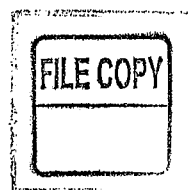




FAIR WORK
AUSTRALIA

30 April 2010

Mr Steve Roach
Secretary, Brick, Tile, Pottery, Construction Materials and Related Products
Industry Divisional Branch
Construction, Forestry, Mining and Energy Union
PO Box Q235, QVB Post Office
SYDNEY NSW 1230



Dear Mr Roach

Lodgment of Financial Accounts and Statements – Construction, Forestry, Mining and Energy Union, Construction and General Division, Brick, Tile & Pottery Industry Divisional Branch – for year ending 31 December 2009 (FR2009/10245)

Thank you for lodging the Certificate by Secretary or Designated Officer in accordance with s268 of the *Fair Work (Registered Organisations) Act 2009*.

The documents have been filed

Yours sincerely,

Stephen Kellett

Statutory Services Branch

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

s268 Fair Work (Registered Organizations) Act 2009
(formerly s268 of Schedule 1 Workplace Relations Act 1996)

I, (name).....STEPHEN PAUL ROACH.....,

a prescribed designated officer of the Construction, Forestry, Mining and Energy Union, Construction and General Division, Brick, Tile, Pottery, Construction Materials and Related Products Industry Divisional Branch, certify that the financial statements and accounts for the year ended 31 December 2009 which were lodged with Fair Work Australia on 30 March 2010 are :

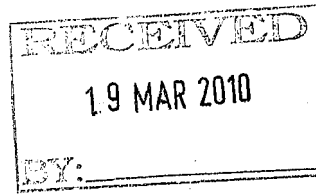
- copies of the full report referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*
- copies of the documents provided to members on/from
10/03/2010 and
- subsequently presented to a meeting in accordance with section 266 held on 30/03/2010

(Signature) *Stephen Paul Roach*

(Position) BRANCH SECRETARY

Date 20/04/2010





13 April 2010

Mr Steve Roach
Secretary, Brick, Tile, Pottery, Construction Materials and Related Products
Industry Divisional Branch
Construction, Forestry, Mining and Energy Union
PO Box Q235, QVB Post Office
SYDNEY NSW 1230

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The documents lodged did not include a Certificate by Secretary or Designated Officer in accordance with s268 of the *Fair Work (Registered Organisations) Act 2009*. Consequently, it is not apparent that the members have been provided the report in accordance with s265(5) or that the report has been presented in accordance with s266.

I enclose a blank template Certificate form for you to complete, for your convenience, if you have not already signed and dated one. Please indicate the dates when the members were provided copies of the report, and the date the report was finally presented. (Note that the meeting which you certify as having been the meeting at which the report was presented must not be the meeting of 9 March 2010 at which the documents were signed.)

Upon receipt of a completed Certificate, the documents will be filed

Yours sincerely,

A handwritten signature in black ink that reads "Stephen Kellett".

Stephen Kellett

Statutory Services Branch

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

s268 Fair Work (Registered Organizations) Act 2009
(formerly s268 of Schedule 1 Workplace Relations Act 1996)

I, (name).....STEPHEN PAUL ROACH.....

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10/03/2010 and
- subsequently presented to a meeting in accordance with section 266 held on 30/03/2010

(Signature)

Stephen Paul Roach

(Position)

BRANCH SECRETARY

Date 20/04/2010





FAIR WORK
AUSTRALIA

13 April 2010

Mr Steve Roach
Secretary, Brick, Tile, Pottery, Construction Materials and Related Products
Industry Divisional Branch
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PO Box Q235, QVB Post Office
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Dear Mr Roach

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Upon receipt of a completed Certificate, the documents will be filed

Yours sincerely,

Stephen Kellett

Statutory Services Branch

FR2009/10245

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
BRICK, TILE, POTTERY, CONSTRUCTION MATERIALS AND RELATED PRODUCTS
INDUSTRY DIVISIONAL BRANCH

FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009



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1 - 2	Operating Report
3	Committee of Management Statement
4 - 5	Independent Audit Report to the Members
6	Statement of Comprehensive Income
7	Balance Sheet
8	Statement of Changes in Equity
9	Cash Flow Statement
10 - 24	Notes to the Financial Statements

OPERATING REPORT

The Committee of Management of the Construction Forestry Mining and Energy Union, Construction and General Division, Brick, Tile, Pottery, Construction Materials and Related Products Industry Divisional Branch (The Union) present their Operating Report on the Union for the year ended 31 December 2009.

Committee of Management

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

Name	Position	Period of Appointment
Mr Shayne Stiff	Divisional Branch President & Divisional Conference Delegate	1/1/09 to 31/12/09
Mr Stephen Roach	Divisional Branch Secretary & Divisional Conference Delegate	1/1/09 to 31/12/09
Mr Peter Hodder	Divisional Branch Assistant Secretary Victoria Sub-branch	1/1/09 to 7/4/09
Mr T Melksham	Divisional Branch Management Committee Member – NSW	1/1/09 to 27/2/09
Mr John Tate	Divisional Branch Management Committee Member – Victoria	1/1/09 to 31/12/09

Principal Activities

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

- Adherence to the rules of the Division in furtherance of the objects of the Union consistent with the industrial relations legislation.
- Implementation of the decisions of the National Executive and Committee of Management.
- Implementation of the Union's organising agenda, including assistance and advice on organising site projects, training and development of officials and planning and resourcing campaigns.
- Industrial support including representation of individual member grievances, advice on legal and legislative matters, and responding to other Unions' rules applications where they impact on membership of the Union.
- The administration and variation of federal and state awards.
- Negotiation and registration of certified industrial instruments on behalf of members consistent with the objects of the Industrial Relations Act and the Union rules.
- Media and other communications to members affecting the rank and file.

Results of Activities

The result for the year was a deficit of \$40,660 (2008: deficit of \$17,463). Membership income has decreased by \$48,622 over last year which equates to a decrease of 12.13%.

OPERATING REPORT (Continued)

Significant Changes in Nature of Activities

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

Significant Changes in Financial Affairs

As disclosed in last year's financial report, it is expected that the Brick, Tile, Pottery, Constructional Materials and Related Products Industry Division Branch will be integrated into the respective state branches of the Construction and General Division of the Construction Forestry Mining and Energy Union in the pursuing year.

As a consequence of these significant changes, the Union is no longer operating as a going concern. Refer Note 1(a) in Notes to the Financial Statements. Accordingly it is appropriate to prepare these financial statements on a liquidation basis given it is the Committee of Management intention to integrate the Union as soon as practicable.

Apart from the above, there have been no other significant changes in the Financial Affairs of the Union during the year.

Membership of the Union

There were 792 members of the Union as at 31 December 2009.

Rights of Members to Resign

All members of the Union have the right to resign in accordance with Rule 11 of the Union Rules (and section 174 of the Fair Work (Registered Organisations) Act 2009).


Employees of the Union

As at 31 December 2009 the Union employed 2 full time employees.

Superannuation Trustees

No officer or member of the Union acts:

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


STEPHEN ROACH
Divisional Branch Secretary

Dated this 9th day of March 2010.


COMMITTEE OF MANAGEMENT STATEMENT

On the 9th of March, 2010 the Committee of Management of Construction, Forestry, Mining and Energy Union Construction and General Division, Brick, Tile, Pottery, Construction Materials and Related Products Industry Divisional Branch ("The Union"), passed the following resolution in relation to the general purpose financial report (GPFR) of the Union, for the financial year ended 31 December 2009:

The Committee of Management of the Union, do state that in the opinion of the Committee, that:

- (a) The financial statements and notes comply with Australian Accounting Standards;
- (b) The financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia ("the General Manager");
- (c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year to which they relate;
- (d) There are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
- (e) During the financial year to which the GPFR relates and since the end of that year:-
 - (i) Meetings of the Committee of Management were held in accordance with the rules of the organisation; and
 - (ii) The financial affairs of the Union have been managed in accordance with the rules of the organisation; and
 - (iii) The financial records of the Union have been kept and maintained in accordance with section 255 of the Fair Work (Registered Organisations) Act 2009 'the RO Act') and the Fair Work (Registration Organisations) Regulations 2009; and
 - (iv) No information has been sought in any request of a member of the Union or by the General Manager duly made under section 272 of the RO Act; and
 - (v) No orders for inspection of financial records have been made by the General Manager under section 273 of the RO Act.

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


STEPHEN ROACH
Divisional Branch Secretary

Dated this 9th day of March 2010.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS
OF THE CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
BRICK, TILE, POTTERY CONSTRUCTION MATERIALS AND RELATED PRODUCTS INDUSTRY
DIVISIONAL BRANCH**

Report on the Financial Report

We have audited the accompanying financial report of the Construction Forestry Mining and Energy Union – Construction and General Division, Brick, Tile, Pottery, Construction Materials and Related Products Industry Divisional Branch ("the Union"), which comprises the Balance Sheet as at 31 December 2009 and the Comprehensive Statement of Income, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of the significant accounting policies and other explanatory notes and the Committee of Management Statement.

Committee of Management's Responsibility for the Financial Report

The Union's Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the provisions of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 ('the RO Act'). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Audit Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Union's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Union's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

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

Independence

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

**INDEPENDENT AUDIT REPORT TO THE MEMBERS
OF THE CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
BRICK, TILE, POTTERY CONSTRUCTION MATERIALS AND RELATED PRODUCTS INDUSTRY
DIVISIONAL BRANCH**

Continued...


AUDIT OPINION


In our opinion, the general purpose financial report of the Construction Forestry Mining and Energy Union – Construction and General Division, Brick, Tile, Pottery, Construction Materials and Related Products Industry Divisional Branch is in accordance with:

- (a) The Fair Work (Registered Organisations) Act 2009 ('the RO Act'), including:
- (i) Giving a true and fair value of the Union's financial position as at 31 December 2009 and of its performance for the year ended on that date; and
 - (ii) Complying with Accounting Standards (including the Australia Accounting Interpretations); and
- (b) The requirements imposed by Part 3 of Chapter 8 of the RO Act.

EMPHASIS OF MATTER - Preparation on a Liquidation Basis

Without qualification to the opinion expressed above, we draw attention to Note 1(a) to the financial statements which discusses the pending integration of the Union into the respective state branches of the Construction and General Division of the Construction Forestry Mining and Energy Union. As a result, the financial statements have been prepared on a liquidation basis and not on a going concern basis.


.....
DALEY & CO
Chartered Accountants
98 Kembla Street
Wollongong NSW 2500


.....
M L Gleeson
Registered Company Auditor

Dated this 9th day of March 2010.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009**

	NOTE	2009 \$	2008 \$
Revenue	2	375,601	425,884
Wages and Related Costs		(231,607)	(238,289)
Depreciation Expense		(21,205)	(20,185)
Capitation Fees		(32,846)	(38,286)
Other Expenses		(130,603)	(146,587)
Net Deficit Attributable to Members	3	<u>(40,660)</u>	<u>(17,463)</u>
Other Comprehensive Income:			
Other Comprehensive Income Items		-	-
Other Comprehensive Income for the Year		<u>-</u>	<u>-</u>
Total Comprehensive Income for the Year		<u>(40,660)</u>	<u>(17,463)</u>

The accompanying notes form part of these financial statements.

**BALANCE SHEET
 AS AT 31 DECEMBER 2009**

	NOTE	2009 \$	2008 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	124,260	121,798
Trade and Other Receivables	5	33,373	31,804
Other Current Assets		2,466	13,502
Property, Plant and Equipment	6(a)	47,052	-
TOTAL CURRENT ASSETS		<u>207,151</u>	<u>167,104</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	6(a)	-	67,934
TOTAL NON-CURRENT ASSETS		<u>-</u>	<u>67,934</u>
TOTAL ASSETS		<u>207,151</u>	<u>235,038</u>
CURRENT LIABILITIES			
Trade and Other Payables	7	51,779	36,295
Short-term Provisions	8	82,222	84,933
TOTAL CURRENT LIABILITIES		<u>134,001</u>	<u>121,228</u>
TOTAL LIABILITIES		<u>134,001</u>	<u>121,228</u>
NET ASSETS		<u>73,150</u>	<u>113,810</u>
ACCUMULATED FUNDS			
Accumulated Members' Funds		73,150	113,810
		<u>73,150</u>	<u>113,810</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009	2008
	\$	\$
Opening Balance as at 1 January	113,810	131,273
Deficit Attributable to Members	(40,660)	(17,463)
Closing Balance as at 31 December	<u>73,150</u>	<u>113,810</u>

The accompanying notes form part of these financial statements.

**CASH FLOW STATEMENT
 FOR THE YEAR ENDED 31 DECEMBER 2009**

	NOTE	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members and Customers		406,184	462,699
Payments to Suppliers and Employees		(408,600)	(475,420)
Interest Received		5,201	10,153
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	9	<u>2,785</u>	<u>(2,598)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant and Equipment		(323)	(37,797)
Proceeds from Sale of Property, Plant and Equipment		-	14,545
NET CASH USED IN INVESTING ACTIVITIES		<u>(323)</u>	<u>(23,252)</u>
NET INCREASE / (DECREASE) IN CASH HELD		2,462	(25,850)
CASH AT THE START OF THE FINANCIAL YEAR		<u>121,798</u>	<u>147,648</u>
CASH AT THE END OF THE FINANCIAL YEAR	4	<u>124,260</u>	<u>121,798</u>

The accompanying notes form part of this financial report

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is for the Construction Forestry Mining and Energy Union – Construction and General Division, Brick, Tile, Pottery, Construction Materials and Related Products Industry Divisional Branch ("the Union") as an individual entity. The Union is an organisation of employees registered under the Fair Work (Registered Organisation) Act 2009 ("the RO Act"). In accordance with the RO Act, the Union is a body corporate and has perpetual succession, by virtue of this method of incorporation, the Union is not subject to the Corporations Act 2001.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the requirements imposed by the Reporting Guidelines of Part 3 of Chapter 8 of the RO Act.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis, except where specifically stated, and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

(a) Going Concern

On the 20th February 2009, the Executive endorsed the process of integration of the Brick, Tile, Pottery, Constructional Materials and Related Products Industry Division Branch into the respective state branches of the Construction and General Division of the Construction Forestry Mining and Energy Union. Discussions are ongoing to give effect to integration on terms acceptable to Brick, Tile, Pottery Industry Divisional Branch and the respective state branches. This integration is anticipated to occur during the 2010 year.

As a consequence of these significant changes, the Union is no longer operating as a going concern. Accordingly it is appropriate to prepare these financial statements on a liquidation basis given it is the Committee of Management intention to integrate the Union as soon as practicable.

(b) PROPERTY, PLANT & EQUIPMENT

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

Property, Plant and Equipment

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *Continued*

(b) PROPERTY, PLANT & EQUIPMENT *CONTINUED*

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

Property, Plant and equipment that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date it is acquired.

Depreciation

The depreciation amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Computer, Plant & Equipment	10 – 33 ¹ / ₃ %
Motor Vehicles	25%

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

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

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

(c) INCOME TAX

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *Continued*

(d) FINANCIAL INSTRUMENTS

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Union commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

1. the amount at which the financial asset or financial liability is measured at initial recognition;
2. less principal repayments;
3. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
4. less any reduction for impairment.

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

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after reporting date. (All other loans and receivables are classified as non-current assets.)

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *Continued*

(d) FINANCIAL INSTRUMENTS *CONTINUED*

Impairment

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

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Union no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(e) IMPAIRMENT OF ASSETS

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

Where the future economic benefits of the asset are not primarily dependent upon on the assets ability to generate net cash inflows and when the Union would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

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

(f) EMPLOYEE BENEFITS

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the Union to an employee superannuation fund and are charged as expenses when incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *Continued*

(g) PROVISIONS

Provisions are recognised when the Union has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and an outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the reporting date.

(h) CASH AND CASH EQUIVALENTS

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

(i) REVENUE

Revenue from membership contributions are recognised upon receipt, which is reflective of the timing and nature of the benefits provided to members.

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

Donations and bequests are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as prepaid income on the balance sheet.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

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

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

(j) GOODS AND SERVICES TAX (GST)

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

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

(k) COMPARATIVE FIGURES

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *Continued*

(L) ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

During the current year the Union adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these Standards and interpretations has had on the financial statements of the Construction Forestry Mining and Energy Union – Construction and General Division, Brick, Tile, Pottery, Construction Materials and Related Products Industry Divisional Branch ("the Union").

AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Union's financial statements.

Disclosure impact

Terminology changes — The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity — The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income — The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Union's financial statements now contain a statement of comprehensive income.

Other comprehensive income — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2009**

	NOTE	2009 \$	2008 \$
2. REVENUE:			
<i>Service Revenue</i>			
Membership Contributions		352,358	400,980
Interest Received		5,201	10,153
Other Income		18,042	14,751
		<u>375,601</u>	<u>425,884</u>
3. RESULT FOR THE YEAR			
Depreciation of Property, Plant & Equipment		21,205	20,185
Loss on Disposal of Assets		-	8,982
Attendance Fees – Conferences & Meetings		1,200	1,170
Auditor's Remuneration:			
Auditing the Financial Report		5,630	5,600
Other Services		4,121	4,890
		<u>9,751</u>	<u>10,490</u>
4. CASH AND CASH EQUIVALENTS			
Cash at Bank		<u>124,260</u>	<u>121,798</u>
5. TRADE AND OTHER RECEIVABLES			
Membership Fees Receivable	10	33,373	31,160
Amounts Owing from Related Parties	14(c)	-	644
		<u>33,373</u>	<u>31,804</u>
6. PROPERTY, PLANT AND EQUIPMENT			
Plant & Equipment at Cost		8,758	8,435
Less: Accumulated Depreciation		(7,575)	(7,154)
		<u>1,183</u>	<u>1,281</u>

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2009**

	NOTE	2009 \$	2008 \$
6. PROPERTY, PLANT AND EQUIPMENT			
Continued...			
Motor Vehicles at Cost		74,557	74,557
Less: Accumulated Depreciation		(29,378)	(10,739)
		<u>45,179</u>	<u>63,818</u>
Computer Equipment		6,436	6,436
Less: Accumulated Depreciation		(5,746)	(3,601)
		<u>690</u>	<u>2,835</u>
TOTAL PROPERTY, PLANT & EQUIPMENT	6(a)	<u>47,052</u>	<u>67,934</u>
(a) Analysis of Property, Plant & Equipment			
Current		47,052	-
Non-Current		-	67,934
		<u>47,052</u>	<u>67,934</u>

As a result of the pending integration of the Union into the respective state branches of the Construction and General Division of the Construction Forestry Mining and Energy Union, these financial statements are prepared on a liquidation basis which requires all assets and liabilities to be classified as current.

(b) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and end of the current financial year:-

	PLANT & EQUIPMENT \$	MOTOR VEHICLES \$	COMPUTER EQUIPMENT \$	TOTAL \$
2009				
Balance at Start of Year	1,281	63,818	2,835	67,934
Additions	323	-	-	323
Disposals	-	-	-	-
Depreciation/Amortisation	(421)	(18,639)	(2,145)	(21,205)
Carrying Amount – End of Year	<u>1,183</u>	<u>45,179</u>	<u>690</u>	<u>47,052</u>
2008				
Balance at Start of Year	2,033	66,836	4,980	73,849
Additions	-	37,797	-	37,797
Disposals	-	(23,527)	-	(23,527)
Depreciation/Amortisation	(752)	(17,288)	(2,145)	(20,185)
Carrying Amount – End of Year	<u>1,281</u>	<u>63,818</u>	<u>2,835</u>	<u>67,934</u>

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009	2008
	\$	\$
7. TRADE AND OTHER PAYABLES		
Accounts Payable	<u>51,779</u>	<u>36,295</u>
8. PROVISIONS		
CURRENT		
Annual Leave	35,834	45,003
Long Service Leave	<u>46,388</u>	<u>39,930</u>
	<u>82,222</u>	<u>84,933</u>
(a) Employee Benefits Attributable to:		
Office Holders	82,222	84,933
Staff	<u>-</u>	<u>-</u>
	<u>82,222</u>	<u>84,933</u>

9. CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with Result

Result	(40,660)	(17,463)
Non-Cash Flows		
Depreciation	21,205	20,185
Loss on Disposal of Plant & Equipment	-	8,982
Changes in Assets and Liabilities		
(Increase)/Decrease in Receivables	(1,569)	1,685
(Increase)/Decrease in Prepayments	11,036	(11,242)
Increase/(Decrease) in Creditors	15,484	(12,537)
Increase/(Decrease) in Employee Provisions	<u>(2,711)</u>	<u>7,792</u>
CASH FLOWS PROVIDED BY / (USED IN) OPERATING ACTIVITIES	<u>2,785</u>	<u>(2,598)</u>

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2009**

10. AMOUNTS DUE FROM BRANCHES - MEMBERSHIP LEVIES

	BALANCE OWING 1/1/09	ADD AMOUNTS CHARGED	LESS CASH RECEIVED	BALANCE OWING 31/12/09
	\$	\$	\$	\$
New South Wales	-	24,706	(22,318)	2,388
Victoria	2,428	-	(2,428)	-
TOTAL FROM BRANCHES	2,428	24,706	(24,746)	2,388
Membership Received Direct	28,732	362,888	(360,635)	30,985
TOTAL	31,160	387,594	(385,381)	33,373

All balances reported above include GST.

11. FINANCIAL RISK MANAGEMENT

The Union's financial instruments consist mainly of deposits with banks and accounts receivable and 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	2009 \$	2008 \$
Financial Assets			
Cash and cash equivalents	4	124,260	121,798
Trade and other receivables	5	33,373	31,804
		<u>157,633</u>	<u>153,602</u>
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	7	51,779	36,295

Financial Risk Management Policies

The Committee of Managements' overall risk management strategy seeks to assist the Union in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Specific Financial Risk Exposures and Management

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

(a) Credit risk

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

The Union does not have any material credit risk exposure as the major source of revenue is the receipt of grants.

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2009**

11. FINANCIAL RISK MANAGEMENT *Continued...*

Credit Risk Exposures

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

The Union has no significant concentration of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 5.

The Union has no significant concentration of credit risk exposure to any single counterparty or group of counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management. Surplus funds are only invested with counterparties with a Standard & Poor's rating of at least BB. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	NOTE	2009 \$	2008 \$
Cash and cash equivalents			
- AA rated		16,720	20,198
- BB rated		107,540	101,600
		124,260	121,798

(b) Liquidity risk

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Union manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

	WITHIN 1 YEAR \$	1 TO 5 YEARS \$	OVER 5 YEARS \$	TOTAL CONTRACTUAL CASH FLOW \$
At 31 December 2009				
Financial liabilities				
Trade & Other Payables	51,779	-	-	51,779
Total Financial Liabilities	51,779	-	-	51,779
At 31 December 2008				
Financial liabilities				
Trade & Other Payables	36,295	-	-	36,295
Total Financial Liabilities	36,295	-	-	36,295

(c) Market risk

Interest rate risk

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

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2009**

11. FINANCIAL RISK MANAGEMENT *Continued...*

Sensitivity analysis

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

	NOTE	2009 \$	2008 \$
Change in Profit			
- Increase in interest rate by 1%		1,243	1,218
- Decrease in interest rate by 1%		(1,243)	(1,218)
Change in Equity			
- Increase in interest rate by 1%		1,243	1,218
- Decrease in interest rate by 1%		(1,243)	(1,218)

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices

12. CAPITAL MANAGEMENT

Management controls the capital of the Union in order to maintain a good debt to equity ratio and to ensure that the Union can fund its operations and continue as a going concern.

The gearing ratios for the years ended 31 December 2009 and 31 December 2008 are as follows:

	2009 \$	2008 \$
Trade and other payables	51,779	36,295
Total	51,779	36,295
Less: Cash and cash equivalents	(124,260)	(121,798)
Net debt	Nil	Nil
Total equity	73,150	113,810
Total capital	73,150	113,810
Gearing ratio	Nil%	Nil%

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2009**

**13. INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL
 MANAGER**

In accordance with the requirements of subsection 272(4) of the RO Act, attention is drawn to the requirements of subsections (1), (2) and (3) of section 272 of the RO Act, which read as follows:-

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

14. RELATED PARTY INFORMATION

(a) MEMBERS OF THE COMMITTEE OF MANAGEMENT

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

Name	Position	Period of Appointment
Mr Shayne Stiff	Divisional Branch President & Divisional Conference Delegate	1/1/09 to 31/12/09
Mr Stephen Roach	Divisional Branch Secretary & Divisional Conference Delegate	1/1/09 to 31/12/09
Mr Peter Hodder	Divisional Branch Assistant Secretary Victoria Sub-branch	1/1/09 to 7/4/09
Mr T Melksham	Divisional Branch Management Committee Member – NSW	1/1/09 to 27/2/09
Mr John Tate	Divisional Branch Management Committee Member – Victoria	1/1/09 to 31/12/09

(b) RELATED PARTY TRANSACTIONS

Other related parties

- i) Capitation fees totaling \$32,846 (2008: \$38,286) were charged during the year by the Construction, Forestry, Mining and Energy Union, Construction and General Division, National Office.
- ii) An amount of \$25,000 (2008: \$25,000) was paid to Construction, Forestry, Mining and Energy Union, Construction and General Division, National Office for clerical assistance.
- iii) An amount of \$22,727 was paid to Construction, Forestry, Mining and Energy Union, Construction and General Division, Victorian Branch for administrative assistance.
- iv) During the 2008 year an amount of \$13,975.50 (including GST) was paid to Construction, Forestry, Mining and Energy Union, Construction and General Division, National Office as a Contribution to the ABCC Campaign Fund.

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2009**

14. RELATED PARTY INFORMATION

(Continued)

(c) RELATED PARTY BALANCES

Other related parties

- i) As at balance date, capitation fees payable to the Construction, Forestry, Mining and Energy Union, Construction and General National Office were \$13,487.
- ii) As at 31 December 2008, an overpayment of capitation fees were receivable from the Construction, Forestry, Mining and Energy Union totaling \$644.

15. KEY MANAGEMENT PERSONNEL COMPENSATION

	2009	2008
Total Compensation of Key Management Personnel	\$	\$
Short Term Benefits	217,315	218,481
Post Employment Benefits	24,544	29,908
Other Long Term Benefits	4,627	4,463
Termination benefits	11,700	9,850
	<u>258,186</u>	<u>262,702</u>

16. ORGANISATION DETAILS

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

17. EVENTS SUBSEQUENT TO BALANCE DATE

- (a) On the 20th February 2009, the Executive endorsed the process of integration of the Brick, Tile, Pottery, Constructional Materials and Related Products Industry Division Branch into the respective state branches of the Construction and General Division of the Construction Forestry Mining and Energy Union. Discussions are ongoing to give effect to integration on terms acceptable to Brick, Tile, Pottery Industry Divisional Branch and the respective state branches. This integration is anticipated to occur during the 2010 year.
- (b) The financial report was authorised for issue on the 9th of March 2010 by the Committee of Management.

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2009**

18. ADDITIONAL DISCLOSURES REQUIRED UNDER THE FAIR WORK (REGISTERED ORGANISATIONS) REGULATIONS 2009

In accordance with the requirements of section 255 of the Fair Work (Registered Organisations) Act 2009 ("the RO Act), the following necessary disclosures are made:

	2009	2008
	\$	\$
PROFIT AND LOSS DISCLOSURES		
ITEMS OF REVENUE		
Entrance fees or periodic subscriptions in respect of membership of the organisation	352,358	400,980
ITEMS OF EXPENSE		
Expenses incurred as consideration for employers making payroll deductions of membership subscriptions	-	-
Fees and periodic subscriptions in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters	-	-
Compulsory levies imposed on the Union	32,846	38,286
Grants or donations	-	13,205
Employee Benefits to:		
- Holders of office	183,587	167,256
- Employees (Other than holders of office)	-	-
	<u>183,587</u>	<u>167,256</u>
Fees or allowances to persons in respect of their attendance as representatives of the Union at conferences or other meetings	1,200	3,545
Legal costs and other expenses related to litigation or other legal matters	3,452	10,597
Expenses incurred in connection with meetings of members of the Union and any conferences or meeting of councils, committees, panels or other bodies for the holding of which the Union was wholly or partly responsible	12,536	13,389

11 January 2010

Mr Steve Roach
Secretary, Brick, Tile & Pottery Industry Divisional Branch
Construction, Forestry, Mining and Energy Union
PO Box Q235, QVB Post Office
SYDNEY NSW 1230



Fair Work
Australia



Dear Mr Roach

**Lodgment of Financial Statements and Accounts –
Brick, Tile & Pottery Industry Branch, Construction & General Division - for year ended 31 December 2009
(FR2009/10245)**

The financial year of the Brick, Tile & Pottery Industry Branch has recently ended. This is a courtesy letter to remind you of the obligation to prepare the reporting unit's financial documents and to lodge audited financial accounts and statements with Fair Work Australia within the prescribed time frame unless a 1 month extension or an application for a certificate of exemption under the *Fair Work (Registered Organisations) Act 2009* ('the RO Act') is applied for and granted.

The documents you must lodge include:

- (i) A general purpose financial report [see section 253(2)]; (ii) A Committee of Management statement (see the General Manager's Reporting Guidelines); (iii) An operating report [see section 254(2)]; (iv) An auditor's report [see sections 257(5) to 257(11)]; and (v) A certificate of the *secretary or other designated officer* [see section 268(c)].

I draw your particular attention to

- (a) s237 which requires you to prepare and lodge a separate statement providing the prescribed particulars of any loan, grant or donation made during the year which exceeds \$1,000;
- (b) s265(5) which requires you to publish or otherwise provide your members with completed/signed copies of the audited accounts, report and statements before final presentation and lodgment; and
- (c) s266 which requires you to present the completed documents to an eligible meeting (either of the members or of the committee, whichever applies). Note that this meeting is distinct from any initial committee meeting convened to prepare, sign or otherwise approve pre-audited documents.

Relevant references may be found at <http://www.fwa.gov.au/index.cfm?pagename=regorgsfrguidelines> and <http://www.fwa.gov.au/index.cfm?pagename=legislationfwroact>. If you are in any doubt as to the requirements or wish to clarify any aspect of the relevant legislation, or anticipate any difficulty in complying with the requirements, do not hesitate to contact Fair Work Australia.

Yours sincerely,

Stephen Kellett
Statutory Services Branch

Fair Work Australia
Level 8, 80 William Street
EAST SYDNEY NSW 2011

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