



10 June 2015

Andrew Vickers
General Secretary Mining and Energy Division
Construction, Forestry, Mining and Energy Union - Mining and Energy Division
PO Box Q1641
SYDNEY NSW 1230

via email: avickers@cfmeu.com.au

Dear Mr Vickers,

Construction, Forestry, Mining and Energy Union - Mining and Energy Division Financial Report for the year ended 31 December 2014 - [FR2014/399]

I acknowledge receipt of the financial report of the Construction, Forestry, Mining and Energy Union, Mining and Energy Division. The documents were lodged with the Fair Work Commission (FWC) on 20 May 2015.

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

The financial report was filed based on a primary review. This involved confirming that 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 that the financial report for the year ending 31 December 2015 may be subject to an advanced compliance review.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7886 or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch



20 May 2015

Stephen Kellett
Fair Work Australia
Terrace Towers
80 William St,
East Sydney NSW 2011

Dear Stephen,

Re: CFMEU Mining & Energy Division

Please find enclosed the annual Secretary's statement & financial statements for our organisation for the year ended 31 December 2014.

Should you require any further information please do not hesitate to contact me.

Regards,

A handwritten signature in black ink, appearing to read "Mark Watson", with a stylized flourish at the end.

Mark Watson
Finance Manager

CFMEU Mining & Energy | t: +61 2 9267 1035 | f: +61 2 9267 3198 | e: info@cfmeu.com.au

www.cfmeu.com.au | Level 11, 215-217 Clarence Street, Sydney NSW 2000 | PO Box Q1641, Sydney NSW 1230 Australia

**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
MINING & ENERGY DIVISION**

SECRETARY'S CERTIFICATE

I, Andrew Vickers, being the General Secretary of the Mining and Energy Division of the Construction, Forestry, Mining and Energy Union, certify:

- That the documents lodged herewith are copies of the full report referred to in the Fair Work (Registered Organisations) Act 2009; and
- That the full report, was provided to members on 26th March 2015, after adoption of the accounts by the Central Council
- That the full report was supplied to members through the union website, and circulation at work sites. A series of general meetings were held by members of the Mining and Energy Division of the Construction, Forestry, Mining and Energy Union, the last meeting being on 8th May 2015; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.



**Andrew Vickers
General Secretary**

20 May 2015

Construction Forestry Mining and Energy Union Mining and Energy Division

Financial Statements

For the Year Ended 31 December 2014

Construction Forestry Mining and Energy Union

Mining and Energy Division

For the Year Ended 31 December 2014

Financial Statements

Contents	Page
Operating Report	1
Committee of Management Statement	5
Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Consolidated Balance Sheet	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Financial Statements	10
Recovery of Wages Activity	45
Independent Audit Report	46
	47

Construction Forestry Mining and Energy Union Mining and Energy Division

Operating Report

31 December 2014

The committee of management present their report, together with the financial statements of the Group, being the Group and its controlled entities, for the financial year ended 31 December 2014.

Information on Committee of Management

The names of each person who has been on the committee of management during the year and to the date of this report are:

Name	Position	Period of Appointment
Mr T Maher	General President	1/1/14 - 31/12/14
Mr A Vickers	General Secretary	1/1/14 - 31/12/14
Mr I Murray	General Vice President	1/1/14 - 30/6/14
Mr W McAndrew	General Vice President	1/1/14 - 31/12/14
Ms L Usher	General Vice President	1/1/14 - 31/12/14
Mr C Hinds	Central Councillor	1/1/14 - 31/12/14
Mr L Van der Meulen	Central Councillor	1/1/14 - 31/12/14
Mr M Dobie	Central Councillor	1/1/14 - 31/12/14
Mr J Porter	Central Councillor	1/1/14 - 31/12/14
Mr A Honeysett	Central Councillor	1/1/14 - 31/12/14
Mr G Wood	Central Councillor	1/1/14 - 31/12/14
Mr F Baker	Central Councillor	1/1/14 - 31/12/14
Mr T Hardy	Central Councillor	1/1/14 - 31/12/14
Mr S Smyth	Central Councillor	1/1/14 - 31/12/14
Mr P Jordan	Central Councillor	1/1/14 - 31/12/14
Mr B Wise	Central Councillor	1/1/14 - 31/12/14
Mr F Hibble	Central Councillor	1/1/14 - 31/12/14
Mr D McLachlan	Central Councillor	1/1/14 - 31/12/14
Mr D Haile	Central Councillor	1/1/14 - 31/12/14
Mr S Leggett	Central Councillor	1/1/14 - 31/12/14
Mr W Small	Central Councillor	1/1/14 - 31/12/14
Mr K Wild	Central Councillor	1/1/14 - 31/12/14

Construction Forestry Mining and Energy Union Mining and Energy Division

Operating Report

31 December 2014

Principal activities

The principal activities of the Group during the financial year were the:

- 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 Division 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 assistance with legal and legislative matters.
- 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 Workplace Relations Act and the Union rules.
- Media and other communications to members and to the broader local communities of the Division on issues affecting the rank and file.
- Monitoring and improving the health and safety of members.

No significant change in the nature of these activities occurred during the year.

Operating results and review of operations for the year

Operating results

The consolidated loss of the Group amounted to \$ 5,381,329 (2013: loss of \$6,648,041).

Review of operations

A review of the operations and results of the Group is performed in the meetings of the Executive Officers and by the Committee of Management. Additionally, such matters are considered periodically at a regular meeting of the General Officers of the Union.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of entities in the Group during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Right of members to resign

All members of the Union have the right to resign in accordance with Rule 5(iv)(a) of the Union Rules (and section 174 of the Fair Work (Registered Organisations) Act 2009), namely, by providing written notice addressed and delivered to either the District Secretary, or a Lodge Secretary or authorised delegate.

Construction Forestry Mining and Energy Union Mining and Energy Division

Operating Report

31 December 2014

Superannuation Trustees

Mark Watson (Finance Manager) is a Director of Auscoal Superannuation Pty Ltd, which acts as Trustee for the Auscoal Superannuation Fund.

No other officer or employee 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.

Number of members

There were 22,513 members of the Union as at 31 December 2013 (2013: 24,801).

Number of employees

As at 31 December 2014 the Union had 29 employees (2013: 31).

Officers and employees who are directors of a company or a member of a board

Andrew Vickers, Anthony Maher, Wayne McAndrew are directors of Unite Organising Pty Ltd
Andrew Vickers, Anthony Maher, Wayne McAndrew are directors of NMEAF Pty Ltd
Andrew Vickers is a director of United Collieries Pty Ltd
Andrew Vickers is a director of United Coal Sales Pty Ltd
Andrew Vickers is a director of Coal Mining Industry (Long Service Leave Funding) Corporation
Andrew Vickers is a director of Maritime, Mining & Power Credit Union Limited
Wayne McAndrew is a director of Coal Services Pty Ltd
Mark Watson is a director of Auscoal Superannuation Pty Ltd
Mark Watson is a director of Auscoal Services Pty Ltd
Mark Watson is a director of Maritime, Mining & Power Credit Union Limited

Construction Forestry Mining and Energy Union Mining and Energy Division

Operating Report

31 December 2014

Signed in accordance with a resolution of the Committee of Management:



Tony Maher
General President

Dated 17 March 2015

Sydney

Construction Forestry Mining and Energy Union Mining and Energy Division

For the Year Ended 31 December 2014

Committee of Management Statement

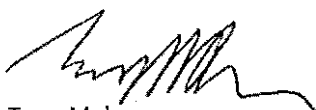
For the period ended 31 December 2014

On 17 March 2015 the Committee of Management of the Construction Forestry Mining and Energy Union - Mining and Energy Division passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2014:

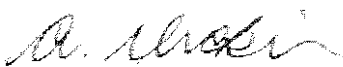
The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of 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 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 manner consistent 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 General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; 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.
- (f) No revenue has been derived from undertaking recovery of wages activity during the period.

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



Tony Maher
General President



Andrew Vickers
General Secretary

Dated 17 March 2015
Sydney

Construction Forestry Mining and Energy Union Mining and Energy Division

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2014

	Note	2014 \$	2013 \$
Revenue	3	10,382,975	11,109,819
Other income	3	18,898	305,518
Employee benefits expense	4	(5,790,205)	(5,978,835)
Depreciation and amortisation expense		(727,586)	(794,576)
Legal campaign fund expense		(3,348,038)	(957,902)
Advertising expenses		(182,148)	(240,454)
Donations		(133,822)	(286,594)
Travel expense		(870,173)	(740,262)
Conference and meeting expense		(254,204)	(158,290)
Affiliation fees		(449,904)	(401,638)
Campaign expenses		(1,065,242)	(1,101,274)
Share of net losses of equity-accounted joint venture		(265,507)	(817,516)
Professional fees		(160,198)	(176,419)
Property expenses		(481,884)	(426,550)
Common cause expenses		(286,233)	(291,313)
Royal commission costs		(599,297)	-
Development fund distribution		-	(133,200)
Operating expenditure		(1,049,258)	(986,658)
Impairment of property, plant and equipment	4	-	(4,571,897)
Impairment of investments		(119,493)	-
Result for the year		(5,381,329)	(6,648,041)
Other comprehensive income:			
Changes in fair value of available-for-sale financial assets		51,401	85,698
Total comprehensive income for the year		(5,329,928)	(6,562,343)

The accompanying notes form part of these financial statements.

Construction Forestry Mining and Energy Union Mining and Energy Division

Consolidated Balance Sheet

As at 31 December 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	3,027,144	4,494,179
Trade and other receivables	6	2,482,794	2,270,706
Other financial assets	7	12,680,005	13,512,775
Prepayments		171,001	180,022
TOTAL CURRENT ASSETS		18,360,944	20,457,682
NON-CURRENT ASSETS			
Investments accounted for using the equity method	19	-	-
Financial assets	7	2,985,615	2,900,569
Property, plant and equipment	8	22,141,661	22,680,323
TOTAL NON-CURRENT ASSETS		25,127,276	25,580,892
TOTAL ASSETS		43,488,220	46,038,574
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	1,026,625	799,941
Short-term provisions	10	2,677,015	-
Employee benefits	11	3,060,528	3,184,653
TOTAL CURRENT LIABILITIES		6,764,168	3,984,594
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		6,764,168	3,984,594
NET ASSETS		36,724,052	42,053,980
EQUITY			
Reserves	12	31,551	(19,850)
Retained earnings		36,692,501	42,073,830
TOTAL EQUITY		36,724,052	42,053,980

The accompanying notes form part of these financial statements.

Construction Forestry Mining and Energy Union Mining and Energy Division

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2014

2014

	Retained Earnings	Financial Assets Reserve	Total
	\$	\$	\$
Balance at 1 January	42,073,830	(19,850)	42,053,980
Result for the year	(5,381,329)	-	(5,381,329)
Other comprehensive income for the year	-	51,401	51,401
Balance at 31 December	<u>36,692,501</u>	<u>31,551</u>	<u>36,724,052</u>

2013

	Retained Earnings	Financial Assets Reserve	Total
	\$	\$	\$
Balance at 1 January	48,721,871	(105,548)	48,616,323
Result for the year	(6,648,041)	-	(6,648,041)
Other comprehensive income for the year	-	85,698	85,698
Balance at 31 December	<u>42,073,830</u>	<u>(19,850)</u>	<u>42,053,980</u>

The accompanying notes form part of these financial statements.

Construction Forestry Mining and Energy Union Mining and Energy Division

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2014

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and contributions		10,410,936	11,589,188
Payments to suppliers and employees		(13,024,487)	(12,831,379)
Receipts from dividends		126,062	32,354
Interest received		517,712	861,836
Net cash used in operating activities	23(a)	<u>(1,969,777)</u>	<u>(348,001)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for property, plant and equipment		(296,383)	(2,739,893)
Net proceeds from held to maturity investments		447,770	4,059,251
Receipts from related party loan		385,000	561,706
Payments for available-for-sale assets		(33,645)	(2,447,312)
Net cash provided by/(used in) investing activities		<u>502,742</u>	<u>(566,248)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net cash used by financing activities		-	-
Net decrease in cash and cash equivalents held		(1,467,035)	(914,249)
Cash and cash equivalents at beginning of year		4,494,179	5,408,428
Cash and cash equivalents at end of financial year	5	<u>3,027,144</u>	<u>4,494,179</u>

The accompanying notes form part of these financial statements.

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

The financial report includes the consolidated financial statements and notes of Construction Forestry Mining and Energy Union Mining and Energy Division and controlled entities (the Group). Construction Forestry Mining and Energy Union Mining and Energy Division is a not-for-profit Group.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are a general purpose financial statements that has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australia 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 Union is a not-for-profit entity.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Historical cost is generally based on the fair values of the consideration given in exchange for assets. The financial statements are presented in Australian Dollars.

(b) Comparative figures

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

(c) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Construction Forestry Mining and Energy Union Mining and Energy Division at the end of the reporting period. A controlled entity is any entity over which Construction Forestry Mining and Energy Union Mining and Energy Division has the power to govern the financial and operating policies so as to obtain benefits from its activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

1 Summary of Significant Accounting Policies (Continued)

(c) Principles of consolidation (Continued)

Joint Arrangements

AASB 11 *Joint Arrangements* defines a joint arrangement as an arrangement of which two or more parties have joint control and classifies these arrangements as either joint ventures or joint operations.

Construction Forestry Mining and Energy Union Mining and Energy Division has determined that it has only joint ventures.

Joint ventures:

Joint ventures are those joint arrangements which provide the venturer with right to the net assets of the arrangements. Interests in joint ventures are accounted for using the equity method in accordance with AASB 128 *Associates and Joint Ventures*. Under this method, the investment is initially recognised as cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

If the venturer's share of losses of a joint venture equals or exceeds its interest in the joint venture, the venturer discontinues recognising its share of further losses.

The venturer's share in the joint ventures gains or losses arising from transactions between a venturer and its joint venture are eliminated.

Adjustments are made to the joint ventures accounting policies where they are different from those of the venturer for the purpose of the consolidated financial statements.

(d) Property, plant and equipment

Under the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight-line method from the date that management determine that the asset is available for use.

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

1 Summary of Significant Accounting Policies (Continued)

(d) Property, plant and equipment (Continued)

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

Fixed asset class	Depreciation rate
Buildings	2 - 20%
Furniture, Fixtures and Fittings	5 - 40%
Motor Vehicles	22.5%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the consolidated statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

1 Summary of Significant Accounting Policies (Continued)

(e) Financial Instruments (Continued)

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Group's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Group renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Group does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the consolidated balance sheet at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Group's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

1 Summary of Significant Accounting Policies (Continued)

(e) Financial Instruments (Continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category.

All other available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in prior period consolidated statement of profit or loss and other comprehensive income statements resulting from the impairment of debt securities are reversed through the consolidated statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Group's financial liabilities include borrowings, trade and other payables, which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

1 Summary of Significant Accounting Policies (Continued)

(e) Financial Instruments (Continued)

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(g) Employee benefits

Provision is made for the Group'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 wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period 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 satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the consolidated balance sheet if the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(h) Leases

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

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

1 Summary of Significant Accounting Policies (Continued)

(i) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Group and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Capitation fees

Revenue from the provision of capitation fees is recognised on a straight line basis over the financial year.

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

(j) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the consolidated balance sheet.

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

1 Summary of Significant Accounting Policies (Continued)

(j) Goods and services tax (GST) (Continued)

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(k) Adoption of new and revised accounting standards

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2014 reporting periods and have not been early adopted by the Union.

There are no standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(l) New Accounting Standards and Interpretations

During the current year, there have been no new or revised accounting standards that have become mandatory, which have had a material impact (in the current year or retrospectively) upon the measurement of assets, liabilities, equity, income or expenses, nor upon the disclosures required in this financial report.

(m) 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.

2 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers.

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

2 Critical Accounting Estimates and Judgments (Continued)

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

3 Revenue and other income

Revenue from continuing operations

	2014	2013
	\$	\$
- Membership subscriptions	-	-
Capitation fees by branch:		
- Northern District	2,846,275	2,965,060
- Queensland District Office	2,359,645	2,719,533
- South Western District	1,186,748	1,252,605
- Tasmanian District	28,314	28,314
- Victorian District	305,593	224,769
- Western Australian District	346,183	284,922
- NSW Energy District	-	107,622
	<u>7,072,758</u>	<u>7,582,825</u>
- Rental income	1,229,394	975,854
- Trust distribution received	1,135,517	1,103,158
- Interest income	595,782	802,885
- Other income	223,462	573,617
- Dividend received	126,062	32,353
- Levies	-	-
- Grants	-	34,127
- Donations	-	5,000
	<u>10,382,975</u>	<u>11,109,819</u>
Other revenue		
- Foreign exchange gain	15,904	49,399
- Gain on disposal of assets	2,994	309
- Gain on revaluation of investment	-	255,810
	<u>18,898</u>	<u>305,518</u>

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

4 Result for the year

The result for the year includes the following specific expenses

	2014	2013
	\$	\$
Employee benefits expense comprises:		
Holders of office:		
- Wages and salaries	1,569,116	1,107,124
- Superannuation	103,432	94,960
- Leave and other entitlements	(433,917)	528,838
- Separation and redundancies	20,832	-
- Other employee expenses	254,566	194,873
	<u>1,514,029</u>	<u>1,925,795</u>
Employees other than office holders:		
- Wages and salaries	3,398,200	3,020,041
- Superannuation	454,780	389,598
- Leave and other entitlements	203,247	451,970
- Separation and redundancies	5,631	15,778
- Other employee expenses	214,318	175,653
	<u>4,276,176</u>	<u>4,053,040</u>
Total employee benefits expense	<u>5,790,205</u>	<u>5,978,835</u>
Other expenses:		
Capitation fees	-	-
Affiliation fees		
Affiliation fees - ICEM	-	80,963
Affiliation fees - CFMEU	325,230	270,375
Affiliation fees - Miscellaneous	-	50,300
Affiliation fees - IndustriALL Global Union	99,674	-
Affiliation fees - The McKell Institute	25,000	-
	<u>449,904</u>	<u>401,638</u>
Impairment loss on property, plant and equipment	<u>-</u>	<u>4,571,897</u>

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

4 Result for the year (Continued)

The result for the year includes the following specific expenses (Continued)

	2014	2013
	\$	\$
Minimum lease payments on operating leases	43,451	51,360
Grants - total paid that were \$1,000 or less	-	-
Grants - total paid that were more than \$1,000	-	-
Donations - total paid that were \$1,000 or less	7,133	10,135
Donations - total paid that were more than \$1,000	126,689	276,459
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expense	254,204	158,290
Penalties - via RO Act or RO Regulations	-	-
Legal costs - litigation	3,299,303	874,797
Legal costs - other legal matters	48,735	83,105
Legal costs - Royal Commission costs	599,297	-

5 Cash and cash equivalents

Cash on hand	449	70
Cash at bank	3,026,695	4,494,109
	<u>3,027,144</u>	<u>4,494,179</u>

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

6 Trade and other receivables

	2014	2013
	\$	\$
CURRENT		
Trade receivables	955,737	1,020,835
Provision for impairment	(b) -	-
Other receivables	1,527,057	1,249,871
	<u>2,482,794</u>	<u>2,270,706</u>

(a) Receivables from other reporting units

Northern District	259,975	285,307
Queensland District Office	220,000	231,293
South Western District	211,171	234,617
Tasmanian District	7,786	7,786
Victorian District	55,000	44,000
Western Australian District	121,000	55,000
Australian Workers Union	-	14,789
CFMEU C&G National Office	1,614	1,849
CFMEU C&G NSW Branch	1,344	-
	<u>877,890</u>	<u>874,641</u>

(b) Provision for doubtful debts from other reporting units

Movement in provision for impairment of receivables is as follows:

Balance at beginning of the year	-	-
Balance at end of the year	-	-

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

6 Trade and other receivables (Continued)

The following table details the Group's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			< 30	31-60	61-90	> 90	
			\$	\$	\$	\$	
2014							
Contributions receivable	874,392	-	-	-	-	-	874,392
Other receivables	1,608,402	-	2,494	631	-	16,066	1,589,211
Total	2,482,794	-	2,494	631	-	16,066	2,463,603
2013							
Contributions receivable	857,063	-	-	-	-	-	857,063
Other receivables	1,413,643	-	30,252	316	38,467	15,203	1,329,405
Total	2,270,706	-	30,252	316	38,467	15,203	2,186,458

The Group does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

7 Other financial assets

	2014	2013
Note	\$	\$
CURRENT		
Held-to-maturity financial assets	(b) 11,952,545	12,400,315
Loans and receivables	(c) 727,460	1,112,460
Total current assets	<u>12,680,005</u>	<u>13,512,775</u>
NON-CURRENT		
Available for sale financial assets	(a) 2,985,615	2,900,569
(a) Available-for-sale financial assets comprise:		
- shares in unlisted entities	262,906	244,899
- shares in listed entities	2,722,709	2,655,670
	<u>2,985,615</u>	<u>2,900,569</u>
(b) Held-to-maturity investments comprise:		
Fixed interest term deposits	<u>11,952,545</u>	<u>12,400,315</u>
(c) Loans and receivables		
Loans to associated entities	<u>727,460</u>	<u>1,112,460</u>

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

8 Property, plant and equipment

	2014	2013
	\$	\$
Land & building		
At cost	28,169,577	23,482,426
Accumulated depreciation	(6,748,361)	(1,651,257)
Total land & buildings	21,421,216	21,831,169
Capital works in progress		
At cost	68,350	-
Furniture, fixture and fittings		
At cost	727,436	697,569
Accumulated depreciation	(499,199)	(404,121)
Total furniture, fixture and fittings	228,237	293,448
Motor vehicles		
At cost	773,277	895,970
Accumulated depreciation	(349,419)	(340,264)
Total motor vehicles	423,858	555,706
Total property, plant and equipment	22,141,661	22,680,323

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

8 Property, plant and equipment (Continued)

(a) Movements in carrying amounts of property, plant and equipment

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

	Capital Works in Progress	Land & Buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Total
Consolidated	\$	\$	\$	\$	\$
Year ended 31 December 2014					
Balance at the beginning of year	-	21,831,169	293,448	555,706	22,680,323
Additions	68,350	115,254	38,787	73,992	296,383
Disposals - written down value	-	-	(445)	(107,014)	(107,459)
Depreciation expense	-	(525,207)	(103,553)	(98,826)	(727,586)
Balance at the end of the year	68,350	21,421,216	228,237	423,858	22,141,661
	Capital Works in Progress	Buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Total
Consolidated	\$	\$	\$	\$	\$
Year ended 31 December 2013					
Balance at the beginning of year	1,009,371	23,535,869	307,794	520,102	25,373,136
Additions	1,583,914	868,049	80,819	207,111	2,739,893
Disposals - written down value	-	-	(1,528)	(64,705)	(66,233)
Transfers	(2,593,285)	2,593,285	-	-	-
Depreciation expense	-	(594,137)	(93,637)	(106,802)	(794,576)
Impairment loss in income	-	(4,571,897)	-	-	(4,571,897)
Balance at the end of the year	-	21,831,169	293,448	555,706	22,680,323

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

8 Property, plant and equipment (Continued)

(b) Impairment Losses

The total impairment loss recognised in the consolidated statement of profit or loss and other comprehensive income during the prior year amounted to \$4,571,897 and is separately presented in the consolidated statement of profit or loss and other comprehensive income as 'impairment of property, plant and equipment'.

The impairment loss relates to the difference in the carrying amount and recoverable amount of 215-217 Clarence St, Sydney. The recoverable amount was determined with reference to an independent valuation performed at the completion of the refurbishment projects.

9 Trade and other payables

	2014	2013
	\$	\$
Trade payables	662,454	255,820
Other payables	364,171	544,121
	<u>1,026,625</u>	<u>799,941</u>
(a) Payables to other reporting entities:		
Queensland District Office	51,004	45,421
Northern District	72,348	51,463
South Western District	71,500	22,762
Western Australian District	-	7,353
Victorian District	-	7,320
South Australian District	-	-
Tasmanian District	-	881
CFMEU National Office	365,038	-
Total	<u>559,890</u>	<u>135,200</u>
(b) Amounts included in trade payables:		
Legal fees payable	375,002	8,139
Consideration to employers for payroll deductions	-	-

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

10 Provisions

	2014	2013
	\$	\$
Legal proceedings	<u>2,677,015</u>	-

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	Legal proceedings
	\$
Opening balance	-
Additional provisions	<u>2,677,015</u>
Balance at 31 December 2014	<u>2,677,015</u>

Provision for Legal Proceedings

A related party to the Union has been ordered to pay costs of a matter determined near the end of the financial year. The Union has agreed to pay these costs on behalf of the respondent to the matter. The information usually required by *AASB 137 Provisions, Contingent Liabilities and Contingent Assets* and the Reporting Guidelines under the *Fair Work (Registered Organisations) Act 2009* is not disclosed on the grounds that it can be expected to seriously prejudice the outcome of any further negotiations regarding settlement of this liability.

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

11 Employee benefits

	2014	2013
	\$	\$
Provision for employee benefits	<u>3,060,528</u>	<u>3,184,653</u>
(a) Total employee benefits attributable to:		
Office Holders:		
Annual leave	553,807	739,685
Long service leave	756,498	969,923
Less: Right of indemnity (note (b))	(756,498)	(969,923)
Separations and redundancies	516,584	645,730
Other	263,961	315,953
	<u>1,334,352</u>	<u>1,701,368</u>
Employees other than office holders:		
Annual leave	605,093	499,229
Long service leave	733,310	652,057
Separation and redundancies	-	-
Other	387,773	331,999
	<u>1,726,176</u>	<u>1,483,285</u>
Total	<u>3,060,528</u>	<u>3,184,653</u>

(b) Right of indemnity

All long service leave entitlements in relation to National Officers are the responsibility of 'The CFMEU Mining & Energy Employees' Entitlement Trust' from which all relevant long service leave entitlements and obligations are settled from. Accordingly, the provision for long service leave is reduced by the fair value of trust assets available and set aside to settle those entitlements.

12 Reserves

Financial asset reserve

Change in the fair value of available for sale investments are recognised in other comprehensive income - financial asset reserve. Amounts are reclassified to profit or loss on disposal of the investment or when an impairment arises.

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

13 Capital and leasing commitments

Contracted Commitments

	2014	2013
	\$	\$
Contracted commitments for:		
Membership software	205,050	-

14 Lessor Commitments

Operating lease commitments receivable - Group as lessor

The Group leases out its investment property (included in property, plant and equipment) under commercial leases. These non-cancellable leases have terms between 1 and 10 years. All leases include an option for the Group to increase rent to current market rental on an annual basis.

The future minimum lease payments receivable under non-cancellable leases are:

- no later than 1 year	884,887	882,245
- between 1 year and 5 years	2,309,562	2,508,103
- greater than 5 years	1,472,802	1,956,525
Total minimum lease payments receivable	4,667,251	5,346,873

15 Financial risk management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of foreign currency risk and equity price risk.

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

15 Financial risk management (Continued)

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	2014 \$	2013 \$
Financial Assets			
Cash and cash equivalents	5	3,027,144	4,494,179
Contributions receivable	6	955,737	1,020,835
Other receivables	6	1,527,057	1,249,871
Held-to-maturity investments	7(b)	11,952,545	12,400,315
Loans and receivables	7(c)	727,460	1,112,460
Available-for-sale financial assets - at fair value:			
- at fair value			
- listed investments	7(a)	2,722,709	2,655,670
- unlisted investments	7(a)	262,906	244,899
		<u>2,985,615</u>	<u>2,900,569</u>
Total financial assets		<u>21,175,558</u>	<u>23,178,229</u>
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	9	1,026,625	799,941

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the consolidated balance sheet due to the effect of discounting.

Financial liability maturity analysis - Non-derivative

	Within 1 year 2014 \$	Within 1 year 2013 \$
Financial liabilities due for payment		
Trade and other payables (excluding estimated annual leave)	1,026,625	799,941

The timing of expected outflows is not expected to be materially different from contracted cashflows.

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

15 Financial risk management (Continued)

The following table illustrates the sensitivity of the net result for the year and equity in regards to the Group's financial assets and the United States Dollar – Australian Dollar exchange rate. There have been no changes in the assumptions calculating this sensitivity from prior years.

It assumes a +/- 10% change of the Australian Dollar / United States Dollar exchange rate for the year ended 31 December 2014 (31 December 2013: 10%). This percentage has been determined based on the average market volatility in exchange rates in the previous 12 months.

The sensitivity analysis is based on the foreign currency financial instruments held at the reporting date.

If the Australian Dollar had strengthened and weakened against the United States Dollar by 10% (31 December 2013: 10%) then this would have had the following impact:

	2014		2013	
	+10%	-10%	+10%	-10%
USD				
Net results	-	-	32,084	(39,116)
Equity	856	(114)	676	(924)

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to foreign currency risk.

(i) Other price risk

The Group are exposed to equity securities price risk. This arises from listed and unlisted investments held by the Group and classified as available-for-sale on the consolidated balance sheet.

Equity instruments are held for strategic rather than trading purposes and the Group does not actively trade these investments.

The Group is not exposed to commodity price risk.

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

15 Financial risk management (Continued)

At reporting date, if the Australian Stock Exchange index had increased / decreased by 5.00% with all other variables held constant and all of the Group's equity instruments moved according to the historical correlation with the index, the impact on profit and equity is shown in the table below:

	2014		2013	
	+5.00%	-5.00%	+5.00%	-5.00%
ASX Index				
Impact on equity	132,956	(132,956)	103,915	(103,915)

There is no profit impact, except for investments held at fair value through profit or loss. Equity would increase / decrease as a result of fair value movements through the investment reserve.

The price risk for the unlisted securities held by the Group is immaterial in terms of the possible impact on profit or loss or total equity. It has therefore not been included in the sensitivity analysis.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable financial institutions.

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

15 Financial risk management (Continued)

Net income and expense from Financial Assets

	2014	2013
	\$	\$
Held-to-maturity		
Interest revenue	595,782	802,885
Available for sale		
Gain recognised in equity	51,401	85,698
Total	<u>647,183</u>	<u>888,583</u>

16 Interests of Key Management Personnel

Key management personnel remuneration included within employee expenses for the year is shown below:

Short-term employee benefits

Salary (including annual leave taken)	1,569,116	1,085,630
Leave accrued	174,973	187,471
	<u>1,744,089</u>	<u>1,273,101</u>

Long-term benefits

Long service leave	30,464	33,848
Post-employment benefits		
Superannuation	104,432	94,960
Termination benefits	149,978	-
	<u>2,028,963</u>	<u>1,401,909</u>

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

17 Remuneration of Auditors

	2014	2013
	\$	\$
Remuneration of the auditor of the Union, Daley & Co Chartered Accountants, for:		
- auditing the financial report	37,800	35,000
- taxation services	5,339	6,172
	<u>43,139</u>	<u>41,172</u>

18 Interests in Subsidiaries

	Principal place of business / Country of incorporation	Percentage Owned (%)*	Percentage Owned (%)*
		2014	2013
Subsidiaries:			
Unite Organising Pty Limited	Australia	100	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

19 Interests in Joint Ventures

Material joint ventures

The following information is provided for joint ventures that are material to the Group and is the amount per the Joint Venture financial statements, adjusted for fair value adjustments at acquisition date and differences in accounting policies, rather than the Group's share.

2014	Abelshore Joint Venture
Name of Joint Venture	Venture
Summarised consolidated balance sheet	
Cash and cash equivalents	174,899
Other current assets	1,493,015
Non-current assets	70,767,329
Other current liabilities	(1,320,274)
Other non-current liabilities	<u>(31,254,252)</u>
Net assets	<u>39,860,717</u>
Summarised consolidated statement of profit or loss and other comprehensive income	
Revenue	203,931
Interest income	3,372
Finance costs	(1,352,793)
Profit from continuing operations	<u>(5,310,141)</u>
Total comprehensive income	<u>(5,310,141)</u>

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

19 Interests in Joint Ventures (Continued)

Material joint ventures (Continued)

2013	Abelshore Joint Venture
Name of Joint Venture	
Summarised consolidated balance sheet	
Cash and cash equivalents	129,536
Other current assets	1,630,752
Non-current assets	69,001,837
Other current liabilities	(3,504,150)
Other non-current liabilities	(29,787,118)
Net assets	<u><u>37,470,857</u></u>
Summarised consolidated statement of profit or loss and other comprehensive income	
Revenue	369,754
Interest income	2,488
Finance costs	(1,279,599)
Profit from continuing operations	15,635,291
Total comprehensive income	<u><u>15,635,291</u></u>

Reconciliation of carrying amount of interest in joint venture to summarised financial information for joint ventures accounted for using the equity method:

	2014	2013
	\$	\$
Abelshore Joint Venture		
Group's share of 5% of net assets	1,993,036	1,873,543
Provision for diminution	(1,993,036)	(1,873,543)
Carrying amount:	<u><u>-</u></u>	<u><u>-</u></u>

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014.

20 Fair Value Measurement

The Group measures the following assets at fair value on a recurring basis: Listed and unlisted shares

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Group:

	Level 1	Level 2	Level 3	Total
31 December 2014	\$	\$	\$	\$
Recurring fair value measurements				
Financial assets				
Listed and unlisted shares	2,985,615	-	-	2,985,615
<hr/>				
	Level 1	Level 2	Level 3	Total
31 December 2013	\$	\$	\$	\$
Recurring fair value measurements				
Financial assets				
Listed and unlisted shares	2,900,569	-	-	2,900,569
<hr/>				

21 Contingent liabilities and contingent assets

In the opinion of the Committee of Management, the Group did not have any contingencies at 31 December 2014 (31 December 2013:None).

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

22 Related party transactions

Related Parties

(a) **Entities exercising control over the Group**

The ultimate parent entity, which exercises control over the Group, is Construction Forestry Mining and Energy Union - Mining and Energy Division.

(b) **Key management personnel**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 16: Interests of Key Management Personnel.

(c) **Joint venture entities that are accounted for under the equity method**

The Group has a 5% interest in the joint venture entity, Ableshore Joint Venture. The interest in joint venture is accounted for in these consolidated financial statements of the Group, using the equity method of accounting.

For details of interests held in joint venture entities, refer to Note 19.

(d) **Transactions with related parties**

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

The following transactions occurred with related parties:

	2014	2013
	\$	\$
<i>(i) Purchase of goods and services</i>		
Affiliation fees paid to CFMEU	325,230	270,375
Campaign fees paid to CFMEU	1,000,000	-
	<u>1,325,230</u>	<u>270,375</u>

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

22 Related party transactions (Continued)

(i) Capitation fees

	2014	2013
	\$	\$
Northern District	2,846,275	2,965,060
Queensland District Office	2,359,645	2,719,533
South Western District	1,186,748	1,252,605
Tasmanian District	28,314	28,314
Victorian District	305,593	224,769
Western Australian District	346,183	284,922
NSW Energy District	-	107,622
	<u>7,072,758</u>	<u>7,582,825</u>

(ii) Trade and other receivables

Northern District	259,975	285,307
Queensland District Office	220,000	231,293
South Western District	211,171	234,617
Tasmanian District	7,786	7,786
Victorian District	55,000	44,000
Western Australian District	121,000	55,000
CFMEU C&G National Office	1,614	1,849
CFMEU C&G NSW Branch	1,344	-
<i>Loans to other related parties:</i>		
Loan to Ableshore Pty Limited	727,460	1,112,460

(iii) Trade and other payables:

Northern District	72,348	51,463
Queensland District Office	51,004	45,421
South Western District	71,500	22,762
Western Australian District	-	7,353
Victorian District	-	7,320
Tasmanian District	-	881
CFMEU National Office	365,038	-

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

23 Cash flow information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2014	2013
	\$	\$
Result for the year	(5,381,329)	(6,648,041)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	727,856	794,576
- impairment of property, plant and equipment	-	4,571,897
- net loss on disposal of plant and equipment	107,190	66,233
- net exchange differences	-	85,698
Changes in assets and liabilities:		
- (increase)/decrease in trade receivables	65,098	(126,516)
- (increase)/decrease in other assets	(277,186)	283,073
- decrease in prepayments	9,020	16,315
- increase/(decrease) in trade and other payables	226,684	(27,045)
- increase in employee benefits	2,552,890	635,809
Cashflow from operations	<u>(1,969,777)</u>	<u>(348,001)</u>

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

23 Cash flow information (Continued)

(b) Cash flow information

	2014	2013
	\$	\$
Cash inflows (excluding GST):		
Queensland District	2,675,361	3,114,613
Northern District	3,176,359	3,301,233
South Western District	1,405,793	1,347,332
NSW Energy District	-	295,246
Victorian District	326,293	226,044
Tasmanian District	55,242	52,317
Western Australian District	314,801	313,714
CFMEU National Office	340	-
CFMEU C&G National Office	3,552	-
	7,957,741	8,650,499
Cash outflows (excluding GST):		
Queensland District	(282,510)	(256,922)
Northern District	(285,091)	(467,083)
South Western District	(430,676)	(221,826)
NSW Energy District	-	(242,452)
Victorian District	(17,417)	(66,224)
Tasmanian District	(50,881)	(51,098)
Western Australian District	(19,283)	(16,752)
CFMEU National Office	(2,265,296)	(1,598,343)
CFMEU C&G National Office	(2,707)	(2,653)
	(3,353,861)	(2,923,353)

24 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

25 Parent entity

The following information has been extracted from the books and records of the parent, Construction Forestry Mining and Energy Union Mining and Energy Division and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Construction Forestry Mining and Energy Union Mining and Energy Division has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity.

	2014	2013
	\$	\$
Balance Sheet		
Assets		
Current assets	18,412,412	20,465,910
Non-current assets	25,087,579	25,536,595
Total Assets	43,499,991	46,002,505
Liabilities		
Current liabilities	6,760,867	3,984,594
Total Liabilities	6,760,867	3,984,594
Equity		
Retained earnings	36,687,833	42,022,621
Assets-available-for-sale reserve	51,291	(4,710)
Total Equity	36,739,124	42,017,911
Statement of Profit or Loss and Other Comprehensive Income		
Total profit or loss for the year	(5,334,788)	(6,698,768)
Other comprehensive income	56,001	87,748
Total comprehensive income	(5,278,787)	(6,611,020)

Construction Forestry Mining and Energy Union Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2014

26 Additional disclosures required under the Fair Work (Registered Organisations) Act 2009

As required under the reporting guidelines provided for under section 255 of the Fair Work Act (Registered Organisations) Act 2009, it is confirmed that:

1. The Union's ability to continue as a going concern is not reliant on the agreed financial support of another reporting unit;
2. The Union has not agreed or does not have an agreement to provide financial support to another reporting unit to ensure its ability as a going concern; and
3. The Union has not acquired an asset or liability as a result of amalgamation, restructure or alternative reporting unit determination or revocation.

27 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of the members is drawn to the provisions of Sub-sections [1] and [3] of Section 272 which reads as follows:-

Information to be provided to members or the General Manager of Fair Work Australia:

1. A member of a reporting unit, or the General Manager of Fair Work Australia, 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).

Construction Forestry Mining and Energy Union Mining and Energy Division

Recovery of Wages Activity

For the Year Ended 31 December 2014

No recovery of wages activity was carried out by the Union for the year ended 31 December 2014 (2013: Nil).

The accompanying notes form part of these financial statements.

**Independent Audit Report to the members of
Construction Forestry Mining and Energy Union Mining and Energy Division**

Report on the Financial Report

We have audited the accompanying financial report of Construction Forestry Mining and Energy Union Mining and Energy Division, which comprises the consolidated balance sheet as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and Committee of Management statement of the entity and the consolidated entity comprising the entity and the entities it controlled at the year's end or from time to time during the financial year.

Committee of Management's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

Opinion

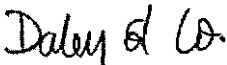
In our opinion, the financial report presents fairly, in all material respects, the financial position of Construction Forestry Mining and Energy Union Mining and Energy Division and its subsidiaries, as at 31 December 2014, and of their financial performance and cash flows for the year then ended in 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 scope of our audit did extend to recovery of wages activity, however as noted in the Committee of Management Statement, no such activity was undertaken during the reporting period.

I declare that I am an approved auditor, a member of the Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

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



Daley & Co
Chartered Accountants



Michael Mundt
Partner

Wollongong

24 March 2015

Liability limited by a scheme approved under Professional Standards Legislation