

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
(NEW SOUTH WALES BRANCH)**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2004**

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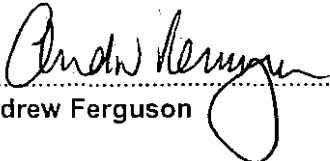
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## ACCOUNTING OFFICER'S CERTIFICATE

I, Andrew Ferguson, being the Officer responsible for keeping the accounting records of the Construction, Forestry, Mining and Energy Union, (New South Wales Branch) ("the Union") certify that to the best of my knowledge and belief that as at 31 December 2004, the number of financial members of the Union was 31,651, and:-

In my opinion,

- (i) The attached financial report shows a true and fair view of the financial affairs of the Union as at 31 December 2004; and
- (ii) A record has been kept of all the monies paid by, or collected from members and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the rules of the Union; and
- (iii) Before any expenditure was incurred by the Union, approval of the incurring of the expenditure was obtained in accordance with the rules of the Union; and
- (iv) With regard to funds of the Union raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated; and
- (v) No loans or other financial benefits, other than remuneration in respect of their full-time employment with the Union, were made to persons holding office in the Union; and
- (vi) The register of members of the Union was maintained in accordance with the Act.

  
Andrew Ferguson

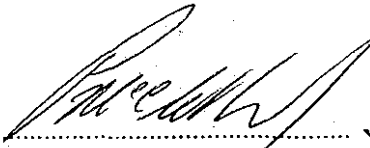
Signed at Sydney this 10th day of November 2005

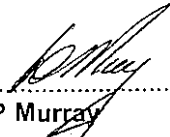
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COMMITTEE OF MANAGERMENTS' CERTIFICATE

We, Peter McClelland and Peter Murray being two members of the Committee of Management of the Construction, Forestry, Mining and Energy Union, (New South Wales Branch) ("the Union"), do state on behalf of the Committee and in accordance with a resolution passed by the Committee that;

- (i) In the opinion of the Committee of Management, the attached financial report shows a true and fair view of the financial affairs of the Union as at 31 December 2004; and
- (ii) In the opinion of the Committee of Management, meetings of the Committee were held during the year ended 31 December 2004 in accordance with the rules of the Union; and
- (iii) To the knowledge of any member of the Committee, there have been no instances where records of the Union or other documents (not being documents containing information made available to a member of the Union under section 512(2) of the 1991 Act, as applied by section 282(3) of the Industrial Relations Act 1996), or copies of those records or documents, or copies of the rules of the Union, have not been furnished, or made available, to members in accordance with the requirements of the Act, the Regulations thereto, or the rules of the Union; and
- (iv) In relation to the report prepared in accordance with section 514 of the 1991 Act, as applied by section 282(3) of the Industrial Relations Act 1996, by the auditor of the Union in respect of the financial year immediately preceding the financial year to which the accounts relate [i.e. the second most recently concluded financial year] and in relation to any accounts and statements prepared in accordance with section 510(1) of the 1991 Act to which that report relates, the Union has complied with section 517(1) of the 1991 Act and whichever of subsections (5) and (6) of that section of that Act is applicable.

  
P McClelland

  
P Murray

Signed at Sydney this 10<sup>th</sup> day of November 2005

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## INDEPENDENT AUDIT REPORT TO THE MEMBERS

### SCOPE

We have audited the financial report comprising the Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance and Notes To and Forming Part of the Financial Reports of the Construction, Forestry, Mining and Energy Union, (New South Wales Branch) ("the Union") for the year ended 31 December 2004. The Union's Committee of Management is responsible for the preparation and presentation of the financial reports and the information they contain. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Union.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. The procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Standards, other mandatory professional reporting requirements and statutory requirements, so as to present a view which is consistent with our understanding of the Union's financial position and the results of its operations and cash flows.

In respect of the New South Wales Branch the name of the individual entity for which we have not acted as auditor is disclosed in Note 1(a). We have, however, received sufficient information and explanations concerning that entity to enable us to form an opinion on this Union being the New South Wales Branch.

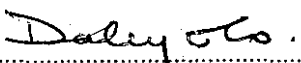
The audit opinion expressed in this report has been formed on the above basis.


### AUDIT OPINION

In our opinion:

- (a) Satisfactory accounting records have been kept by the Union so far as appears from our examination of these books, including:
  - (i) records of the sources and nature of the income of the Union (including income from members); and
  - (ii) records of the nature and purposes of the expenditure of the Union; and
- (b) The financial report required to be prepared under Section 510 of the Industrial Relations Act 1991 has been properly drawn up so as to give a true and fair view of:
  - (i) the financial affairs of the Union as at 31 December 2004; and
  - (ii) the income and expenditure, and surplus of the Union for the year ended on that date; and
- (c) The financial report has been prepared in accordance with Applicable Accounting Standards and other mandatory professional reporting requirements.

We have where necessary, obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

  
.....  
**DALEY & CO**  
Chartered Accountants  
Wollongong NSW 2500

  
.....  
**M L Gleeson**  
Registered Company Auditor  
Partner

Signed at Wollongong this 10<sup>th</sup> day of November 2005

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**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	NOTE	2004 \$	2003 \$
<b>Revenue from Ordinary Activities</b>	2(a)	<u>25,102,178</u>	<u>23,251,209</u>
<b>Expenses from Ordinary Activities</b>			
Wages and Related Costs		9,885,183	9,477,310
Contingent Fund Contributions	1(j)	-	1,900,036
Depreciation and Amortisation Expenses		852,357	841,052
Other Expenses		9,860,093	9,854,170
Written Down Value of Assets Sold		241,696	352,449
Share of Net Profits of Joint Venture Accounted for Using the Equity Method		<u>(451,808)</u>	<u>-</u>
		<u>20,387,521</u>	<u>22,425,017</u>
<b>Net Surplus from Ordinary Activities Attributable to Members</b>	13	<u>4,714,657</u>	<u>826,192</u>

The accompanying notes form part of this financial report

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2004**

	NOTES	2004 \$	2003 \$
<b>CURRENT ASSETS</b>			
Cash	3	2,774,837	2,172,383
Receivables	4(a)	1,165,003	621,719
Investments	5(a)	21,865,185	20,464,899
Other	6	541,497	360,481
<b>TOTAL CURRENT ASSETS</b>		<b>26,346,522</b>	<b>23,619,482</b>
<b>NON-CURRENT ASSETS</b>			
Receivables	4(b)	237,073	260,621
Investments	5(b)	3,988,496	1,831,538
Investments Accounted for Using the Equity Method	7	451,808	-
Property, Plant and Equipment	8	14,905,159	15,160,961
<b>TOTAL NON-CURRENT ASSETS</b>		<b>19,582,536</b>	<b>17,253,120</b>
<b>TOTAL ASSETS</b>		<b>45,929,058</b>	<b>40,872,602</b>
<b>CURRENT LIABILITIES</b>			
Interest Bearing Liabilities	9	8,090	18,432
Accounts Payable	10(a)	2,913,139	2,899,404
Provisions	11(a)	2,739,090	2,415,222
Other	12	473,837	526,786
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,134,156</b>	<b>5,859,844</b>
<b>NON-CURRENT LIABILITIES</b>			
Accounts Payable	10(b)	90,713	97,640
Provisions	11(b)	495,291	420,877
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>586,004</b>	<b>518,517</b>
<b>TOTAL LIABILITIES</b>		<b>6,720,160</b>	<b>6,378,361</b>
<b>NET ASSETS</b>		<b>39,208,898</b>	<b>34,494,241</b>
<b>ACCUMULATED FUNDS</b>			
Accumulated Members' Funds	13	39,208,898	34,494,241

The accompanying notes form part of this financial report

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	NOTES	2004 \$	2003 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Members		19,638,955	20,924,330
Interest Received		1,203,899	1,072,293
Dividends Received		1,016	1,050
Rents Received		34,694	30,914
Reimbursements		69,811	136,034
Subsidies Received		25,000	25,000
Other Income		1,038,230	1,381,863
Payments to Suppliers & Employees		<u>(21,331,171)</u>	<u>(22,418,585)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	16(b)	<u>680,434</u>	<u>1,152,899</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net Increase in Investments		2,888,604	1,127,947
Proceeds from Disposal of Assets		199,816	261,030
Payments for Assets		<u>(804,433)</u>	<u>(881,113)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES		<u>2,283,987</u>	<u>507,864</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Movement in Loan Accounts		<u>(12,990)</u>	<u>11,415</u>
NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES		<u>(12,990)</u>	<u>11,415</u>
NET INCREASE IN CASH HELD		2,951,431	1,672,178
CASH AT THE START OF THE FINANCIAL YEAR		<u>7,293,495</u>	<u>5,621,317</u>
CASH AT THE END OF THE FINANCIAL YEAR	16(a)	<u>10,244,926</u>	<u>7,293,495</u>

The accompanying notes form part of this financial report

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**1. STATEMENT OF ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with applicable Accounting Standards, Urgent Issues Group Consensus Views, other pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations Act, 1966.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values, or except where stated, current valuations of non-current assets. Cost is based on fair values of the consideration given in exchange for assets. The accounting policies adopted have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report:

(a) PRINCIPLES OF CONSOLIDATION/AMALGAMATION

The Amalgamated Accounts comprise the accounts of the New South Wales Branch. The following individual entities make up the State Branch:

- United Mine Workers' – South Western Districts
- United Mine Workers' – Northern District\*
- Construction & General Division NSW Branch
- Forest & Forest Products Division NSW Branch
- Mining & Energy Division NSW Energy Division

\*District not audited by Daley & Co.

All inter-district balances and transactions between entities within the economic entity, including any unrealised profits or losses have been eliminated on amalgamation.

(b) INCOME TAX

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

(c) PROPERTY, PLANT & EQUIPMENT

The Union has continued to apply the cost basis for measuring its fixed assets. The carrying amount of property, plant and equipment is reviewed periodically to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

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



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**1. STATEMENT OF ACCOUNTING POLICIES**

(Continued)

(c) PROPERTY, PLANT & EQUIPMENT (CONTINUED)

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal.

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

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Buildings	2%
Leasehold Improvements	50%
Office Furniture and Equipment	10%
Renovations	20%
Computer Equipment	20%
Motor Vehicles	20%

(d) EMPLOYEE BENEFITS

Provision is made in respect of the Union's liability for annual leave, accrued roster leave and long service leave arising from services rendered by officers and employees to balance date. Long service leave is accrued in respect of all officers and employees with more than 5 years service. Related on-costs are included in these provisions. Contributions are made to employee superannuation funds and are charged as expenses when incurred.

(e) OUTSTANDING CONTRIBUTIONS

Union Contributions are accounted for on a cash receipts basis as opposed to the financial report which is prepared on an accrual basis.

(f) COMPARATIVE FIGURES

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

(g) GRANTS

The Union may receive grant funding from various sources for varying purposes. All funds received are isolated in the Statement of Financial Position, from which all expenditures are made. Given that the grant projects generally have an operating period that differs from the financial year-end, amounts are carried forward in the Statement of Financial Position:

- as an asset where expenditures exceed funding received to the balance date and where such expenditures are recoverable under the Terms of the Grant.
- as a liability where funding received exceeds expenditures to the balance date and the grant is ongoing. Refer to Note 12, "Unexpended Grants Carried Forward".

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**1. STATEMENT OF ACCOUNTING POLICIES**

(Continued)

(h) DEBTORS

Bad debts are written off by a charge against the provision for doubtful debts during the period in which they are identified as bad. Provision is made for doubtful debts and is based on an inspection and assessment of all debts outstanding. Adjustments are made for any outstanding returns, credit notes and allowances in arriving at the debtor balance.

(i) OCCUPATIONAL HEALTH AND SAFETY TRUST DISTRIBUTION

During the 1997 financial year the Union received a trust distribution of \$1,625,871 for which specific conditions are attached. The trust distributions shall only be applied to the following:

- for the establishment, maintenance and improvement of training schemes for workers employed in the building industry in NSW and/or the ACT; and
- for the establishment, maintenance and improvement of health and safety facilities for workers employed in the building industry in the NSW and/or the ACT.

Given the conditions associated with the trust distribution, it is anticipated that the monies will be expended over a number of future accounting periods. The final unexpended portion of the distribution was allocated within the 2003 financial year.

(j) CONTINGENT FUND CONTRIBUTIONS (CONSTRUCTION & GENERAL DIVISION – NSW BRANCH)

During the 2003 year for the first time the Committee of Management invoked Rule 62 of the Union so as to recognise contingent fund contributions of members who have been financial members but whose payments have not been met due to unemployment, sickness or other reasonable cause. The recognition of the revenue has no effect on the result for the year as it is offset by a similar payment in the expenditure of the Union. During the 2004 year, the Committee of Management ceased recognising such contributions, however this change in accounting policy has no effect on the net result for the year.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	2004 \$	2003 \$
<b>2. OPERATING RESULT FROM ORDINARY ACTIVITIES</b>		
The surplus from ordinary activities is arrived at after taking into account:		
<b>(a) REVENUE:</b>		
<i>Operating Activities</i>		
Administration Fees	30,859	40,556
CFMEU Fighting Fund Receipts	163,313	98,066
Contributions & Levies	16,433,184	17,319,878
Rents Received	666,004	618,904
Interest Received	1,151,182	1,023,802
Investment Revenues	28,155	979,959
Donations & Grants Received	310,082	401,985
LSL – National Office	-	179,096
Picnic Sponsorships	280,474	210,760
Reimbursements	517,324	991,946
Subsidy – NSW State Government	25,000	25,000
Other Income	1,206,572	1,044,901
	<u>20,812,149</u>	<u>22,934,853</u>
<i>Non-Operating Activities</i>		
Proceeds on Disposal of Assets	199,816	261,030
Proceeds on Disposal of Investments	4,043,964	5,533
O H & S Trust Distribution	-	49,793
Write Back of Provision for Diminution	46,249	-
	<u>4,290,029</u>	<u>316,356</u>
	<u>25,102,178</u>	<u>23,251,209</u>
<b>(b) EXPENSES:</b>		
Depreciation of Non-Current Assets		
Buildings	247,996	244,206
Plant & Equipment	604,361	596,846
	<u>852,357</u>	<u>841,052</u>
Doubtful Debts Provision	40,000	-
Movement in Employee Entitlements	336,363	67,335
Written Down Value of Assets Disposed	241,696	352,449
Transfer of entitlements to National Office	-	108,372

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	NOTE	2004 \$	2003 \$
<b>2. OPERATING RESULT FROM ORDINARY ACTIVITIES</b> (Continued)			
<b>(b) EXPENSES:</b> (Continued)			
Auditors Remuneration:			
Current Auditors			
Auditing the Financial Report		49,100	57,145
Other Services		59,496	21,782
Other Auditors			
Auditing the Financial Report		23,500	22,000
Other Services		30,500	32,000
<b>3. CASH</b>			
Cash on Hand		14,460	13,960
Cash at Bank – In Funds		2,740,133	2,138,645
Cash held at Solicitor's Trust Account		20,244	19,778
	16(a)	<u>2,774,837</u>	<u>2,172,383</u>
<b>4. RECEIVABLES</b>			
<b>(a) Current</b>			
Debtors		508,317	528,941
Provision for Doubtful Debts		<u>(19,488)</u>	<u>(59,488)</u>
		488,829	469,453
Accrued Interest		17,861	18,592
Other Receivables		<u>658,313</u>	<u>133,674</u>
		<u>1,165,003</u>	<u>621,719</u>
<b>(b) Non Current</b>			
Loans		236,773	260,321
Deposits Refundable		<u>300</u>	<u>300</u>
		<u>237,073</u>	<u>260,621</u>
<b>5. INVESTMENTS</b>			
<b>(a) Current</b>			
Commercial Bills & Term Deposits		13,969,256	13,837,461
Loans & Advances		425,090	1,495,352
Other Cash Deposits		<u>7,470,839</u>	<u>5,132,086</u>
		<u>21,865,185</u>	<u>20,464,899</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004

	NOTE	2004 \$	2003 \$
<b>5. INVESTMENTS</b> (Continued)			
<b>(b) Non Current</b>			
Shares in Unlisted Companies		2,676,572	543,077
Less: Provision for Diminution in value		(145,813)	(145,813)
		<u>2,530,759</u>	<u>397,264</u>
Shares in Listed Companies		14,378	13,211
Loans & Advances		1,387,359	1,364,583
Other Cash Investments		-	480
Debentures		56,000	56,000
		<u>3,988,496</u>	<u>1,831,538</u>
<b>6. OTHER ASSETS</b>			
<b>Current</b>			
Funds Held in Trust		15,114	15,119
Prepayments		526,383	345,362
		<u>541,497</u>	<u>360,481</u>
<b>7. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>			
Interests in Joint Ventures		<u>451,808</u>	<u>-</u>
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>			
Land & Buildings – at cost		14,185,111	14,122,718
Provision for Depreciation		(1,512,762)	(1,268,159)
		<u>12,672,349</u>	<u>12,854,559</u>
Motor Vehicles – at cost		2,180,264	2,076,895
Provision for Depreciation		(831,009)	(697,330)
		<u>1,349,255</u>	<u>1,379,565</u>
Furniture, Fittings & Equipment – at cost		2,981,236	2,889,338
Provision for Depreciation		(2,150,299)	(2,026,085)
		<u>830,937</u>	<u>863,253</u>
Partitioning – at cost		96,585	96,585
Provision for Depreciation		(96,585)	(96,585)
		<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	NOTE	2004 \$	2003 \$
<b>8. PROPERTY, PLANT AND EQUIPMENT</b> (Continued)			
Plant & Equipment – at cost		96,421	96,421
Provision for Depreciation		(57,695)	(50,122)
		<u>38,726</u>	<u>46,299</u>
Leasehold Improvements – at cost		56,978	56,978
Provision for Amortisation		(43,086)	(39,693)
		<u>13,892</u>	<u>17,285</u>
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>		<u>14,905,159</u>	<u>15,160,961</u>

**(a) MOVEMENTS IN CARRYING AMOUNTS**

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

	LAND \$	BUILDINGS \$	FURNITURE, FITTINGS & EQUIPMENT \$	MOTOR VEHICLES \$	TOTAL \$
Balance at Start of Year	2,638,483	10,216,076	926,837	1,379,565	15,160,961
Additions	-	62,393	170,272	605,586	838,251
Disposals	-	-	(14,208)	(227,488)	(241,696)
Depreciation/Amortisation	-	(244,603)	(199,346)	(408,408)	(852,357)
Carrying Amount – End of Year	<u>2,638,483</u>	<u>10,033,866</u>	<u>883,555</u>	<u>1,349,255</u>	<u>14,905,159</u>

**9. INTEREST BEARING LIABILITIES**

Bank Overdraft	750	10,974
Loans – Secured	7,340	7,458
	<u>8,090</u>	<u>18,432</u>

**10. ACCOUNTS PAYABLE**

**(a) Current**

Loans – Unsecured	-	6,972
Trade Creditors and Accruals	2,913,139	2,892,432
	<u>2,913,139</u>	<u>2,899,404</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	NOTE	2004 \$	2003 \$
<b>10. ACCOUNTS PAYABLE</b> (Continued)			
<b>(b) Non-Current</b>			
Loans – Secured		56,915	59,643
Trade Creditors and Accruals		33,798	37,997
		90,713	97,640
<b>11. PROVISIONS</b>			
<b>(a) Current</b>			
Provision for Employee Benefits		2,720,864	2,402,729
Other Provisions		18,226	12,493
		2,739,090	2,415,222
<b>(b) Non-Current</b>			
Provision for Employee Benefits		387,234	321,253
Other Provisions		108,057	99,624
		495,291	420,877
<b>12. OTHER LIABILITIES</b>			
<b>Current</b>			
Funds Held in Trust		277,764	303,790
Unexpended Grants Carried Forward		107,205	134,564
Grant in Advance		88,868	88,432
		473,837	526,786
<b>13. ACCUMULATED MEMBERS' FUNDS</b>			
Accumulated Funds at Start of Year		34,494,241	33,668,049
Net Profit Attributable to Members		4,714,657	826,192
Accumulated Funds at End of Year		39,208,898	34,494,241

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	2004 \$	2003 \$
<b>14. SALARIES</b>		
The following analysis of salaries paid during the year is given in compliance with the requirements of the Industrial Relations Act, 1996:		
Paid to Office Holders	2,297,219	2,422,657
Paid to Employees	5,764,581	5,600,512
	<u>8,061,800</u>	<u>8,023,169</u>
 <b>15. GRANTS</b>		
Unexpended Grants Brought Forward	222,996	163,773
Grants Received	347,895	467,695
Grant Expenditures	(374,818)	(408,472)
<b>CLOSING UNEXPENDED GRANTS (NET)</b>	<u>196,073</u>	<u>222,996</u>
 <b>Recorded as:</b>		
Grants in Advance	88,868	88,432
Unexpended Grants Carried Forward	107,205	134,564
	<u>196,073</u>	<u>222,996</u>
 <b>16. CASH FLOW INFORMATION</b>		
<b>(a) RECONCILIATION OF CASH</b>		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Other Cash Deposits [Note 5(a)]	7,470,839	5,132,086
Bank Overdraft [Note 9]	(750)	(10,974)
Cash at Bank and on Hand [Note 3]	2,774,837	2,172,383
<b>BALANCE PER STATEMENT OF CASH FLOWS</b>	<u>10,244,926</u>	<u>7,293,495</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	2004	2003
	\$	\$
<b>17. CASH FLOW INFORMATION</b>		
(Continued)		
<b>(b) RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		
Operating Surplus for the Year	4,714,657	826,192
<b>Non-Cash Flows in Operating Surplus:</b>		
(Profit)/Loss on Disposal of Assets	8,059	91,940
(Profit)/Loss on Sale of Investments	(4,048,067)	(6,053)
Investment Income – Non Cash Distribution	(12,776)	(906,830)
Movements in Provisions – Employee Benefits	388,300	40,120
- Other	14,167	(260,000)
- Doubtful Debts	(40,000)	27,213
Depreciation and Amortisation	852,357	841,052
First time recognition of Shares	-	-
Write Back of Provision for Diminution	(46,249)	-
Share of Joint Venture Entity Profit	(451,808)	-
<b>Changes in Assets and Liabilities</b>		
(Increase)/Decrease in Sundry Debtors	(477,100)	278,653
(Increase)/Decrease in Other Receivables	6,771	(5,791)
(Increase)/Decrease in Prepayments	(187,251)	(4,505)
Increase/(Decrease) in Sundry Creditors	17,676	270,504
Increase/(Decrease) Other Liabilities	-	(49,792)
Increase/(Decrease) in Monies in Trust	(26,021)	(16,742)
Increase/(Decrease) in Grants	(32,281)	26,938
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>680,434</b>	<b>1,152,899</b>

**(c) STANDBY ARRANGEMENTS AND UNUSED CREDIT FACILITIES**

There are no standby arrangements with the Union's bankers to provide funds and support facilities.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	2004	2003
	\$	\$
<b>17. CAPITAL AND LEASING COMMITMENTS</b>		
<b>(a) OPERATING LEASE COMMITMENTS</b>		
Operating lease commitments exist in respect of Land at Wrights Beach Erowal Bay (Caravan Park Site), Motor Vehicles and a sub-lease of floor area at Wentworth Avenue, Sydney. The maximum amounts payable are as follows:		
> Due within 1 year	122,345	128,667
> Due within 1 - 2 years	22,238	96,644
> Due within 2 - 5 years	28,600	42,900
> Due after 5 years	-	-
	<u>173,183</u>	<u>268,211</u>
<b>(b) CAPITAL EXPENDITURE COMMITMENTS</b>		
Capital expenditure commitments contracted for at balance date.	-	-
	<u>-</u>	<u>-</u>
<b>18. CONTINGENT LIABILITY</b>		
Estimates of the maximum amounts of contingent liabilities that may become payable in respect of:		
- Section 106 of the Industrial Relations Act for damages	250,000	-
- Application by the department of Employment and Workplace relations to revoke Right of Entry Permits	40,000	-
- OH&S prosecution by the Union against other parties	20,000	-
- Legal proceedings against the Union in District Court and Federal Court for alleged breaches of Workplace Relations Act. The Union is defending the actions.	-	60,000
- Common Law and Trade Practices Claim brought by a company in liquidation, and its former directors seeking damages against the Union which if successful could result in a payout by the Union. The Union is defending this claim.	-	1,500,000
	<u>310,000</u>	<u>1,560,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**19. SPECIFIED INFORMATION**

In accordance with the requirements of the Industrial Relations Act 1991, preserved as regulations under section 282(3) Industrial Relations Act 1996, the attention of members is drawn to the following provisions for the Act:

S512

- ❶ A member of an organisation, or Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- ❷ An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such a manner, and within such time, as prescribed.
- ❸ A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the registrar shall provide to a member information received because of an application made at the request of the member.

**20. MEMBERS OF THE STATE EXECUTIVE**

**MEMBERS OF THE STATE EXECUTIVE**

Mr P Murray	- President
Mr A Ferguson	- Secretary
Mr C Smith	- Assistant Secretary
Mr B K Parker	- State Senior Vice President
Mr P McClelland	- Vice President
Mr W McAndrew	- Vice President
Mr A Drew	- Vice President

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	NOTES	2004 \$	2003 \$
<b>INCOME</b>			
Contributions [Note 1(j)]		16,433,184	17,319,878
Interest Received		1,186,331	1,050,817
Investment Income		30,199	981,009
Rents Received		666,004	618,904
Reimbursements		517,324	991,946
CFMEU Fighting Fund		163,313	98,066
Sundry Income		1,511,411	1,638,474
Picnic Sponsorships		280,474	210,760
Profit on Disposal of Non-Current Assets		29,229	24,226
Profit on Sale of Investments		3,188	6,053
Subsidy Received – Check Inspector		25,000	25,000
Share of Joint Venture Income		451,808	-
<b>TOTAL INCOME</b>		<b>21,297,465</b>	<b>22,965,133</b>
<b>EXPENDITURE</b>			
Accountancy Fees		3,165	762
Advertising & Promotion		42,650	40,723
Affiliation Fees		140,881	194,720
Apprenticeship Campaign		929	16,486
Auditors' Remuneration		167,596	132,927
Bank Fees & Charges		42,113	45,335
BTG Top Up Compliance Campaign		84,760	-
Cleaning Expenses		21,881	15,811
Computer Software & Support		21,252	33,853
Consultancy Fees		5,840	2,188
Contingent Fund Contributions		-	1,900,036
Copier & Fax Expenses		27,766	35,455
Courier & Freight		2,356	5,356
Depreciation		852,357	841,052
Donations		67,624	132,327
Electricity		90,683	90,326
Fringe Benefits Tax		75,387	79,484
Functions		37,985	39,565
Funeral, Mortality & Other Associated Expenses/Benefits		187,435	207,709
Insurance		253,640	237,270
Interest Expense		7,779	20,247
Land Tax		4,586	20,259
Legal Fees		780,627	121,926
Loss on Disposal of Assets		37,288	116,166
Lost time – Officers		392,421	418,763
<b>Brought Forward Over Page</b>		<b>3,349,001</b>	<b>4,748,746</b>

The accompanying notes form part of this financial report

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	NOTES	2004 \$	2003 \$
<b>EXPENDITURE</b> <small>Continued</small>			
Carried Over From Previous Page		3,349,001	4,748,746
Motor Vehicle Expenses		581,555	578,329
National Levy – Forestry		-	22,700
Payments from Special Levies		-	321,388
Payroll Tax		551,375	586,214
Picnic Expenses		205,950	179,914
Postage, Printing & Stationery		466,155	436,007
Provision for Employee Benefits – Movement		388,300	114,300
Provision for Severance Scheme		14,166	27,213
Provision for Doubtful Debts		(40,000)	-
Rallies & Marches		2,054	37,901
Rates & Taxes		63,929	58,063
Redundancy		199,923	187,426
Rent Expense		228,480	185,820
Repairs & Maintenance		173,185	129,371
Retired Members		17,066	14,225
Salaries	14	8,061,800	8,023,169
Security		4,573	7,082
Seminars & Conferences		28,708	32,408
Staff Amenities & Training		51,181	31,570
Staff Uniforms		995	2,880
State Council & Committee of Management		7,778	18,339
Subscriptions		34,260	14,078
Superannuation		1,193,725	1,119,757
Service Fees		3,888,683	4,094,978
Telephone		383,943	416,465
Travel & Accommodation		288,023	260,958
General Office Expenses		456,792	504,608
<b>TOTAL EXPENDITURE</b>		<b>20,601,600</b>	<b>22,153,909</b>
<b>OPERATING SURPLUS FOR THE YEAR BEFORE NON-OPERATING INCOME &amp; EXPENDITURE</b>		<b>695,865</b>	<b>811,224</b>
Prior Years Redundancy Entitlements		-	(630)
Long Service Leave Transferred to National Office		(65,615)	(34,195)
O H & S Trust Distribution	1(i)	-	49,793
Write Back of Provision for Diminution		46,249	-
Bad Debts Expense		(5,806)	-
Profit on Disposal of Investments		4,043,964	-
		<b>4,018,792</b>	<b>14,968</b>
<b>SURPLUS FROM ORDINARY ACTIVITIES</b>		<b>4,714,657</b>	<b>826,192</b>

The accompanying notes form part of this financial report

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**SUMMARY OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2004**

The financial report of the Construction, Forestry, Mining and Energy Union, (NSW State Branch) has been audited in accordance with the provisions of the Industrial Relations Act 1991, and the following summary is provided for members in accordance with Section 517 (2) of the Act.

A copy of the Financial Report, including the Auditor's Report and Statements, will be supplied free of charge to members who request the same.

Certificates required to be given under the Act by the Accounting Officer and the Committee of Management have been completed in accordance with the provisions of the Act and contained no qualifications.

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDING 31 DECEMBER 2004**

	2004	2003
	\$	\$
Membership Contributions	16,433,184	15,419,842
Other Income	8,954,494	7,595,084
<b>TOTAL INCOME</b>	<u>25,387,678</u>	<u>23,014,926</u>
<b>LESS TOTAL EXPENDITURE</b>	<u>(20,673,021)</u>	<u>(22,188,734)</u>
<b>SURPLUS FOR THE YEAR</b>	<u>4,714,657</u>	<u>826,192</u>

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2004**

<b>ACCUMULATED FUNDS</b>	<u>39,208,898</u>	<u>34,494,241</u>
Represented by:		
Current Assets	26,346,522	23,619,482
Non-Current Assets	19,582,536	17,253,120
<b>TOTAL ASSETS</b>	<u>45,929,058</u>	<u>40,872,602</u>
Current Liabilities	6,134,156	5,859,844
Non-Current Liabilities	586,004	518,517
<b>TOTAL LIABILITIES</b>	<u>6,720,160</u>	<u>6,378,361</u>
<b>NET ASSETS</b>	<u>39,208,898</u>	<u>34,494,241</u>

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**SUMMARY OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2004**

continued

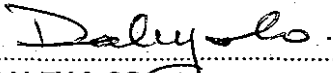
**INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**


In accordance with the requirements of the Industrial Relations Act, 1991, the attention of members is drawn to the provisions of Sub-sections (1) and (2) of Section 512 which read as follows:

- ① A member of an organisation, or the Industrial Registrar, may apply to the organisation for a specified prescribed information in relation to the organisation.
- ② An organisation shall, on application made under Sub-section (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in the manner, and within the time, as prescribed by the regulations.

**AUDITOR'S CERTIFICATE**

We certify that the above summary is a fair and accurate of the Report, Accounts and Statements of the Construction, Forestry, Mining and Energy Union, NSW State Branch for the year ended 31 December 2004. Our Auditor's Report to the members dated 10<sup>th</sup> November, 2005 on the Financial Report, did not contain any particulars of any deficiency, failure or shortcoming as referred to in the Industrial Relations Act 1991.

  
.....  
**DALEY & CO**  
Chartered Accountants  
Wollongong NSW 2500

  
.....  
**M L Gleeson**  
Registered Company Auditor  
Partner

Dated this 10<sup>th</sup> day of November 2005



**Australian Government**  
**Australian Industrial Registry**

Level 14, Central Plaza Two  
66 Eagle Street, Brisbane, QLD 4000  
PO Box 5713 Central Plaza BRISBANE QLD 4001  
Telephone: (07) 3000 0399  
Fax: (07) 3000 0388  
Email: brisbane@air.gov.au

Mr Michael Gleeson  
Daley & Co  
Chartered Accountants  
98 Kembla Street  
WOLLONGONG NSW 2500

Dear Mr Gleeson

**Construction, Forestry, Mining and Energy Union (CFMEU),  
Construction and General Division, NSW Divisional Branch  
- Financial Return for year ended 31 December 2004 (FR2004/681)**

For your information I advise that I have today sent a letter by facsimile transmission to Mr Andrew Ferguson, NSW Divisional Branch Secretary of the Construction and General Division of the CFMEU making inquiries under section 330 of the RAO Schedule of the *Workplace Relations Act 2006* in relation to the Branch's financial return for year ended 31 December 2004. A copy of my letter is enclosed.

The Branch in its return has disclosed that a fundamental correction had been made in its books causing a reduction in non-current assets and equity of the Branch by an amount in excess of \$10 million. You will appreciate that the circumstances giving rise to a correction of such substantial magnitude warrant some inquiries. I have been requested by the acting Industrial Registrar to make such inquiries.

I invite you to make any comments or provide to me any information that you consider appropriate in relation to my inquiries of the Branch.

I would be grateful if you would provide me with any comments and/or information relevant to my inquiries by **close of business, Thursday, 18 May 2006**.

Yours sincerely

Damien Staunton  
Deputy Industrial Registrar  
24 April 2006