	19,426	8,546
Post Employment Benefits		
Post-employment benefits	65,841	42,520
Termination benefits	-	-
Total	620,236	619,178

Note 14 – Remuneration of Auditor

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

	2020	2019
	$	$
Audit of the Union's financial report	25,169	17,079
Other services	-	-
Total remuneration of auditors	25,169	17,079

No other services were provided by the auditors of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Note 15 – Financial Instruments

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	2020	2019
		$	$
Financial Assets			
Fair value through profit or loss			
Cash and cash equivalents	5A	3,545,841	321,541
Shares in listed corporations	6A	4,253	5,092
Shares in Marque Northbourne Trust		-	10,812
Total		3,550,094	337,445
Loans and Receivables			
–		-	-
Total		-	-
Carrying amount of financial assets		**3,550,094**	**337,445**
Financial Liabilities			
Other Financial liabilities:			
– Trade payables	7A	239,687	255,635
– Other payables	7B	30,882	73,311
– Borrowings	9	69,120	207,875
Carrying amount of other financial liabilities		**339,689**	**536,821**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 15A – Net Income and Expense from Financial Assets

	2020	2019
Designated Fair value through profit and loss	**$**	**$**
Interest revenue	13,264	1,737
Dividend revenue	173	244
Change in fair value	(1,039)	980
Total designated fair value through profit and loss	12,398	2,961
Net gain/(loss) at fair value through profit and loss	12,398	2,961

Note 15B – Net Income and Expense from Financial Liabilities

	2020	2019
At amortised cost	**$**	**$**
Interest expense	6,741	3,485
Net gain/(loss) from financial liabilities	6,741	3,485

Note 15C - Credit risk

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

30 June 2020	Trade and other receivables					
		Days past due				
	Current $	<30 days $	30-60 days $	61-90 days $	>91 days $	Total $
Expected credit loss rate	57%	0%	0%	0%	0%	
Estimate total gross carrying amount at default	66,435		-	-	-	66,435
Expected credit loss	(37,712)		-	-	-	(37,712)

30 June 2019	Trade and other receivables					
		Days past due				
	Current $	<30 days $	30-60 days $	61-90 days $	>91 days $	Total $
Expected credit loss rate	42%	0%	0%	0%	0%	
Estimate total gross carrying amount at default	124,456		-	-	-	124,456
Expected credit loss	(35,526)		-	-	-	(35,526)

The Union's maximum exposure to credit risk for the components of the statement of financial position as at 31 March 2020 and 2019 is the carrying amounts as illustrated in Note 15C.

NOTES TO THE FINANCIAL STATEMENTS

Note 15D – Financial risk management

Financial Risk Management Policies

The Reporting Unit'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.

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

Note 15D – Financial risk management (Continued)

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 2020

	Note	< 1 Year	1 - 2 Years	2 – 5 Years	>5 Years	Total
		$	$	$	$	$
Financial liabilities due for payment						
Trade payables (excluding estimated annual leave and deferred income)	7A	239,687	-	-	-	239,687
Other payables	7B	30,882	-	-	-	30,882
Borrowings	9	69,120	-	-	-	69,120
Total expected outflows		339,689	-	-	-	339,689
Financial assets — cash flows realisable						
Cash and cash equivalents	5A	3,545,841	-	-	-	3,545,841
Trade, term and loans receivables	5B	28,723	-	-	-	28,723
Total expected inflows		3,574,564	-	-	-	3,574,564
Total Net Inflows/(Outflows)		3,234,875	-	-	-	3,234,875

NOTES TO THE FINANCIAL STATEMENTS

Note 15D – Financial risk management (Continued)

Financial liability and financial asset maturity analysis 2019

	Note	< 1 Year	1 - 2 Years	2 – 5 Years	>5 Years	Total
		$	$	$	$	$
Financial liabilities due for payment						
Trade payables (excluding estimated annual leave and deferred income)	7A	255,635	-	-	-	255,635
Other payables	7B	73,311	-	-	-	73,311
Borrowings	9	138,755	69,120	-	-	207,875
Total expected outflows		467,701	69,120	-	-	536,821
Financial assets — cash flows realisable						
Cash and cash equivalents	5A	321,541	-	-	-	321,541
Trade, term and loans receivables	5B	88,930	-	-	-	88,930
Total expected inflows		410,471	-	-	-	410,471
Total Net Inflows/(Outflows)		(57,230)	(69,120)	-	-	(126,350)

NOTES TO THE FINANCIAL STATEMENTS

Note 15E – Market Risk

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 March 2020		
+/- 2% in interest rates	70,853	70,853
+/- 10% in investments	411	411
Year Ended 31 March 2019		
+/- 2% in interest rates	6,385	6,385
+/- 10% in investments	1,590	1,590

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.

NOTES TO THE FINANCIAL STATEMENTS

Note 15F – Changes in liabilities arising from financing activities

	1 April 2019	Cash flows	Changes in fair values	Other	31 March 2020
		$	$	$	$
Current Interest bearing loans and borrowings	168,209	(99,089)	-	-	69,120
Total financial assets	168,209	(99,089)	-	-	69,120

	1 April 2018	Cash flows	Changes in fair values	Other	31 March 2019
Financial liabilities					
	$	$	$	$	$
Current interest bearing loans and borrowings	-	99,089	-	69,120	168,209
Total financial liabilities	-	99,089	-	69,120	168,209

Note 16 – Fair Value Measurement

Noted 16A – Financial assets and liabilities

Management of the reporting unit assessed that [cash, trade receivables, trade payables, and other current liabilities] approximate their carrying amounts largely due to the short term maturities of these instruments.

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

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at [year-end date] was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the [reporting unit] based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 March 2020 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	Footnote	2020 Net Carrying Value $	2020 Net Fair Value $	2019 Net Carrying Value $	2019 Net Fair Value $
Financial assets					
Cash and cash equivalents	(i)	3,545,841	3,545,841	321,541	321,541
Trade and other receivables	(i)	28,723	28,723	88,930	88,930
Loans receivable	(i)	-	-	-	-
Investments	(ii)	4,253	4,253	15,904	15,904
Total financial assets		3,578,817	3,578,817	426,375	426,375
Financial liabilities					
Trade payables	(i)	239,687	239,687	255,635	255,635
Other payables	(i)	30,882	30,882	73,311	73,311
Loans payable	(i)	69,120	69,120	207,875	207,875
Total financial liabilities		339,689	339,689	536,821	536,821

Note 16A – Financial assets and liabilities (Continued)

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.

Note 16B – Financial and non-financial assets and liabilities fair value hierarchy

The Union measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- Financial assets at fair value through the profit and loss.

The company does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categories fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

The company selects valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

- **Market approach: uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.**
- **Income approach: converts estimated future cash flows or income and expenses into a single current (i.e. discounted) value.**
- **Cost approach: reflects the current replacement cost of an asset at its current service capacity.**

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

NOTES TO THE FINANCIAL STATEMENTS

Note 16B – Financial and Non-financial assets and liabilities fair value hierarchy (Continued)

The following table provides the fair value of the company's assets measured and recognised on a recurring basis after initial recognition, categorised within the fair value hierarchy.

	Note	Level 1 $	Level 2	Level 3	Total $
2020					
Recurring fair value measurements					
— Financial assets	6A	4,253	-	-	4,253
— Equity in Marque Northbourne Trust	6A	-	-	-	-
Total assets recognised at fair value		4,253	-	-	4,253

	Note	Level 1 $	Level 2	Level 3	Total $
2019					
Recurring fair value measurements					
— Financial assets	6A	5,092	-	-	5,092
— Equity in Marque Northbourne Trust	6A	-	-	10,812	10,812
Total assets recognised at fair value		5,092	-	10,812	15,904

NOTE 16C – Description of significant unobservable inputs

	Valuation technique and Significant unobservable inputs
Equity in Marque Northbourne Trust	• Discounted cash flow method and fair value assessment of similar assets.

NOTES TO THE FINANCIAL STATEMENTS

Note 17 – 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 18 – Contingent liabilities

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

Unquantifiable contingencies

The Union is currently involved in ongoing legal matters in the normal course of business. Summary as follows:

- One ongoing legal matter with the Commonwealth Director of Public Prosecutions. The matter is at an early stage and liability cannot be reliably estimated at this time.
- There were two penalty applications by the ABCC against the CFMEU, Construction & General Division, ACT Branch and a number of its officials. In both cases the court hearing has concluded and the ABCC was successful in both matters. The court is yet to impose penalties against the Union. The liability of the Union in respect of these matters cannot be reliably estimated at this time.

Note 19 – Commitments

	2020 $	2019 $
Loan from Marque Northbourne Trust		
Payable – Not later than 12 months	-	39,666
	-	39,666

NOTES TO THE FINANCIAL STATEMENTS

Note 20 – Members' access to financial records

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

Information to be provided to members or Commissioner:

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

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

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

Note 21 - Administration of financial affairs by a third party

Name of entity providing service: Canberra Tradesmen's Union Club Ltd (CTUC)

Terms and conditions: The following services are provided:

- Payroll
- Accounts payable
- Accounts Receivable
- BAS preparation
- Bank reconciliation
- End of month financial reports
- End of year financial reports
- End of year audit

Relevant CTUC staff abide by CFMEU ACT Branch financial policies.

Relevant CTUC staff have completed approved training in relation to Union Governance.

The financial services are provided on behalf of the Construction Forestry Maritime Mining and Energy Union The Construction and General Division ACT Divisional Branch by the administrative staff at the Canberra Tradesmen's Union Club Ltd. It is almost impossible to separate the time of such staff members in assisting the CFMMEU ACT Branch from time spent with their general duties hence no fee is charged for this service.

Nature of expenses/consultancy service: Nil revenues collected and/or expenses incurred

NOTES TO THE FINANCIAL STATEMENTS

Note 22 – Disclosure of remuneration and non-cash benefits

In accordance with CFMMEU Rule 24B (c) (ii) and (iii) the top two ranked officers within the Branch by relevant remuneration are:

	Jason O'Mara	Zachary Smith
	Divisional Branch Secretary 1 April 2019 – 31 March 2020	Assistant Secretary 1 April 2019 – 31 Mar 2020
Salary and Allowances	$227,929	$191,412
Accrued Annual Leave and/or Rostered Days Off cashed out	$ -	$ 51,092
Redundancy Fund contribution	$ 8,001	$ 7,418
Superannuation Fund contribution	$ 24,980	$ 25,442
Sitting Fees (as disclosed to the Union pursuant to Rule 24B(a), all sitting fees are not retained by officer but remitted to union)	$ -	$ 2,355
Termination payment made in accordance with Divisional Branch Redundancy Policy (payment of accrued leave entitlements, pay in lieu of notice, and severance pay)	$ -	$ -
Non cash benefits	Motor Vehicle	Motor Vehicle
Non cash benefits	Security System	-
Non cash benefits	Income protection	Income Protection
Total relevant remuneration (excluding sitting fees not retained by officer)	**$260,910**	**$277,719**

Note 23 – Union details

The registered office of the union is:

7-10, 8 Cape Street
Dickson ACT 2602

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION

THE CONSTRUCTION AND GENERAL DIVISION

AUSTRALIAN CAPITAL TERRITORY DIVISIONAL BRANCH

ABN 38 491 952 173

OFFICER DECLARATION STATEMENT

I, Jason O'Mara, being the Divisional Branch Secretary of the Construction Forestry Maritime Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch, declare that the following activities did not occur during the reporting period ending 31 March 2020.

Pursuant to the reporting guidelines of Section 253 of the Fair Work (Registered Organisations) Act 2009, the Union did not:

1) agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount);
2) agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount);
3) acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission;
4) The reporting unit has no payables to employers as consideration for the employers making payroll deductions of membership subscriptions;
5) Make a payment to a former related party of the reporting unit.

Jason O'Mara
Divisional Branch Secretary

Dated at Canberra, Australian Capital Territory this 23 June 2020

RSM Australia Pty Ltd

Equinox Building 4, Level 2, 70 Kent Street Deakin ACT 2600
GPO Box 200 Canberra ACT 2601

T +61 (0) 2 6217 0300
F +61 (0) 2 6217 0401

www.rsm.com.au

AUDITOR'S DISCLAIMER

The additional financial data presented in the following pages is in accordance with the books and records of the Construction Forestry Maritime Mining and Energy Union Construction and General Division - (ACT Branch) which have been subjected to the auditing procedures applied in our audit of the Construction Forestry Maritime Mining and Energy Union Construction and General Division - (ACT Branch) for the year ended 31 March 2020. 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 Construction Forestry Maritime Mining and Energy Union Construction and General Division - (ACT Branch), in respect of such data, including any errors or omissions therein however caused.

RODNEY MILLER
Director

RSM AUSTRALIA PTY LTD
Canberra, Australian Capital Territory
Dated: 24 June 2020