



1 June 2021

Grahame Kelly
General Secretary
Construction, Forestry, Maritime, Mining and Energy Union - Mining and Energy Division
Sent via email: gkelly@cfmeu.com.au
CC: smilgate@daley.com.au

Dear Grahame Kelly,

**Construction, Forestry, Maritime, Mining and Energy Union - Mining and Energy Division
Financial Report for the year ended 31 December 2020 – (FR2020/333)**

I acknowledge receipt of the financial report for the year ended 31 December 2020 for the Construction, Forestry, Maritime, Mining and Energy Union - Mining and Energy Division. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 28 May 2021.

The financial report has now been filed.

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 2021 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

Disclosure of donations expenditure

A loans, grants and donations statement lodged with the ROC on 25 March 2021 includes a total donation amount exceeded \$1,000 of \$186,000 and donation amount equal \$1,000 or less of \$1,300. Note 5(b) *Other expense disclosures*, however, discloses different figures for total donations exceeded \$1,000 and total donations paid equal \$1,000 or less. In the 2021 financial report, the 2020 comparative figures for donations exceeding \$1,000 and donations equal \$1,000 or less will need to reflect the correct amount.

Please also ensure in future years that only a loan, grant or donation amount exceeding \$1,000 is included in the statement of loans, grants and donations.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely,



Kylie Ngo
Registered Organisations Commission

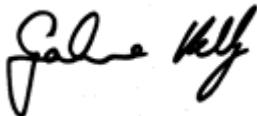
**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
MINING & ENERGY DIVISION**

DESIGNATED OFFICER CERTIFICATE

Certificate for the period ended 31 December 2020

I, Grahame Kelly, being the General Secretary of the Mining and Energy Division of the Construction, Forestry, Maritime, Mining and Energy Union, certify:

- That the documents lodged herewith are copies of the full report for the Mining and Energy Division of the Construction, Forestry, Maritime, Mining and Energy Union, for the period ended 31 December 2020, referred to in s.268 the Fair Work (Registered Organisations) Act 2009; and
- That the full report, was provided to members of the reporting unit on 24th March 2021, after adoption of the accounts by the Central Council; and
- That the full report was supplied to members through the union website, and circulation at work sites. A series of meetings were held by members of the Mining and Energy Division of the Construction, Forestry, Maritime, Mining and Energy Union, the last meeting being on 28th May 2021; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.



**Grahame Kelly
General Secretary**

28 May 2021

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Financial Statements

For the Year Ended 31 December 2020

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

For the Year Ended 31 December 2020

Financial Statements

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Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Operating Report

31 December 2020

The Committee of Management present their report, together with the financial statements of the Reporting Unit, being the Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division and its controlled entities, for the financial year ended 31 December 2020.

Names of committee of management members and period positions held during the financial year

The names of each person who has been on the Committee of Management during the year are:

Name	Position	Period of Appointment
Mr A Maher	General President	1/1/2020 - 31/12/2020
Mr G Kelly	General Secretary	1/1/2020 - 31/12/2020
Mr M Dobie	Central Councillor	1/1/2020 - 31/12/2020
Mr S Smyth	Central Councillor	1/1/2020 - 31/12/2020
Mr P Jordan	Central Councillor	1/1/2020 - 31/12/2020
Mr M Schofield	Central Councillor	1/1/2020 - 31/12/2020
Mr P Compton	Central Councillor	1/1/2020 - 31/12/2020
Mr G Pearce	Central Councillor	1/1/2020 - 31/12/2020
Mr T Williams	Central Councillor	1/1/2020 - 31/12/2020
Mr D Hopkins	Central Councillor	1/1/2020 - 31/12/2020
Mr R Gale	Central Councillor	1/1/2020 - 31/12/2020
Mr G Busson	Central Councillor	1/1/2020 - 31/12/2020
Ms S Smoothy	Central Councillor	1/1/2020 - 31/12/2020
Mr G Osborne	Central Councillor	1/1/2020 - 31/12/2020
Mr M Reid	Central Councillor	1/1/2020 - 31/12/2020
Mr G Hedley	Central Councillor	1/7/2020 - 31/12/2020
Mr H Timmins	Central Councillor	1/7/2020 - 31/12/2020
Mr L Ludlow	Central Councillor	1/1/2020 - 30/6/2020

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Operating Report

31 December 2020

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The principal activities of the Reporting Unit 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 Divisional 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 *Fair Work (Registered Organisations) Act 2009* and the Union rules.
- Media and other communication to members of the Division and to the broader local communities 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.

The consolidated surplus of the Reporting Unit amounted to \$3,210,658 (2019: consolidated surplus of \$1,387,627).

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. The Committee of Management believe that they have furthered the interests of their members throughout the financial year through the conducting of the Union's principal activities.

Significant changes in financial affairs

There have been no significant changes in the financial affairs of entities in the Reporting Unit during the year.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Operating Report

31 December 2020

Events after the reporting date

Subsequent to year end the Mining and Energy Division is considering making an application to withdraw from the Construction, Forestry, Maritime, Mining and Energy Union. At the date of this report an application for a ballot of members to endorse withdrawal has not yet been approved by the Fair Work Commission. If the withdrawal ballot application is approved by the Fair Work Commission, all members of the Division will be entitled to vote on whether to withdraw from the Construction, Forestry, Maritime, Mining and Energy Union. If a majority of members who vote approve the withdrawal, there will be further proceedings in the Federal Court which will set the date of registration of the new Union and will deal with the apportionment of assets and liabilities.

The Committee of Management do not believe that this matter will have any impact on the Union's ability to continue as a going concern.

Other than the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Reporting Unit, the results of those operations or the state of affairs of the Reporting Unit 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, a Lodge Secretary or authorised delegate.

Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

- Anthony Maher is a Director of Auscoal Superannuation Pty Ltd which acts as Trustee for the Mine Superannuation Fund.
- Grahame Kelly is a Director of Auscoal Superannuation Pty Ltd, which acts as a trustee for the Mine Superannuation Fund.
- Mark Watson (Finance Manager) is a Director of Auscoal Superannuation Pty Ltd, which acts as trustee for the Mine Superannuation Fund.

These positions are held because of a criterion which requires that the reporting unit nominate a director of this entity.

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.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Operating Report

31 December 2020

Number of members

There were 21,161 members of the Union as at 31 December 2020 (2019: 20,742).

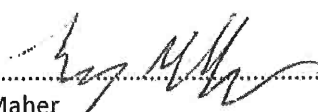
Number of employees


As at 31 December 2020 the Union had 26 full-time equivalent employees (2019: 26).

Officers and employees who are directors of a company or a member of a board in connection with their role as a member of the Reporting Unit

- Anthony Maher, Peter Jordan, Stephen Smyth and Grahame Kelly are directors of Unite Organising Pty Ltd
- Anthony Maher, Peter Jordan, Stephen Smyth, Graeme Osborne and Grahame Kelly are directors of NMEAF Pty Ltd
- Peter Jordan is a director of United Collieries Pty Ltd
- Peter Jordan is a director of United Coal Sales Pty Ltd
- Peter Jordan is a director of Coal Services Pty Ltd
- Grahame Kelly is a director of Unity Bank Ltd
- Grahame Kelly is a director of Auscoal Superannuation Pty Ltd
- Anthony Maher is a director for Auscoal Superannuation Pty Ltd
- Anthony Maher is a director of Unity Law Pty Ltd
- Graeme Osborne is a director of Coal Services Pty Ltd
- Mark Watson is a director of Auscoal Superannuation Pty Ltd
- Mark Watson is a director of Unity Bank Ltd

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


.....
Anthony Maher
General President


.....
Grahame Kelly
General Secretary

Dated: 24 March 2021

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

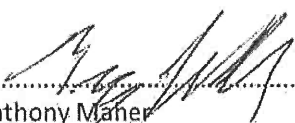
Committee of Management Statement For the year ended 31 December 2020

On 24 March 2021 the Committee of Management of the Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division passed the following resolution in relation to the General Purpose Financial Report for the year ended 31 December 2020:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* ("the RO Act");
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the General Purpose Financial Report relates and since the end of that year:
 - iii) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iv) 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
 - v) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - vi) where the organisation consists of two or more reporting units, the financial records of the reporting unit, have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - vii) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - viii) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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


.....
Anthony Maher
General President


.....
Grahame Kelly
General Secretary

Dated: 24 March 2021
Sydney

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2020

	Note	2020 \$	2019 \$
Revenue	4	10,040,927	10,256,094
Employee benefits expense	5	(5,751,182)	(5,908,943)
Legal campaign fund expense	5	(491,734)	(828,321)
Campaign expenses		(16,920)	(91,634)
Depreciation and amortisation expense	11(a) 12(a)	(880,647)	(920,343)
Operating expenditure		(585,322)	(580,922)
Property expenses		(571,467)	(574,291)
Travel and accommodation costs		(172,453)	(517,211)
Affiliation fees	5	(413,280)	(428,107)
Advertising and communication expenses		(390,172)	(417,999)
Levies	5	(21,450)	(575,750)
Investment costs		(127,543)	(143,801)
Insurance expenses		(118,206)	(108,682)
Motor vehicle expenses		(95,815)	(104,325)
Professional fees		(129,929)	(57,861)
Donations	5	(187,300)	(15,516)
Conference and meeting expenses	5	(17,367)	(14,951)
Lease expense	10	(6,316)	(6,445)
Gain/(loss) on sale of property, plant equipment		(13,889)	147
Fair value gain/(loss) on equity investments		112,356	2,426,488
Reversal of impairment of investment in associate	22	3,496,450	-
Share of net profits of equity-accounted associates	22	(448,083)	-
Result for the year		3,210,658	1,387,627
Other comprehensive income for the year		-	-
Total comprehensive income/(loss) for the year		3,210,658	1,387,627

The accompanying notes form part of these financial statements.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Consolidated Balance Sheet

As at 31 December 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	11,616,659	9,728,299
Trade and other receivables	7	1,795,997	2,062,434
Other financial assets	8	23,633,149	21,699,837
Other assets	9	294,940	325,874
TOTAL CURRENT ASSETS		37,340,745	33,816,444
NON-CURRENT ASSETS			
Other financial assets	8	3,722,824	3,671,445
Property, plant and equipment	11	24,183,690	24,834,831
Intangible assets	12	-	68,310
Right-of-use assets	10	2,296	8,309
Investment in associates	22	3,048,367	-
TOTAL NON-CURRENT ASSETS		30,957,177	28,582,895
TOTAL ASSETS		68,297,922	62,399,339
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	1,222,844	1,466,156
Lease liabilities	10	2,567	5,948
Employee benefits	14	3,084,490	3,001,846
TOTAL CURRENT LIABILITIES		4,309,901	4,473,950
NON-CURRENT LIABILITIES			
Lease liabilities	10	-	2,567
TOTAL NON-CURRENT LIABILITIES		-	2,567
TOTAL LIABILITIES		4,309,901	4,476,517
NET ASSETS		63,988,021	57,922,822

The accompanying notes form part of these financial statements.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Consolidated Balance Sheet

As at 31 December 2020

	Note	2020 \$	2019 \$
EQUITY			
Reserves	15	21,906,007	19,051,466
Retained earnings		42,082,014	38,871,356
TOTAL EQUITY		<u>63,988,021</u>	<u>57,922,822</u>

The accompanying notes form part of these financial statements.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2020

	Retained Earnings \$	Capital Reserve \$	Total \$
Balance at 31 December 2019	38,871,356	19,051,466	57,922,822
Result for the year	3,210,658	-	3,210,658
Capital distributions to the fund	-	3,091,871	3,091,871
Capital distributions from the fund	-	(237,330)	(237,330)
Balance at 31 December 2020	42,082,014	21,906,007	63,988,021
Balance at 31 December 2018	37,483,729	20,041,066	57,524,795
Result for the year	1,387,627	-	1,387,627
Capital distributions to the fund	-	2,989,853	2,989,853
Capital distributions from the fund	-	(3,979,453)	(3,979,453)
Balance at 31 December 2019	38,871,356	19,051,466	57,922,822

The accompanying notes form part of these financial statements.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and contributions	10,377,426	10,274,717
Capital Contributions from fund members	3,091,871	2,989,853
Payments to suppliers, beneficiaries and employees	(10,372,004)	(14,963,662)
Dividends received	639,401	749,479
Interest received	205,035	273,028
Net cash provided/(used) by operating activities	26 <u>3,941,729</u>	<u>(676,585)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	31,750	123,727
Purchase of financial assets at amortised cost	(1,409,664)	(689,106)
Purchase of property, plant and equipment and intangibles	(206,835)	(1,476,266)
Net proceeds/(purchase) of of financial assets at FVTPL	(462,672)	2,417,729
Net cash provided/(used) by investing activities	<u>(2,047,421)</u>	376,084
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of finance lease liabilities	(5,948)	(5,659)
Net cash provided/(used) by financing activities	<u>(5,948)</u>	<u>(5,659)</u>
Net increase/(decrease) in cash and cash equivalents held	1,888,360	(306,160)
Cash and cash equivalents at beginning of year	9,728,299	10,034,459
Cash and cash equivalents at end of financial year	6 <u>11,616,659</u>	<u>9,728,299</u>

The accompanying notes form part of these financial statements.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

The financial report covers Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division and controlled entities ("the Group" or "the Reporting Unit").

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

1 Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards and Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisations) 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 accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

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

2 Summary of Significant Accounting Policies

(a) Basis of consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a December financial year end.

A list of controlled entities is contained in Note 20 to the financial statements.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of consolidation (Continued)

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.

Associates

Interests in associates, where the investor has significant influence over the investee, are accounted for using the equity method in accordance with AASB 128 Investments in 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.

(b) Business combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date, this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Summary of Significant Accounting Policies (Continued)

(c) Income tax

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

(d) Leases

At inception of a contract, the Group assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Group has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

Right-of-use asset

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Summary of Significant Accounting Policies (Continued)

(d) Leases (Continued)

Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group as a lessor

Lessor accounting

When the Group is a lessor, the lease is classified as either an operating or finance lease at inception date based on whether substantially all of the risks and rewards incidental to ownership of the underlying asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

If the lease contains lease and non-lease components then the non-lease components are accounted for in accordance with AASB 15 Revenue from Contracts with Customers.

The lease income from operating leases is recognised on a straight line basis over the lease term. Finance income under a finance lease is recorded on a basis to reflect a constant periodic rate of return on the Group's net investment in the lease.

(e) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Summary of Significant Accounting Policies (Continued)

(e) Revenue and other income (Continued)

Revenue from contracts with customers (Continued)

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Group are:

Member income and capitation fees

For membership subscription and capitation fee arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Group.

There is only one distinct service promised in the arrangement. Accordingly, the Group recognises revenue as the service is provided, which is typically based on the passage of time over the subscription period to reflect the Group promise to stand ready to provide assistance and support to the member as required.

When a member subsequently purchases additional goods or services from the Group at their standalone selling price, the the Group accounts for those sales as a separate contract with a customer.

Rental income

Rental 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.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Summary of Significant Accounting Policies (Continued)

(e) Revenue and other income (Continued)

Dividend revenue

Dividends are recognised when the entity's right to receive payment is established.

Other income

Other income is recognised on an accrual basis when the Group is entitled to it.

(f) 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.

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.

(g) Property, plant and equipment

Each class of property, plant and equipment is carried at cost, where applicable, any accumulated depreciation and impairment.

Under cost model, 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.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Summary of Significant Accounting Policies (Continued)

(g) Property, plant and equipment (Continued)

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use.

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.

(h) Financial instruments

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through other comprehensive income.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Summary of Significant Accounting Policies (Continued)

(h) Financial instruments (Continued)

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. All the Group's debt instruments are classified as amortised cost, whereby all assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. These are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

The Group subsequently measures all equity instruments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the statement of profit or loss and other comprehensive income as applicable.

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been significant increase in credit risk. Note 17 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(i) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Summary of Significant Accounting Policies (Continued)

(i) Impairment of non-financial assets (Continued)

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(j) Intangibles

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years.

(k) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, on-demand deposits and short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(l) Employee benefits

Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an expense in profit or loss in the periods in which services are provided by employees.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Summary of Significant Accounting Policies (Continued)

(l) Employee benefits (Continued)

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for long service leave, annual leave, accumulating personal leave and separation and redundancy entitlements that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(m) Provisions

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

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Summary of Significant Accounting Policies (Continued)

(n) Foreign currency transactions and balances

Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income.

(o) Capitation fees

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

(p) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 31 December 2020, none of the new standards had a material impact on the reported financial position, or performance.

(q) New Standards and Interpretations not yet adopted

Certain new accounting standards have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

3 Critical Accounting Estimates and Judgments

The Committee of Management 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.

Key estimates - useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain property, plant and equipment.

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.

Key estimates - employee entitlements

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 after taking into account a range of possible outcomes, probabilities and assumptions and will vary as further information is obtained.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

3 Critical Accounting Estimates and Judgments (Continued)

Control assessment

The Committee of Management have determined that they do not control a company called Auscoal Superannuation Pty Limited even though the Union holds 50% of the issued capital of this entity. Auscoal Superannuation Pty Ltd is the trustee of Mine Superannuation Fund. It is not a controlled entity of the Union because the Union is not exposed, and has no right, to variable returns from this entity and is not able to use its power over the entity to affect those returns. The investment has a fair value of \$4 (2019: \$4) and is included in unlisted shares.

The Committee of Management have determined that they do not control a company called Coal Services Pty Limited even though the union holds 50% of the issued capital of this entity. It is not a controlled entity of the Union because the Union is not exposed, and has no right, to variable returns from this entity and is not able to use its power over the entity to affect those returns. The investment has a fair value of \$1 (2019: \$1) and is included in unlisted shares.

The Committee of Management have determined that they control a company called NMEAF Pty Limited even though the union owns no shares in the company. As both the parent and subsidiary are not-for-profit entities, control has been determined in accordance with the implementation guidance for not-for-profit entities included in AASB 10 Consolidated Financial Statements. NMEAF Pty Limited is the trustee of the National Assistance Fund and therefore the Union is deemed to also control this trust. The Union is the income beneficiary of the trust and receives the net income of the trust on an annual basis. The Union will receive the repository assets of the fund at the vesting date of the trust. Refer to note 20 for further information regarding the restriction of the assets and capital reserve of the fund.

The Committee of Management have determined that they control a company called Unity Law Pty Limited, incorporated in July 2017, even though the union owns no shares in the company. Control has been determined in accordance with the implementation guidance included in AASB 10 Consolidated Financial Statements. Unity Law Pty Limited is currently dormant.

Investment in Associate

The Committee of Management have determined they have significant influence over the United Joint Venture even though they do not hold 20% of the voting rights of this entity. This is due to the fact that they believe that they have the power to participate in the financial and operating policy decisions of the Joint Venture, however they do not have control or joint control of those policies. This joint venture has therefore been accounted for as a investment in an associate.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

4 Revenue and other income

Revenue from contracts with customers

	2020	2019
	\$	\$
Capitation fees by branch		
- Northern Mining and NSW Energy District	2,690,008	2,583,220
- Queensland District	2,021,783	1,945,722
- South West District	1,079,156	1,043,631
- AWU WA Branch	367,879	335,932
- Western Australian District	210,126	248,053
- Victorian District	177,083	171,894
- Tasmanian District	25,826	30,622
Campaign and special administration funds received	<u>1,221,008</u>	<u>1,192,404</u>
	<u>7,792,869</u>	<u>7,551,478</u>
Other revenue		
- Rental income	912,804	1,353,599
- Interest received	172,656	289,757
- Dividend received	639,401	749,479
- Other income	423,197	311,781
- Grants received - government subsidies	100,000	-
	<u>2,248,058</u>	<u>2,704,616</u>
	<u>10,040,927</u>	<u>10,256,094</u>

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated and the following table shows this breakdown:

Timing of revenue recognition

- At a point in time	1,221,008	1,192,404
- Over time	6,571,861	6,359,074
Revenue from contracts with customers	<u>7,792,869</u>	<u>7,551,478</u>

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

5 Result for the year

(a) Employee benefits expense comprises:

	2020	2019
	\$	\$
<i>Office holders:</i>		
- Wages and salaries	540,458	558,071
- Superannuation	49,923	49,380
- Leave and other entitlements	380,300	629,495
- Other employee expenses (including FBT, payroll tax and other expenses)	102,109	82,228
	<u>1,072,790</u>	<u>1,319,174</u>
<i>Employees other than office holders:</i>		
- Wages and salaries	3,243,909	2,888,054
- Superannuation	348,583	589,296
- Leave and other entitlements	804,983	870,319
- Other employee expenses (including FBT, payroll tax, uniforms and other expenses)	280,917	242,100
	<u>4,678,392</u>	<u>4,589,769</u>
Total employee benefits expense	<u><u>5,751,182</u></u>	<u><u>5,908,943</u></u>

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

5 Result for the year (Continued)

(b) Other expense disclosures

	2020	2019
	\$	\$
<i>Affiliation Fees</i>		
CFMMEU	311,617	345,345
IndustriALL Global Union	44,041	57,253
The McKell Institute	25,000	25,000
NSW ALP Left	-	509
ACTU	32,622	-
Total	413,280	428,107
Conference and meeting expenses	17,367	14,951
Donations - total paid that were less \$1,000 or less	300	3,016
Donations - total paid that exceeded \$1,000	187,000	12,500
	187,300	15,516
Legal costs - litigation	386,294	787,255
Legal costs - other legal matters	105,440	41,066
	491,734	828,321
Compulsory levies - paid to CFMMEU National Office for campaigning purposes	21,450	575,750

6 Cash and cash equivalents

Cash on hand	123	346
Cash at bank	11,616,536	9,727,953
	11,616,659	9,728,299

Restricted cash

The Group has restricted cash balance of \$4,909,895 (2019: \$4,133,253) which is held for a specific purpose and cannot be used to settle the liabilities of the Group. Refer note 20 for further information.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

7 Trade and other receivables

	2020	2019
	\$	\$
Trade Receivables from contracts with customers	1,354,473	1,467,950
Provision for impairment	-	-
Other receivables	441,524	594,484
	<u>1,795,997</u>	<u>2,062,434</u>

(a) Aged analysis

The ageing analysis of trade receivables is as follows:

0-30 days	1,277,473	1,244,946
31-60 days	44,000	217,997
61-90 days (past due not impaired)	-	391
61-90 days (considered impaired)	-	-
91+ days (past due not impaired)	33,000	4,616
91+ days (considered impaired)	-	-
	<u>1,354,473</u>	<u>1,467,950</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

7 Trade and other receivables (Continued)

(b) Impairment of receivables

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 31 December 2020 is determined as follows, the expected credit losses incorporate forward looking information.

	Current	< 30 days overdue	< 90 days overdue	> 90 days overdue	Total
31 December 2020					
Expected loss rate (%)	-	-	-	-	-
Gross carrying amount (\$)	1,277,473	44,000	33,000	-	1,354,473
ECL provision	-	-	-	-	-
31 December 2019					
Expected loss rate (%)	-	-	-	-	-
Gross carrying amount (\$)	1,244,946	217,997	391	4,616	1,467,950
ECL provision	-	-	-	-	-

(c) Receivables from other reporting units

	2020	2019
	\$	\$
CFMMEU - Mining and Energy Division		
- Queensland District Office	415,357	434,409
- Northern Mining and NSW Energy District	331,205	290,512
- South Western District	211,937	332,679
- AWU Western Australian Branch	106,862	177,578
- Western Australian District	20,000	50,117
- Victorian District	23,405	24,414
- Tasmanian District	8,843	23,346
CFMMEU Construction and General Division - National Office	66	282
CFMMEU National Office	-	65

Receivables from other reporting units are not considered impaired (2019: Nil).

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

8 Other financial assets

	Note	2020 \$	2019 \$
CURRENT			
Financial assets at fair value through profit or loss	(a)	15,307,418	14,783,770
Other financial assets at amortised cost	(b)	8,325,731	6,916,067
Total current assets		<u>23,633,149</u>	<u>21,699,837</u>
NON-CURRENT			
Financial assets at fair value through profit or loss	(a)	<u>3,722,824</u>	<u>3,671,445</u>

(a) Financial assets at fair value through profit or loss comprise:

CURRENT

Listed investments, at fair value

- shares in listed corporations

15,307,418 14,783,770

NON-CURRENT

Listed investments - fair value

- shares in listed corporations

3,722,809 3,671,430

Unlisted investments

- shares in other corporations

15 15

3,722,824 3,671,445

(b) Other financial assets at amortised cost comprise:

Term deposits

8,325,731 6,916,067

(c) Classification of financial assets at fair value through profit or loss

The Group classifies equity investments for which the Group has not elected to recognise fair value gains and losses through other comprehensive income as fair value through profit or loss.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

9 Other Assets

	2020	2019
	\$	\$
Prepayments	<u>294,940</u>	<u>325,874</u>

10 Leases

The Group as a lessee

The Group has a lease over IT equipment.

Information relating to the lease in place for plant and equipment and associated balances and transactions are provided below.

Terms and conditions of leases:

Office equipment is leased over 2 to 5 year period with no option to extend. The lease payments are fixed during the lease term.

Right-of-use assets

	Plant and Equipment \$
Year ended 31 December 2020	
Balance at beginning of year	8,309
Depreciation charge	<u>(6,013)</u>
Balance at end of year	<u><u>2,296</u></u>
Year ended 31 December 2019	
Balance at beginning of year	14,174
Depreciation charge	<u>(5,865)</u>
Balance at end of year	<u><u>8,309</u></u>

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

10 Leases (Continued)

Lease liabilities

	2020	2019
	\$	\$
Current	2,567	5,948
Non-current	-	2,567
Total	2,567	8,515

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Consolidated Balance Sheet
	\$	\$	\$	\$	\$
2020					
Lease liabilities	2,600	-	-	2,600	2,567
2019					
Lease liabilities	6,240	2,600	-	8,840	8,515

Consolidated Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the consolidated statement of profit or loss and other comprehensive income relating to leases where the Group is a lessee are shown below:

	2020	2019
	\$	\$
Interest expense	303	580
Depreciation of right-of-use assets	6,013	5,865
	6,316	6,445

Consolidated Statement of Cash Flows

Total cash outflow for leases	6,240	6,240
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Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

10 Leases (Continued)

The Group as a lessor

Operating leases

The Group leases out a number of properties. These leases have been classified as operating leases for financial reporting purposes and the assets are included as property plant and equipment in the consolidated balance sheet (refer note 11).

Minimum lease payments receivable on leases of property are as follows:

	2020	2019
	\$	\$
Less than 1 year	1,156,572	955,346
Between 1 – 2 years	993,514	749,096
Between 2 – 3 years	354,793	683,925
Between 3 – 4 years	322,892	111,222
Between 4 – 5 years	-	76,372
	<u>2,827,771</u>	<u>2,575,961</u>

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

11 Property, plant and equipment

	2020	2019
	\$	\$
Land & buildings		
At cost	29,821,207	29,689,498
Accumulated depreciation and impairment	<u>(6,209,841)</u>	<u>(5,506,940)</u>
	<u>23,611,366</u>	<u>24,182,558</u>
Furniture, fixture and fittings		
At cost	622,569	849,984
Accumulated depreciation	<u>(568,116)</u>	<u>(790,435)</u>
	<u>54,453</u>	<u>59,549</u>
Motor vehicles		
At cost	726,622	866,877
Accumulated depreciation	<u>(208,751)</u>	<u>(274,153)</u>
	<u>517,871</u>	<u>592,724</u>
Total property, plant and equipment	<u><u>24,183,690</u></u>	<u><u>24,834,831</u></u>

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

11 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:

	Land & Buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Total
	\$	\$	\$	\$
Year ended 31 December 2020				
Balance at the beginning of year	24,182,558	59,549	592,724	24,834,831
Additions	104,604	22,634	79,597	206,835
Disposals - written down value	-	-	(45,639)	(45,639)
Depreciation expense	(675,796)	(27,730)	(108,811)	(812,337)
Balance at the end of the year	23,611,366	54,453	517,871	24,183,690
Year ended 31 December 2019				
Balance at the beginning of year	23,800,980	65,924	398,964	24,265,868
Additions	1,042,314	20,159	413,793	1,476,266
Disposals - written down value	-	-	(123,580)	(123,580)
Depreciation expense	(660,736)	(26,534)	(96,453)	(783,723)
Balance at the end of the year	24,182,558	59,549	592,724	24,834,831

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

12 Intangible Assets

	2020	2019
	\$	\$
Computer software		
At cost	341,550	341,550
Accumulated amortisation	<u>(341,550)</u>	<u>(273,240)</u>
	<u>-</u>	<u>68,310</u>

(a) Movements in carrying amounts of intangible assets

	Computer software \$
Year ended 31 December 2020	
Balance at the beginning of the year	68,310
Amortisation	<u>(68,310)</u>
Closing value at 31 December 2020	<u>-</u>
Year ended 31 December 2019	
Balance at the beginning of the year	204,930
Amortisation	<u>(136,620)</u>
Closing value at 31 December 2019	<u>68,310</u>

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

13 Trade and other payables

	2020	2019
	\$	\$
Trade Payables	222,659	539,582
Other Payables	1,000,185	926,574
	<u>1,222,844</u>	<u>1,466,156</u>

All amounts are short term and the carrying values are considered to be a reasonable approximations of fair value.

(a) Payables to other reporting entities:

CFMMEU - Mining and Energy Division		
- Northern Mining and NSW Energy District	92,108	76,818
- South Western District	40,394	55,516
- Western Australian District	2,101	-
- Victoria District	2,101	-
- Queensland District Office	-	116,919
CFMMEU National Office	-	341,250
	<u>136,704</u>	<u>590,503</u>

(b) Amounts included in payables:

Legal fees payable - litigation	38,026	99,829
Legal fees payable - other legal matters	1,573	4,309
	<u>39,599</u>	<u>104,138</u>

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

14 Employee benefits

	2020	2019
	\$	\$
Provision for employee benefits	<u>3,084,490</u>	<u>3,001,846</u>
(a) Total employee benefits attributable to:		
Office Holders - Current:		
Annual leave	205,227	195,107
Long service leave	428,999	406,709
Less: Right of indemnity (note (b))	(428,999)	(406,709)
Separations and redundancies	268,729	254,961
Personal leave	272,547	241,703
	<u>746,503</u>	691,771
Employees other than Office Holders - Current:		
Annual leave	789,593	743,888
Long service leave	1,150,498	1,136,188
Personal leave	397,896	429,999
	<u>2,337,987</u>	2,310,075
National Officers other than Office Holders - Current:		
Long service leave	3,078,826	2,816,880
Less: Right of indemnity (note(b))	(3,078,826)	(2,816,880)
	<u>-</u>	-
Total	<u><u>3,084,490</u></u>	<u><u>3,001,846</u></u>

(b) Right of indemnity

All long service leave entitlements relating 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. The Trust is an ATO approved Employee Entitlement Trust.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

15 Reserves

	2020	2019
	\$	\$
Capital reserve		
Opening balance	19,051,466	20,041,066
Capital contributions	3,091,871	2,989,853
Capital distributions	(237,330)	(3,979,453)
Closing balance	<u>21,906,007</u>	<u>19,051,466</u>

The capital reserve are restricted funds. Refer note 20.

16 Capital and leasing commitments

Contracted commitments

Membership software	-	20,505
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17 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 interest rate risk, foreign currency risk and equity price risk.

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

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

17 Financial risk management (Continued)

The totals for each category of financial instruments, measured as detailed in the accounting policies to these financial statements, are as follows:

	Note	2020 \$	2019 \$
Financial Assets			
Cash and cash equivalents	6	11,616,659	9,728,299
Trade receivables	7	1,354,473	1,467,950
Other receivables	7	441,524	594,484
Other financial assets at amortised cost	8	8,325,731	6,916,067
Financial assets at fair value through profit or loss			
- listed investments	8	19,030,227	18,455,200
- unlisted investments	8	15	15
Total financial assets		40,768,629	37,162,015
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	13	1,222,844	1,466,156
- Lease liabilities	10	2,567	8,515
Total financial liabilities		1,225,411	1,474,671

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

17 Financial risk management (Continued)

Liquidity risk (Continued)

The Group's liabilities have contractual maturities which are summarised below:

	Less than 1 year	
	2020	2019
	\$	\$
Trade and other payables (excluding estimated annual leave)	<u>1,222,844</u>	<u>1,466,156</u>

Credit risk

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

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

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

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 banks.

The Group does not have any material credit risk exposure to any single receivable or group of receivables.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

17 Financial risk management (Continued)

Market risk

The following table illustrates the sensitivity of the net result for the year and equity in regard to the Company'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 2020 (31 December 2019: 10%). This percentage has been determined based on the average market volatility in exchange rates in the previous 12 months.

If the Australian Dollar had strengthened and weakened against the United States Dollar by 10% (31 December 2019: 10%) then this would have had the following impact:

	2020		2019	
	+10%	-10%	+10%	-10%
USD				
Net results	664	(664)	804	(804)

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 Company's exposure to foreign currency risk. There are no other material exposures to foreign exchange risk.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

17 Financial risk management (Continued)

Other price risk

The Company is exposed to equity securities price risk. This arises from listed and unlisted investments held by the Company and classified as financial assets at fair value through profit or loss on the consolidated balance sheet.

The Company is not exposed to commodity price risk.

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 Company's equity instruments moved according to the historical correlation with the index, the impact on profit and equity is shown in the table below:

	2020		2019	
	+5.00%	-5.00%	+5.00%	-5.00%
ASX Index				
Impact on result	2,133,295	(2,133,295)	767,533	(767,533)
International Markets				
Impact on result	161,929	(161,929)	56,285	(56,285)

In the prior period 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 Company 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.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

17 Financial risk management (Continued)

Net income and expense from Financial Assets

	2020	2019
	\$	\$
Financial assets at amortised cost		
Interest revenue	172,656	289,755
Financial assets held at fair value through profit or loss		
Gain/(loss) recognised in profit or loss	112,356	2,426,488
Dividends	639,401	749,479
Brokerage fees	(127,543)	(143,801)

18 Key Management Personnel Disclosures

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

Salary (including annual leave taken)	485,178	485,265
Leave accrued	78,018	76,488
	<u>563,196</u>	<u>561,753</u>
Long-term benefits	27,855	27,143
Superannuation	42,021	42,021
	<u>633,072</u>	<u>630,917</u>

19 Auditor's remuneration

Remuneration of the auditor of the Union, Daley Audit, for:

- auditing the financial report	59,950	41,850
- taxation and consulting services	12,555	12,550
	<u>72,505</u>	<u>54,400</u>

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

20 Interests in Subsidiaries

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2020	Percentage Owned (%)* 2019
Subsidiaries:			
Unite Organising Pty Limited	Australia	100	100
NMEAF Pty Limited	Australia	-	-
National Assistance Fund	Australia	-	-
Unity Law Pty Limited	Australia	-	-

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries. Refer note 3 for further information regarding control assessment.

Significant restrictions relating to subsidiaries

The assets and capital reserve of the National Assistance Fund are restricted by the terms and provisions of its Trust Deed and cannot be used to settle the liabilities of the other entities within the Group. The total assets of the restricted assets as at balance date are \$22,337,127 (2019: \$20,995,571) and the restricted capital funds as at balance date are \$20,906,007 (2019: \$19,051,466).

21 Material Subsidiaries

The amounts disclosed below are prior to any inter-entity eliminations.

	2020 \$	2019 \$
National Assistance Fund		
Summarised Balance Sheet		
Current Assets	22,247,337	21,028,245
Non-current assets	89,790	94,497
Current Liabilities	(477,612)	(2,117,767)
Non-current liabilities	-	-
Net Assets	21,859,515	19,004,975
Summarised Statement of profit or loss and other comprehensive income		
Revenue	556,524	668,156
Profit/(Loss)	468,612	2,535,377
Total comprehensive income	468,612	2,535,377

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

22 Interests in Associates

Material associate

The following information is provided for associates 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.

2020	United Joint Venture
Associate:	
Summarised consolidated balance sheet	
Cash and cash equivalents	27,767,586
Other current assets	19,564,962
Non-current assets	224,801,413
Current financial liabilities (excluding trade and other payables and provisions)	(5,139,703)
Other current liabilities	(45,882,017)
Other non-current liabilities	(38,726,111)
Net assets	<u>182,386,130</u>
Summarised consolidated statement of profit or loss and other comprehensive income	
Revenue	
Interest income	54,120
Depreciation and amortisation	(3,789,860)
Profit / (loss) from continuing operations	<u>(8,961,656)</u>

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

22 Interests in Associates (Continued)

Material associate (Continued)

2019	United Joint Venture
Summarised consolidated balance sheet	
Cash and cash equivalents	730,549
Other current assets	2,038,595
Non-current assets	92,519,717
Other current liabilities	(2,340,993)
Other non-current liabilities	<u>(14,173,815)</u>
Net assets	<u><u>78,774,053</u></u>
Summarised consolidated statement of profit or loss and other comprehensive income	
Revenue	153,070
Interest income	17,647
Depreciation and amortisation	(22,708)
Finance costs	<u>(1,048,427)</u>
Profit / (loss) from continuing operations	<u><u>(2,762,560)</u></u>

Reconciliation of carrying amount of interest in associate to summarised financial information for associates accounted for using the equity method:

	2020	2019
	\$	\$
United Joint Venture		
Group's share of 5% of net assets	9,119,306	3,938,703
Provision for impairment	-	(3,938,703)
Less: loan from Ableshore	<u>(6,070,939)</u>	-
Carrying amount	<u><u>3,048,367</u></u>	-

The United Joint Venture has a 50% share in the United Wambo Joint Venture, which is included in the results above.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

23 Fair Value Measurement

The Group measures its financial assets, being shares at fair value on a recurring basis.

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 2020	\$	\$	\$	\$
Recurring fair value measurements				
Financial assets				
Listed shares	19,030,227	-	-	19,030,227
Unlisted shares	-	-	15	15

31 December 2019

Recurring fair value measurements

Financial assets

Listed shares	18,455,200	-	-	18,455,200
Unlisted shares	-	-	15	15

Level 3 measurements

The Committee of Management believe that the fair value of these shares is equal to the cost that was paid for them, as they have no right to variable return for the entities.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

24 Contingencies

In the opinion of the Committee of Management, the Union did not have any contingencies as at 31 December 2020 (31 December 2019: None).

25 Related parties

(a) Parent entity

The ultimate parent entity, which exercises control over the Group, is Construction Forestry Maritime 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 remuneration disclosures relating to key management personnel, refer to Note 18: Key Management Personnel Disclosures.

(c) Associate entities that are accounted for under the equity method

The Group has a 5% interest in the joint venture entity, United Joint Venture. The interest in the associate is accounted for in these consolidated financial statements of the Group, using the equity method of accounting. For details of interests held in associate entities, refer to Note 22: Interests in Associates.

(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.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

25 Related parties (Continued)

The following transactions occurred with related parties and other reporting units:

(i) Purchase of goods and services:

	2020	2019
	\$	\$
CFMMEU - National Office		
- Consultancy	28,391	-
- Insurance	7,489	-
- Advertising	2,516	-
- Campaign fees	-	110,000
- International affiliation costs	-	57,252
Northern Mining and NSW Energy District		
- Director fees	73,218	111,032
- Legal officer costs	105,757	93,754
- ISHR funding	25,933	28,077
- Central council wages	5,561	6,798
- Travel costs	302	1,003
- Merchandise	295	-
- LSL entitlement payment	-	54,647
- Publications	-	247
Queensland District		
- Legal officer costs	94,000	94,199
- Office rental expenses	28,538	-
- Travel costs	1,509	12,208
- Central council wages	2,060	5,254
- LSL entitlements payment	-	231,694
- Campaign costs	-	28,134
South Western District		
- Director fees	73,218	111,032
- ISHR funding	67,427	73,001
- Central council wages	4,861	6,112
- Travel	5,436	913
- LSL entitlement payment	-	183,909

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

25 Related parties (Continued)

	2020	2019
	\$	\$
Victorian District		
- Central council wages	4,584	7,649
- Travel	-	1,123
Western Australia District		
- Central council wages	4,161	6,799
- Travel	-	294
Maritime Union of Australia		
- Function costs	5,000	2,750
CFMMEU - Manufacturing Division		
- Donation	150,000	-
- Media support service	25,000	-
(ii) Revenue:		
Northern Mining and NSW Energy District		
- Campaign and special administration fees	510,134	489,160
Queensland District		
- Campaign and special administration fees	381,952	379,335
South Western District		
- Campaign and special administration fees	206,700	200,582
- Legal assistant fees	95,855	93,818
Tasmanian District		
- Campaign and special administration fees	6,163	6,453
Victorian District		
- Campaign and special administration fees	54,539	53,810
Western Australia District		
- Campaign and special administration fees	61,519	63,064
CFMMEU C&G National Office		
- Rental income	43,536	60,588

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

25 Related parties (Continued)

Receivables and payables with related parties are disclosed in notes 7 and 13 respectively. Other transactions with related parties are shown within their respective notes.

(iii) Receivables from Committee of Management

At the end of the prior year Sharon Smoothy owed the Union \$155 (2020: \$Nil). This related to personal travel costs that were booked in conjunction with business related travel and were reimbursed to the Union. They are considered ordinary trade receivables, are not considered impaired, and are at arms length, with terms no more favourable than other receivables.

26 Cash flow information

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

	2020	2019
	\$	\$
Result for the year	3,210,658	1,387,627
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	886,660	926,208
- gain on investment in associate	(3,048,367)	-
- net capital fund reserve movement	2,854,541	(989,600)
- loss on sale of assets/intangibles	13,889	-
- net gain/(loss) on disposal of property, plant and equipment	(112,355)	(147)
- unrealised gain/(losses) on fair value through profit and loss financial assets	-	(2,426,488)
Changes in assets and liabilities:		
- decrease in trade and other receivables	266,437	129,823
- (increase)/decrease in prepayments	30,934	(88,165)
- increase/(decrease) in trade and other payables	(243,312)	82,689
- increase/(decrease) in employee benefits	82,644	301,468
Cashflow from operations	<u>3,941,729</u>	<u>(676,585)</u>

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

26 Cash flow information (Continued)

(b) Cash flow information - other reporting units

	2020	2019
	\$	\$
Cash inflows		
Northern Mining and NSW Energy District	3,480,679	3,347,718
Queensland District	2,680,168	3,078,226
South Western District	1,632,421	1,419,268
Western Australian District	328,487	354,543
Victorian District	255,793	247,751
AWU Western Australian Branch	511,389	184,188
CFMMEU C&G National Office	48,105	60,588
Tasmanian District	54,559	57,557
CFMMEU National Office	65	-
	<u>8,991,666</u>	<u>8,749,839</u>
Cash outflows		
CFMMEU National Office	(781,145)	(1,185,459)
South Western District	(184,564)	(324,000)
CFMMEU Manufacturing Division	(177,500)	-
Queensland District	(114,031)	(276,741)
Northern Mining and NSW Energy District	(205,752)	(248,387)
Victorian District	(2,483)	(8,772)
Western Australian District	(2,060)	(7,093)
Maritime Union of Australia	(5,000)	(2,750)
AWU Western Australian District	(4,636)	-
	<u>(1,477,171)</u>	<u>(2,053,202)</u>

In the current year, the parent entity was entitled to receive a trust distribution of \$468,612 (2019: \$2,110,767) from a subsidiary, the National Assistance Fund, which has been eliminated on consolidation for the purposes of this financial report.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

27 Events after the end of the Reporting Period

Subsequent to year end the Mining and Energy Division is considering making an application to withdraw from the Construction, Forestry, Maritime, Mining and Energy Union. At the date of this report an application for a ballot of members to endorse withdrawal has not yet been approved by the Fair Work Commission. If the withdrawal ballot application is approved by the Fair Work Commission, all members of the Division will be entitled to vote on whether to withdraw from the Construction, Forestry, Maritime, Mining and Energy Union. If a majority of members who vote approve the withdrawal, there will be further proceedings in the Federal Court which will set the date of registration of the new Union and will deal with the apportionment of assets and liabilities.

The Committee of Management do not believe that this matter will have any impact on the Union's ability to continue as a going concern.

Other than the above, 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.

28 Parent entity

The following information has been extracted from the books and records of the parent, Construction Forestry Maritime 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 Maritime 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. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

28 Parent entity (Continued)

	2020	2019
	\$	\$
Balance Sheet		
Assets		
Current assets	15,614,798	14,949,746
Non-current assets	30,819,729	28,439,203
Total Assets	<u>46,434,527</u>	<u>43,388,949</u>
Liabilities		
Current liabilities	4,300,900	4,466,950
Non-current liabilities	-	2,567
Total Liabilities	<u>4,300,900</u>	<u>4,469,517</u>
Equity		
Retained earnings	42,133,627	38,919,430
Total Equity	<u>42,133,627</u>	<u>38,919,430</u>
Consolidated Statement of Profit or Loss and Other Comprehensive Income		
Total profit or loss for the year	3,214,197	960,107
Total comprehensive income	<u>3,214,197</u>	<u>960,107</u>

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

29 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 has agreed to provide financial support as necessary to the Construction, Forestry, Maritime, Mining and Energy Union (CFMMEU) National Office. The support will be in proportion to the Divisions membership of the CFMMEU in accordance with the National Rule 23(i).

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements For the Year Ended 31 December 2020

30 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) to (3) of Section 272, which reads as follows:-

Information to be provided to members or the Commissioner:

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

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Report required under subsection 255(2A)

For the Year Ended 31 December 2020

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Union for the year ended 31 December 2020.

Categories of expenditure	2020 \$	2019 \$
Remuneration and other employment-related costs and expenses - employees	5,751,182	5,908,943
Advertising	363,638	368,764
Operating costs	2,483,889	3,262,296
Donations to political parties	-	-
Legal costs	491,734	828,321


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Grahame Kelly
General Secretary

Dated: 24 March 2021

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Officer Declaration Statement

I, Grahame Kelly, being the General Secretary of the Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division (the Union and its subsidiaries), declare that the following activities did not occur during the reporting period ending 31 December 2020.

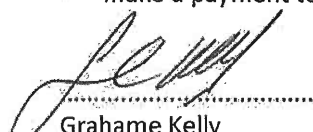
The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- ~~agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)~~
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive periodic or membership subscriptions
- ~~receive capitation fees from another reporting unit~~
- ~~receive any other revenue amount from another reporting unit~~
- receive revenue via compulsory levies
- receive donations
- ~~receive grants~~
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees to another reporting unit
- ~~pay any other expense to another reporting unit~~
- ~~pay affiliation fees to other entity~~
- ~~pay compulsory levies~~
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- ~~pay a donation that was \$1,000 or less~~
- ~~pay a donation that exceeded \$1,000~~
- ~~pay wages and salaries to holders of office~~
- ~~pay superannuation to holders of office~~
- ~~pay leave and other entitlements to holders of office~~
- pay separation and redundancy to holders of office
- ~~pay other employee expenses to holders of office~~
- ~~pay wages and salaries to employees (other than holders of office)~~
- ~~pay superannuation to employees (other than holders of office)~~
- ~~pay leave and other entitlements to employees (other than holders of office)~~
- pay separation and redundancy to employees (other than holders of office)
- ~~pay other employee expenses to employees (other than holders of office)~~
- ~~pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit~~

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division

Officer Declaration Statement

- ~~• incur expenses due to holding a meeting as required under the rules of the organisation~~
- ~~• pay legal costs relating to litigation~~
- ~~• pay legal costs relating to other legal matters~~
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- ~~• have a receivable with other reporting unit(s)~~
- ~~• have a payable with other reporting unit(s)~~
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- ~~• have a payable in respect of legal costs relating to litigation~~
- ~~• have a payable in respect of legal costs relating to other legal matters~~
- ~~• have an annual leave provision in respect of holders of office~~
- ~~• have a long service leave provision in respect of holders of office~~
- ~~• have a separation and redundancy provision in respect of holders of office~~
- ~~• have other employee provisions in respect of holders of office~~
- ~~• have an annual leave provision in respect of employees (other than holders of office)~~
- ~~• have a long service leave provision in respect of employees (other than holders of office)~~
- have a separation and redundancy provision in respect of employees (other than holders of office)
- ~~• have other employee provisions in respect of employees (other than holders of office)~~
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- ~~• transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity~~
- ~~• have a balance within the general fund~~
- ~~• provide cash flows to another reporting unit and/or controlled entity~~
- ~~• receive cash flows from another reporting units and/or controlled entity~~
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit


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Grahame Kelly
General Secretary

Dated: 24 March 2021



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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division (the Union and its subsidiaries (the Group or Reporting Unit)), which comprises the consolidated balance sheet as at 31 December 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2020, notes to the financial statements, including a summary of significant accounting policies, the Committee of Management statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Reporting Unit as at 31 December 2020, and their financial performance and their cash flows for the year ended on that date in accordance with:

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

We declare that management's use of the going concern basis in the preparation of the financial statements of the reporting unit is appropriate.

Basis for Opinion

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

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

Wollongong

PO Box 333
Wollongong NSW 2520

02 4229 6477

wollongong@daley.com.au

Bowral

PO Box 1032
Bowral NSW 2576

02 4862 1062

bowral@daley.com.au

Sydney

PO Box 903
Sydney NSW 2001

02 8236 6177

sydney@daley.com.au

daley.com.au

ABN 43 162 844 291

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

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

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

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

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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



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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the reporting unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.
- Conclude on the appropriateness of the committee of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the reporting unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the reporting unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the reporting unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the reporting unit audit. We remain solely responsible for our audit opinion.



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

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

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


Daley Audit


Stephen Milgate
Partner

Wollongong

Dated: 24 March 2021

Registration number (as registered by the Commissioner under the RO Act): AA 2017/127

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