



FAIR WORK
COMMISSION

6 July 2015

Mr Brian Parker
Secretary, New South Wales Divisional Branch
Construction and General Division
CFMEU

Sent via email: bparker@nsw.cfmeu.asn.au

Dear Mr Parker

Re: Lodgement of financial statements and accounts - Construction, Forestry, Mining and Energy Union, Construction and General Division, New South Wales Divisional Branch - for year ended 31 December 2014 (FR2014/466)

I refer to the financial report lodged for the New South Wales Divisional Branch in respect of the year ended 31 December 2014. The documents were lodged with the Fair Work Commission on 29 June 2015. The financial report has been filed.

The financial report was assessed under a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements. You are not required to take any further action in respect of the report lodged.

Please note that the financial report for the year ended 31 December 2015 may be subject to an advanced compliance review.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you require information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or by email at stephen.kellett@fwc.gov.au.

Yours sincerely

Senior Adviser, Regulatory Compliance Branch

CFMEU

CONSTRUCTION

26 June 2015

Fair Work Australia,
Statutory Services Branch
Level 8
80 William Street
East Sydney
NSW 2011

CFMEU NSW
12 Railway St,
Lidcombe NSW 2141

Locked Bag 1
Lidcombe 1825

Secretary: Brian Parker
President: Rita Mallia

Ph 02 9749 0400

Fax 02 9649 7100

cfmeunsw.asn.au
enquiries@nsw.cfmeu.asn.au

ABN: 17 524 350 150

ATTENTION STEPHEN KELLETT

Dear Sir

Re: Financial Statements in respect of Financial year ending 31 December 2014

Please find enclosed the Financial Statements for the Construction, Forestry, Mining and Energy Union New South Wales Divisional Branch Construction and General Division, Secretary's Certificate and Statement of Loans, Grants and Donations.

It would be appreciated if you could provide acknowledgment in writing of your receipt of these returns.

Yours faithfully



KYLIE WRAY
General Manager

Construction Forestry Mining and Energy Union

Construction and General Division

New South Wales Divisional Branch

Federally Registered Trade Union

Financial Statements

For the Year Ended 31 December 2014

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Financial Statements

For the Year Ended 31 December 2014

Contents

Operating Report	1
Committee of Management Statement	6
Statement of Profit or Loss and Other Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12
Recovery of Wages Activity	42
Independent Audit Report	43

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Operating Report

31 December 2014

The Committee of Management present their report on Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch for the financial year ended 31 December 2014.

Information on Committee of Management

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

Name	Position	Period of Appointment
Mr B Parker	Secretary	1/1/14 - 31/12/14
Ms R Mallia	President	1/1/14 - 31/12/14
Mr R Hanlon	Assistant Secretary	1/1/14 - 31/12/14
Mr R Kera	Assistant Secretary	1/1/14 - 31/12/14
Mr L Abarca	COM Member	1/1/14 - 31/12/14
Mr S Andrew	COM Member	1/1/14 - 31/12/14
Mr J Barrios	COM Member	1/1/14 - 31/12/14
Mr J Burns	COM Member	1/1/14 - 31/12/14
Mr H Byrnes	COM Member	1/1/14 - 31/12/14
Mr M Cambourn	COM Member	28/3/14 - 31/12/14
Mr G Cameron	COM Member	1/1/14 - 31/12/14
Mr C Chapman	COM Member	1/1/14 - 31/12/14
Mr E Coelho	COM Member	1/1/14 - 31/12/14
Mr S Costigan	COM Member	1/1/14 - 31/12/14
Mr P Dunbar	COM Member	1/1/14 - 28/2/14
Mr J Faulkner	COM Member	1/1/14 - 31/12/14
Mr P Genovese	COM Member	1/1/14 - 31/12/14
Mr D Hackett	COM Member	1/1/14 - 31/12/14
Mr M Hammoud	COM Member	1/1/14 - 31/12/14
Mr R Jaram	COM Member	1/1/14 - 31/12/14
Mr M Jones	COM Member	1/1/14 - 31/12/14
Mr P Kenniff	COM Member	1/1/14 - 31/12/14
Mr D McNamara	COM Member	1/1/14 - 31/12/14
Mr P Midson	COM Member	28/3/14 - 31/12/14
Mr G Mielke	COM Member	1/1/14 - 28/2/14
Mr G Preston	COM Member	1/1/14 - 31/12/14
Mr D Radic	COM Member	28/3/14 - 31/12/14
Mr D Reeves	COM Member	31/10/14 - 31/12/14
Mr C Sgroi	COM Member	1/1/14 - 31/12/14
Mr S Tebbutt	COM Member	1/1/14 - 29/8/14
Mr L Valesini	COM Member	1/1/14 - 31/12/14
Mr B Wesbter	COM Member	1/1/14 - 31/12/14
Mr W Whitney	COM Member	1/1/14 - 31/12/14
Mr A Zdrilic	COM Member	1/1/14 - 28/2/14

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Operating Report

31 December 2014

Principal activities

The principal activities of Construction Forestry Mining & Energy Union Construction and General Division New South Wales Divisional Branch during the financial year were:

- Implementation of Divisional Executive Decisions.
- Maintenance of Union Rules, Registrations and Affiliations.
- The negotiation of enterprise bargaining agreements and project agreements to improve wage rates and conditions of employment for members.
- The election and training of workplace Union delegates to strengthen worker's rights.
- The systematic checking of sites by Union organisers to maintain and improve workplace safety.
- The recruitment of members to the Union to increase Union strength.
- The training of Union officials and staff to better equip the Union to effectively represent and organise workers.
- The audit of employers to ensure compliance with agreement, award and statutory obligations.
- Assistance to workers and sub contract companies unpaid when contractors go bust.
- Representation and assistance to injured workers to assist them in respect of workers compensation and return to work.
- Representation and assistance to members unfairly sacked and victimised.
- The variation of awards to enhance the rights and entitlements of workers.
- Involvement in the broader trade union movement to strengthen trade union unity and influence.
- Media and other communications to our members and the broader community on issues affecting the rank and file to improve worker and community understanding of the role and relevance of the CFMEU and trade unionism.
- International Trade Union Unity.
- Campaigns against unjust and repressive labour laws introduced by the Federal Liberal Government.

No significant changes in the nature of the Union's activity occurred during the financial year.

Operating results and review of operations for the year

Operating results

The surplus of the Union amounted to \$ 593,998 (2013: \$1,305,031).

Review of operations

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

Events after the reporting date

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

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Operating Report

31 December 2014

Right of members to resign

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

Superannuation Trustees

Ms Rita Mallia is a director of United Super Pty Limited which acts as Trustee of CBus.

No other officer or employee of the Union acts:

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

Number of members

There were 19,044 members of the Union as at 31 December 2014 (2013: 20,165).

Number of employees

As at 31 December 2014 the Union had 59 full-time equivalent employees (2013: 61).

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Operating Report

31 December 2014

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

Name	Name of organisation	Purpose of organisation	Nominated by the Union
Rebel Hanlon	West Tradies	Community Club	No
Terry Kesby	Officer Solidarity NSW Pty Ltd	Administer Officers' Solidarity Fund	No
Rita Mallia	ACIRT Pty Limited	Trustee redundancy fund	Yes
	Asbestos Disease Research Foundation	Scientific research	Yes
	Byron Hall Pty Ltd	Body corporate	No
	Schizophrenia Research Institute	Scientific research	Yes
	United Super Pty Ltd	Superannuation trustee	Yes
	UPlus Pty Ltd	Insurance	Yes
Keryn McWhinney	Officer Solidarity NSW Pty Ltd	Administer Officers' Solidarity Fund	No
Brian Parker	Mates In Construction	Suicide prevention	Yes
	Officer Solidarity NSW Pty Ltd	Administer Officers' Solidarity Fund	No
	UPlus Pty Ltd	Insurance	Yes
	Comet Training	Training	Yes
	Committee to Defend Trade Union Rights	Committee to defend trade unions and support peace, social justice and worker's rights	Yes
	The Construction Industry, Welfare, Education and Training Resources Association Ltd	Training	Yes
Michael Preston	Burraborang District Soccer Club	Sport	No
Radhika Raju	Jibbron Pty Ltd	Family company	No
Kylie Wray	Foundation House	Drug and alcohol rehabilitation	Yes
	Officer Solidarity NSW Pty Ltd	Administer Officers' Solidarity Fund	No
	Industrial Health & Research Foundation	Health centre	Yes
	The Trade Union Centre Wollongong Pty Ltd	Administration of a jointly owned building	Yes
	The Construction Industry, Welfare, Education and Training Resources Association Ltd	Training	Yes
	BTG Drug and Alcohol Committee	Provide drug and alcohol counselling and training	Yes
David Holmes	H & P Industries Pty Ltd	Business not related to construction industry	No

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

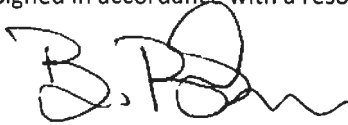
Operating Report

31 December 2014

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

Name	Name of organisation	Purpose of organisation	Nominated by the Union
Jose Mario Barrios	The Construction Industry, Welfare, Education and Training Resources Association Ltd	Training	Yes
	UPlus Pty Ltd	Insurance	Yes
	West Tradies	Community Club	No
Steve Costigan	The Construction Industry, Welfare, Education and Training Resources Association Ltd	Training	Yes
	UPlus Pty Ltd	Insurance	Yes
Peter Genovese	Comet Training	Training	Yes

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



Brian Parker
Secretary

29 May 2015

Sydney

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Committee of Management Statement

For the year ended 31 December 2014

On 29 May 2015 the Committee of Management of the Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2014:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager of the Fair Work Commission (the "General Manager");
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - iv) the financial records of the reporting unit, have been kept, as far as practicable, in a manner consistent with each of the reporting units of the organisation; and
 - v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act it has been provided to the member or General Manager; and
 - vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) in relation to recovery of wages activity:
 - i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager; and
 - ii) the committee of management instructed the auditor to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity; and
 - iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and

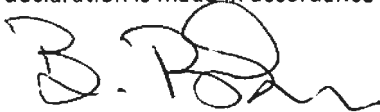
Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Committee of Management Statement

For the year ended 31 December 2014

- v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

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



Brian Parker
Secretary

29 May 2015
Sydney

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2014

	Note	2014 \$	2013 \$
Revenue	3	9,348,465	8,268,786
Other income	3	981,265	2,625,924
Employee benefits expense	4	(6,379,435)	(6,324,142)
Capitation fees	4	(743,179)	(668,492)
Motor vehicle expenses		(277,837)	(269,264)
Legal costs	4	(271,872)	(278,846)
Depreciation and amortisation expense	8(a)	(236,545)	(265,583)
Distribution and printing expenses		(235,040)	(230,575)
Property expenses		(174,123)	(205,313)
Levies	4	(150,060)	(135,872)
Travel and accommodation costs		(132,057)	(101,073)
Insurance expenses		(129,914)	(181,333)
Affiliation fees	4	(128,215)	(116,414)
Other expenses		(874,748)	(812,772)
Share of net profits of equity-accounted associates and joint ventures		(2,707)	-
Result for the year		593,998	1,305,031
Other comprehensive income:			
Changes in fair value of available-for-sale financial assets		497	2,538
Total comprehensive income for the year		594,495	1,307,569

The accompanying notes form part of these financial statements.

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Balance Sheet

As at 31 December 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	818,581	631,199
Trade and other receivables	6	1,025,589	679,672
Other financial assets	7	282,141	6,729
TOTAL CURRENT ASSETS		2,126,311	1,317,600
NON-CURRENT ASSETS			
Trade and other receivables	6	288,648	350,860
Investment in associates	17	13,051	16,564
Investment in joint venture	18	100	100
Property, plant and equipment	8	693,789	589,874
TOTAL NON-CURRENT ASSETS		995,588	957,398
TOTAL ASSETS		3,121,899	2,274,998
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	1,565,318	1,390,767
Employee benefits	11	2,307,357	2,469,040
Other liabilities	10	470,559	259,555
TOTAL CURRENT LIABILITIES		4,343,234	4,119,362
NON-CURRENT LIABILITIES			
Employee benefits	11	97,254	68,720
TOTAL LIABILITIES		4,440,488	4,188,082
NET ASSET DEFICIENCY		(1,318,589)	(1,913,084)
EQUITY			
Reserves	12	3,618	3,121
Retained earnings		(1,322,207)	(1,916,205)
TOTAL EQUITY		(1,318,589)	(1,913,084)

The accompanying notes form part of these financial statements.

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Statement of Changes in Equity

For the Year Ended 31 December 2014

2014

	Retained Earnings	Financial Assets Reserve	Total
	\$	\$	\$
Balance at 1 January 2014	(1,916,205)	3,121	(1,913,084)
Result for the year	593,998	-	593,998
Other comprehensive income	-	497	497
Balance at 31 December 2014	(1,322,207)	3,618	(1,318,589)

2013

	Retained Earnings	Financial Assets Reserve	Total
	\$	\$	\$
Balance at 1 January 2013	(3,221,236)	583	(3,220,653)
Result for the year	1,305,031	-	1,305,031
Other comprehensive income	-	2,538	2,538
Balance at 31 December 2013	(1,916,205)	3,121	(1,913,084)

The accompanying notes form part of these financial statements.

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Statement of Cash Flows

For the Year Ended 31 December 2014

	2014	2013
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and contributions	10,910,373	9,978,203
Payments to suppliers and employees	(10,101,518)	(9,749,786)
Interest received	14	-
Net cash provided by operating activities	22(a) <u>808,869</u>	<u>228,417</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for plant and equipment	(346,571)	(225,558)
Proceeds from sale of plant and equipment	-	73,226
Payments for held to maturity investments	(274,916)	-
Net cash used in investing activities	<u>(621,487)</u>	<u>(152,332)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash used by financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents held	187,382	76,085
Cash and cash equivalents at beginning of year	631,199	560,114
Cash and cash equivalents at end of financial year	5 <u>818,581</u>	<u>636,199</u>

The accompanying notes form part of these financial statements.

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

The financial report covers the Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch ("the Union") as an individual accounting reporting unit. The Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch is a not-for-profit Union, which is an organisation of employees registered under the *Fair Work (Registered Organisation) Act 2009* ("the RO Act"). In accordance with the RO Act, the Union is a separate accounting reporting unit with perpetual succession, and accordingly, by virtue of this method of incorporation, the Union is not subject to the *Corporations Act 2001*.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are a general purpose financial statements that has been prepared in accordance with the applicable Australian Accounting Standards and Interpretations issued by the Australia Accounting Standards Board (AASB) and the *Fair Work (Registered Organisation) Act 2009*.

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

Separation of the State-registered and Federally-registered legal entities

The Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch ("the Federally-registered Union") has dual registration as being a Federally-registered Union as well as being the counterpart federal body of a Division of a State-registered Union. The Divisional Branch of the Federally-registered Union and the State Construction and General Division of the State-registered Union have the same members, the same Committee of Management members and the same Officials. Legal advice has been obtained that confirms that they are in fact constituent parts of separate legal entities.

Under the principles established by the two leading authorities in this area, namely *Moore v. Doyle (1969) 15 FLR 59 (Full Federal Court)* and *McJannet; ex parte Minister for Employment (etc.) Queensland and Another (Full High Court reported at (1997) 189 CLR 654)* the Federally-registered Union has prepared and lodged a separate financial report to that of the State-registered union, being the Construction Forestry Mining and Energy Union (New South Wales Branch) Construction and General Division. For further information on the separation of the entities and their respective assets, refer to note 1(l).

As at 31 December 2014 the Committee of Management continues to believe that the dual registrations as both a State-registered and Federally-registered Union is still appropriate.

Accordingly, these financial statements have been prepared for the Federally-registered Union's Divisional Branch.

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

1 Summary of Significant Accounting Policies (Continued)

(b) Comparative figures

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

When the Union applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a balance sheet as at the beginning of the earliest comparative period will be presented.

(c) Principles of consolidation

Joint Arrangements

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

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch has determined that it has only joint ventures.

Joint ventures:

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

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

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

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

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

1 Summary of Significant Accounting Policies (Continued)

(c) Principles of consolidation (Continued)

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 *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.

(d) Property, plant and equipment

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

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.

Depreciation

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

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Fixed asset class	Depreciation rate
Buildings	2%
Furniture, Fixtures and Fittings	9 - 20%
Motor Vehicles	20%

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

(e) Financial instruments

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

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

1 Summary of Significant Accounting Policies (Continued)

(e) Financial Instruments (Continued)

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

Financial Assets

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

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

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

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

Loans and receivables

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

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

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

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

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

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

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

1 Summary of Significant Accounting Policies (Continued)

(e) Financial instruments (Continued)

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

Financial assets at fair value through profit or loss

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

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

The Union has some derivatives which are designated as financial assets at fair value through profit or loss.

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

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Held-to-maturity investments

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

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

Available-for-sale financial assets

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

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

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

1 Summary of Significant Accounting Policies (Continued)

(e) Financial Instruments (Continued)

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

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

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

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Union uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Union's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

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

Financial assets at amortised cost

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

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

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

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

1 Summary of Significant Accounting Policies (Continued)

(e) Financial instruments (Continued)

Available-for-sale financial assets

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

(f) Cash and cash equivalents

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

(g) Employee benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

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

(h) Leases

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

(i) Revenue and other income

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

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

1 Summary of Significant Accounting Policies (Continued)

(i) Revenue and other income (Continued)

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

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Membership subscriptions

Revenue in relation to membership subscriptions is recognised on a straight-line basis over the period of the membership period.

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

(j) Funds held in trust

From time to time the Union will collect voluntary contributions from members, employers and other sources for furtherance of particular purposes, such as an appeal for the benefit of a member or the members as a group. For accounting purposes, these transactions are not treated as revenue as the Union is only operating as a facilitator to co-ordinate and collect funds for such appeals. Accordingly, all unspent/untransferred monies have been credited to the "Funds held in trust" account, as referred to in Note 10.

(k) 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 payable 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 balance sheet.

Cash flows in the 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.

(l) Going concern

This financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

1 Summary of Significant Accounting Policies (Continued)

(l) Going concern (Continued)

As at 31 December 2014:

- There was a net asset deficiency of \$1,318,589 (2013: \$1,913,084); and
- There was a net deficiency in current assets of \$2,216,923 (2013: \$2,801,762)

The distinction between the State and Federal registrations requires the preparation of separate financial reports. Refer to Note 1(a) for further information. The legal title to specific assets (and their related transactions/balances) are vested either solely with the State-registered Union, or treated identically in both the State and Federal Unions for financial reporting purposes. Accordingly, those assets vested solely with the State-registered Union have been excluded from this financial report, thus contributing significantly to the establishment of the net asset deficiencies noted above.

As at 31 December 2014, with the financial report of the State-registered Union (having positive net assets and a surplus of current assets over current liabilities) being prepared on a going concern basis, the Committee of Management believe that the Union (having the same members, the same Committee of Management members and the same Officials as the State-registered Union) will continue as a going concern.

(m) Adoption of new and revised accounting standards

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

(n) 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.

(o) Related party disclosures

Related party disclosures in this financial report are presented on an accruals basis. Whilst the financial records of the Union have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the organisation, the balances and transactions reported in this financial report may differ to those recorded in the financial report of the counterparty reporting unit. This may arise due to timing differences in the respective recordkeeping of the related reporting units, for example, in the receipt of payments, correspondence in transit or the alternative categorisation of balances/transactions.

2 Critical Accounting Estimates and Judgments

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

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

2 Critical Accounting Estimates and Judgments (Continued)

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

Key estimates - provisions

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

Key estimates - receivables

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

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

3 Revenue and other income

	Note	2014 \$	2013 \$
Revenue from continuing operations			
- Membership subscriptions		8,324,187	7,404,312
- Fighting Levy		79,322	73,114
- Defend the Union National Campaign Levy	21	150,060	-
- Safety dinner		62,191	106,030
- Fighting fund receipts		396,474	388,820
- Attendance fees		67,648	57,041
- Promotion and advertising reimbursements		149,946	110,650
- EBA services		118,637	128,819
- Grants		-	-
- Donations		-	-
- Capitation fees		-	-
		9,348,465	8,268,786
Other revenue			
- Interest received		14	-
- Other income		275,929	228,254
- Picnic sponsorships		262,410	344,194
- Shared service agreement		421,353	423,173
- Debt forgiveness from State-registered Union	9(b)	12,572	1,593,328
- Gain on disposal of assets		8,987	25,411
- Gain on revaluation of associate		-	11,564
		981,265	2,625,924

Refer to note 1(o) to further commentary in relation to the consistency of transactions and balances between reporting units.

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

4 Result for the year

The result for the year includes the following specific expenses

	2014	2013
	\$	\$
Employee benefits expense comprises:		
<i>Office holders:</i>		
- Wages and salaries	552,629	472,453
- Superannuation	76,799	79,097
- Leave and other entitlements	(63,342)	79,866
- Separation and redundancies	18,908	7,010
- Other employee expenses	38,331	31,775
	<u>623,325</u>	<u>670,201</u>
<i>Employees other than office holders:</i>		
- Wages and salaries	4,860,761	4,525,840
- Superannuation	497,987	635,010
- Leave and other entitlements	(69,807)	29,440
- Separation and redundancies	145,574	165,646
- Other employee expenses	321,595	298,005
	<u>5,756,110</u>	<u>5,653,941</u>
Total employee benefits expense	<u><u>6,379,435</u></u>	<u><u>6,324,142</u></u>
Other expenses:		
Capitation fees paid to CFMEU C&G National Office	<u>743,179</u>	<u>668,492</u>

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

4 Result for the year (Continued)

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

	2014	2013
	\$	\$
Affiliation fees		
Asbestos Disease Foundation of Australia	60	60
Australian Labor Party	74,808	64,854
CRUMA	50	50
May Day Committee	-	300
Philippines Australia Union Link	50	-
Newcastle Trades Hall	3,298	3,298
Unions NSW - Labor Council of NSW	46,391	44,571
Unions NSW South Coast Labor Council	2,148	2,090
West's Tradies	150	-
Workers Educational Association	68	45
Workers Health Centre	1,192	1,146
	<u>128,215</u>	<u>116,414</u>
Levy - Defend the Union National Campaign Levy	150,060	135,872
Fees/allowances - meeting and conferences	28,699	24,918
Conference and meeting expenses	917	3,460
Donations - less than \$1,000	-	600
Donations - greater than \$1,000	-	9,000
Grants - less than \$1,000	-	-
Grants - greater than \$1,000	-	-
Penalties - via RO Act or RO Regulations	-	-
Consideration to employers for payroll deductions	-	-
Legal costs - litigation	77,504	266,976
Legal costs - other legal matters	49,582	11,870
Legal costs - Royal Commission costs	144,787	-
	<u>271,873</u>	<u>278,846</u>

Refer to note 1(o) to further commentary in relation to the consistency of transactions and balances between reporting units.

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

5 Cash and cash equivalents

	Note	2014 \$	2013 \$
Cash on hand		9,100	9,100
Cash at bank		809,481	622,099
		<u>818,581</u>	<u>631,199</u>

6 Trade and other receivables

CURRENT

Trade receivables		497,647	375,917
Provision for impairment	(b)	(20,725)	(20,725)
Prepayments		204,627	217,152
Related party receivable	21	224,932	-
Other receivables		119,108	107,328
		<u>1,025,589</u>	<u>679,672</u>

NON-CURRENT

Loan - Comet Training Trust		362,544	362,544
Provision for impairment	(b)	(73,896)	(11,684)
		<u>288,648</u>	<u>350,860</u>

The Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch has advanced funds to an associate, the Comet Training Trust. The funds advanced have no set repayment date, with the timing of cash flows uncertain and dependent on the profitability of the associate. Each balance date an assessment of the recoverable amount is performed, with any excess over the carrying value provided for and charged to the statement of comprehensive income, thus ensuring that the carrying value does not exceed its recoverable amount. For the year ended 31 December 2014 the provision increased by \$62,212 (2013: \$9,413).

(a) Receivables from other reporting units

CFMEU - ACT Branch	21	-	1,421
CFMEU C&G National Office	21	224,932	-

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

6 Trade and other receivables (Continued)

(b) Provision for doubtful debts

Movement in provision for impairment of receivables is as follows:

	2014	2013
	\$	\$
Balance at beginning of the year	32,409	2,271
Additional impairment loss recognised	62,212	30,138
Balance at end of the year	94,621	32,409

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

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

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			< 30	31-60	61-90	> 90	
	\$	\$	\$	\$	\$	\$	\$
2014							
Trade and term receivables	494,647	20,725	-	22,957	2,249	293,179	155,537
Other receivables	344,040	-	-	-	-	-	344,040
Total	838,687	20,725	-	22,957	2,249	293,179	499,577
2013							
Trade and term receivables	375,917	20,725	-	32,450	4,481	183,629	134,632
Other receivables	107,328	-	-	-	-	-	107,328
Total	483,245	20,725	-	32,450	4,481	183,629	241,960

Refer to note 1(o) to further commentary in relation to the consistency of transactions and balances between reporting units.

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

7 Other financial assets

	2014	2013
Note	\$	\$
CURRENT		
Available for sale financial assets	(a) 7,225	6,729
Held-to-maturity financial assets	(b) 274,916	-
Total current assets	<u>282,141</u>	<u>6,729</u>

(a) Available-for-sale financial assets comprise:

Listed investments		
- shares in other corporations - fair value	<u>7,225</u>	<u>6,729</u>

(b) Held-to-maturity investments comprise:

Fixed interest term deposits	<u>274,916</u>	<u>-</u>
------------------------------	----------------	----------

8 Property, plant and equipment

Furniture, fixture and fittings		
At cost	1,441,790	1,385,456
Accumulated depreciation	(1,202,585)	(1,095,842)
Total furniture, fixture and fittings	<u>239,205</u>	<u>289,614</u>
Motor vehicles		
At cost	1,179,200	1,042,626
Accumulated depreciation	(724,616)	(742,366)
Total motor vehicles	<u>454,584</u>	<u>300,260</u>
Total property, plant and equipment	<u>693,789</u>	<u>589,874</u>

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

8 Property, plant and equipment (Continued)

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

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

	Furniture, Fixtures & Fittings \$	Motor Vehicles \$	Total \$
Year ended 31 December 2014			
Balance at the beginning of year	289,614	300,260	589,874
Additions	56,334	290,237	346,571
Disposals - written down value	(4,647)	(1,464)	(6,111)
Depreciation expense	(102,096)	(134,449)	(236,545)
Balance at the end of the year	239,205	454,584	693,789

	Furniture, Fixtures & Fittings \$	Motor Vehicles \$	Total \$
Year ended 31 December 2013			
Balance at the beginning of year	334,964	342,751	677,715
Additions	66,877	158,681	225,558
Disposals - written down value	-	(47,816)	(47,816)
Depreciation expense	(112,227)	(153,356)	(265,583)
Balance at the end of the year	289,614	300,260	589,874

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

9 Trade and other payables

	2014	2013
Note	\$	\$
CURRENT		
Sundry payables and accrued expenses	566,554	337,042
Capitation fees payable	-	85,421
Legal costs	34,100	-
Consideration to employers for payroll deductions	-	-
Payable to State-registered Union	-	-
(b)		
Unearned income	964,664	968,304
	<u>1,565,318</u>	<u>1,390,767</u>
(a) Payables to other reporting entities:		
CFMEU C&G National Office	21 65,555	85,421
	<u>65,555</u>	<u>85,421</u>

(b) Debt forgiven

As at the balance date the net liability payable to the State-registered Union, after excluding all Federally-registered Union assets and transactions from this financial report, was \$12,572 (2013: \$1,593,328). In accordance with a special resolution of the State-registered Union, it was resolved that this debt be forgiven.

Refer to note 1(o) to further commentary in relation to the consistency of transactions and balances between reporting units.

10 Other liabilities

Fund held in trust	459,351	227,597
Unexpended grants carried forward	11,208	31,958
	<u>470,559</u>	<u>259,555</u>

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

11 Employee benefits

	2014	2013
	\$	\$
CURRENT		
Long service leave	1,321,464	1,291,391
Annual leave	883,517	1,039,165
Separation and redundancies	-	-
Other	102,376	138,484
	<u>2,307,357</u>	<u>2,469,040</u>
NON-CURRENT		
Long service leave	97,254	68,720
Annual leave	-	-
Separation and redundancies	-	-
Other	-	-
	<u>97,254</u>	<u>68,720</u>
(a) Total employee benefits attributable to:		
Office Holders:		
Annual leave	125,518	172,108
Long service leave	144,694	161,446
Separations and redundancies	-	-
Other	-	-
	<u>270,212</u>	<u>333,554</u>
Employees other than office holders:		
Annual leave	757,999	867,057
Long service leave	1,274,024	1,198,665
Separation and redundancies	-	-
Other	102,376	138,484
	<u>2,134,399</u>	<u>2,204,206</u>
Total	<u><u>2,404,611</u></u>	<u><u>2,537,760</u></u>

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

12 Reserves

Financial asset reserve

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

13 Capital and leasing commitments

Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

	2014	2013
	\$	\$
Payable - minimum lease payments:		
- no later than 1 year	81,955	79,568
- between 1 year and 5 years	127,886	209,841
	<u>209,841</u>	<u>289,409</u>

Operating leases have been taken out for properties. Lease payments are adjusted on an annual basis to reflect market rentals.

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

14 Financial risk management

The main risks Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of foreign currency risk and equity price risk.

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

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2014 \$	2013 \$
Financial Assets			
Cash and cash equivalents	5	818,581	631,199
Trade receivables	6	497,647	375,917
Other receivables	6	344,040	107,328
Held-to-maturity investments	7(b)	274,916	-
Loan receivable	6	288,648	350,860
Available-for-sale financial assets - at fair value:			
- listed shares in other corporations	7	7,225	6,729
Total financial assets		2,231,057	1,472,033
Financial Liabilities			
Trade and other payables	9	600,654	422,463

The table below reflect an undiscounted contractual maturity analysis for financial liabilities.

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

Financial liability maturity analysis - Non-derivative

	On demand		Total	
	2014 \$	2013 \$	2014 \$	2013 \$
Financial liabilities due for payment				
Trade and other payables	600,654	422,463	600,654	422,463

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

14 Financial risk management (Continued)

Credit risk

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

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

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

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

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

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

14 Financial risk management (Continued)

Net income and expense from Financial Assets

	2014	2013
	\$	\$
Held-to-maturity		
Interest revenue	14	-
Available for sale		
Gain recognised in equity	497	2,538

15 Interests of Key Management Personnel

The totals of remuneration paid to the key management personnel of Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch during the year are as follows:

Short-term employee benefits	506,039	528,783
Other long-term benefits	(16,752)	23,536
Post-employment benefits	76,799	79,097
Termination benefits	18,908	7,010
	<u>584,994</u>	<u>638,426</u>

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

16 Remuneration of Auditors

	2014	2013
	\$	\$
Remuneration of the auditor of the Union, Daley & Co Chartered Accountants, for:		
- auditing or reviewing the financial statements	53,000	43,800
- taxation services	2,200	2,200
	<u>55,200</u>	<u>46,000</u>

17 Interests in Associates

During the prior year, the Union purchased 49.99% of the shares in U-Plus Pty Limited for \$5,000. As at 31 December 2014, U-Plus Pty Limited had net assets of \$26,108 (2013: \$33,135).

18 Interests in Joint Ventures

The Union has joint control over the Comet Training Trust. The carrying value of this investment at 31 December 2014 is \$100 (2013: \$100).

19 Fair Value Measurement

The Union measures its financial assets, being listed 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.

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

19 Fair Value Measurement (Continued)

Fair value hierarchy (Continued)

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

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 December 2014				
Recurring fair value measurements				
Financial assets				
Listed Shares	7,225	-	-	7,225
31 December 2013				
Recurring fair value measurements				
Financial assets				
Listed Shares	6,729	-	-	6,729

20 Contingent liabilities and contingent assets

Contingent Liabilities

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch had the following contingent liabilities at the end of the reporting period:

Three (3) claims have been lodged against the Union in respect of alleged contraventions of the Fair Work Act 2009 arising out of incidents on construction sites. The Union is currently defending these actions and it is uncertain as to whether the claims will be successful. Further, the ultimate outcomes of these claims (individually and collectively) cannot be measured reliably.

The FWBII has commenced prosecution of a Union Organiser in respect of an alleged offence involving a FWBII official. The Union is currently defending this prosecution and it is uncertain as to whether the prosecution will be successful and the ultimate outcome cannot be measured reliably.

The information usually required by AASB 137 Provision, Contingent Liabilities and Contingent Assets has not been disclosed on the grounds that it can be expected to prejudice seriously the outcome of the case.

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

21 Related party transactions

Related Parties

(a) Key management personnel

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

For details of disclosures relating to key management personnel, refer to Note 15: Key Management Personnel Compensation.

(b) Transactions with related parties

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

The following transactions occurred with related parties:

(i) Income

	Note	2014 \$	2013 \$
Distributions from Comet Training Trust		-	74,104
Fees and distributions from UPlus		421,353	423,173
Debt forgiveness - State-registered Union payable	9(b)	12,572	1,593,328
CFMEU C&G ACT - Reimbursement of Wages		1,421	21,783
CFMEU C&G Queensland and Northern Territory - Merchandise		46	-
CFMEU Forestry and Furnishing Products Division - Affiliation fees and luncheon		8,864	9,256

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

21 Related party transactions (Continued)

(ii) Rental expense

	2014	2013
Note	\$	\$
CFMEU C&G National Office	69,955	68,182

(iii) Capitation and other fees

CFMEU C&G Queensland and Northern Territory	1,137	271
CFMEU M&E Queensland	733	-
CFMEU C&G Victoria - Sundry Income	3,000	-
CFMEU C&G ACT Branch - Merchandise	7,663	-
CFMEU C&G National Office - Capitation Fees	743,179	668,492
CFMEU C&G National Office - Campaign Levies	150,060	135,872
CFMEU C&G National Office - Royal Commission Costs	144,787	-
CFMEU C&G National Office - National Campaign	-	100,000
CFMEU C&G National Office - Leave transfer	-	33,931
CFMEU C&G National Office - Sundry operating expenses	31,756	29,053
Builders Labourers Federation - Reimbursement of Employment expenses	16,172	29,176

(iv) Trade and other receivables

CFMEU C&G National Office	224,932	-
CFMEU ACT Branch	-	1,421
Receivable from Comet Training Trust	74,104	74,104
Receivable from UPlus Pty Limited	28,297	-

Loans to other related parties:

Loan to Comet Training Trust	288,648	350,860
------------------------------	---------	---------

(v) Trade and other payables:

CFMEU C&G National Office	65,555	85,421
Payable to UPlus Pty Limited	5,000	5,000

Refer to note 1(o) to further commentary in relation to the consistency of transactions and balances between reporting units.

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

22 Cash flow information

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

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

	2014	2013
	\$	\$
Result for the year	593,998	1,305,031
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	236,545	265,583
- net (gain)/loss on disposal of plant and equipment	6,111	(25,411)
- net (gain)/loss on revaluation of investment in associate	3,513	(11,564)
Changes in assets and liabilities:		
- decrease in trade and other receivables	(296,231)	(33,975)
- decrease in other assets	12,525	7,593
- increase/(decrease) in trade payables and other operating liabilities	385,557	(1,388,145)
- increase/(decrease) in employee benefits	(133,149)	109,305
Cashflow from operations	<u>808,869</u>	<u>228,417</u>

(b) Cash flow information - cash inflows/(outflows) from other reporting units

CFMEU C&G ACT Branch	1,563	23,961
CFMEU C&G Queensland and Northern Territory Branch	(1,250)	(298)
CFMEU Forestry and Furnishing Products Division	9,750	10,182
CFMEU ACT Branch	(8,429)	-
CFMEU C&G Victorian Branch	(3,000)	-
CFMEU M&E Queensland Branch	(807)	-
CFMEU C&G National Office	(1,407,803)	(931,139)
Builders Labourers Federation	(16,172)	(29,176)

Refer to note 1(o) to further commentary in relation to the consistency of transactions and balances between reporting units.

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

23 Correction of error

Consistent with industry practice, the Union has historically accounted for its membership revenue on a cash basis, which had been considered materially consistent with the accruals basis of accounting with regards to the result of the Union. It has been clarified that the Union account for its membership revenue on an accruals basis and the information systems appropriately designed to allow the production of the data to enable the reliable calculation of accruals. In accordance with AASB 108, this adjustment is described as a "prior period error" and has been rectified by restating each of the affected financial statement line items for period periods as follows:

	Previously stated \$	31 December 2013 Adjustments \$	Restated \$	Previously stated \$	31 December 2012 Adjustments \$	Restated \$
Income Statement						
Membership subscription revenue	7,362,575	58,623	7,421,198			
Result for the year	1,246,408	58,623	1,305,031			
Balance Sheet						
Trade receivables	96,205	279,712	375,917	132,778	212,347	345,125
Sundry payables and accrued expenses	(311,614)	(25,428)	(337,042)	(233,219)	(19,303)	(252,522)
Unearned income	-	(968,304)	(968,304)	-	(965,686)	(965,686)
Net assets	(1,199,064)	(714,020)	(1,913,084)	(2,448,011)	(772,642)	(3,220,653)
Retained earnings	(1,202,185)	(714,020)	(1,916,205)	(2,448,594)	(772,642)	(3,221,236)
Total equity	(1,199,064)	(714,020)	(1,913,084)	(2,448,011)	(772,642)	(3,220,653)

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2014

24 Events after the end of the Reporting Period

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

25 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the Fair Work (Registered Organisation) 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 General Manager of the Fair Work Commission:

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

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

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

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

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Recovery of Wages Activity

For the Year Ended 31 December 2014

	2014	2013
	\$	\$
Cash assets in respect of recovered money at the beginning of the year	4,122	5,952
Receipts		
Amounts recovered from employers in respect of wages	2,128,858	1,459,143
Payments		
Deductions of amounts due in respect of membership for:		
- 12 months or less	(41,393)	(57,228)
- Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
- The reporting unit - Fighting Fund	(30,590)	(27,509)
- Other entities:		
- ACIRT	(436,580)	(57,616)
- CBUS	(585,223)	(67,066)
- UPLUS	(3,608)	-
- Refund of employers	-	(1,181)
Other payments	(87)	-
Payments to workers in respect of recovered monies	(1,029,120)	(1,250,358)
	(2,126,601)	(1,460,958)
Bank fees to be reimbursed	(79)	(15)
Cash assets in respect of recovered money at the end of the year	6,300	4,122
Number of workers to which receipts recovered from employers relate	1,821	767
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	6,300	4,122
Number of workers to which undistributed wage recoveries relate	429	6

The accompanying notes form part of these financial statements.

**Independent Audit Report to the members of
Construction Forestry Mining and Energy Union Construction and General Division New South
Wales Divisional Branch**

Report on the Financial Report

We have audited the accompanying financial report of Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch, which comprises the balance sheet as at 31 December 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Committee of Management Statement.

Committee of Management and Accounting Officer's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

**Independent Audit Report to the members of
Construction Forestry Mining and Energy Union Construction and General Division New South
Wales Divisional Branch**

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Construction Forestry Mining and Energy Union Construction and General New South Wales Divisional Branch as at 31 December 2014, and of its financial performance and cash flows for the year then ended in accordance with:

- (a) the Australian Accounting Standards; and
- (b) any other requirements imposed by the Reporting Guidelines of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009; and
- (c) In relation to recovery of wages activity, including;
 - 1. Any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity; and
 - 2. Any donations or other contributions deducted from recovered money.
 - i) That the scope of our audit encompassed recovery of wages activity;
 - ii) That the financial statements and notes and recover of wages activity financial report properly and fairly report all information required by the reporting guidelines of the General Manager of Fair Work Australia.

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

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

Daley & Co.
Daley & Co
Chartered Accountants

Michael Mundt
Michael Mundt
Partner

Wollongong

29 May 2015

Liability limited by a scheme approved under Professional Standards Legislation

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2014
SECRETARY'S CERTIFICATE

I, Brian Parker, being the Secretary of the Construction Forestry Mining and Energy Union, Construction and General Division, New South Wales Divisional Branch certify:

- (i) That the documents lodged herewith are copies of the full report for the Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch for the period ended 31 December 2014 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- (ii) That the full report was provided to members of the reporting unity on 29 May, 2015; and
- (iii) That the full report was presented to a Committee of Management of the reporting unit on 26th June, 2015 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.



BRIAN PARKER

Dated this 26th day of June 2015



14 January 2015

Mr Brian Parker
Divisional Trustee / Branch Secretary
Construction, Forestry, Mining and Energy Union-Construction and General Division, New South Wales
Divisional Branch
Sent via email: bparker@nsw.cfmeu.asn.au

Dear Mr Parker,

**Re: Lodgement of Financial Report - [FR2014/466]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Construction and General Division, New South Wales Divisional Branch of the Construction, Forestry, Mining and Energy Union (the reporting unit) ended on 31 December 2014.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date, namely 15 July 2015 (being the expiry date of 6 months and 14 days from the end of the financial year), under s.268 of the RO Act.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Further, the General Manager's updated Reporting Guidelines that apply to all financial reports prepared on or after 30 June 2014 are also available on the website supported by a webinar presentation.

The Fair Work Commission has also developed a model set of financial statements. There is no requirement to use this model but it may be a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. All of the above information can be accessed through our website under [Financial Reporting](#).

We request that the financial report and any statement of loans, grants or donations made during the financial year (statement must be lodged within 90 days of end of financial year) be emailed, rather than posted, to orgs@fwc.gov.au. A sample statement of loans, grants or donations is available at [sample documents](#).

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$51,000 for a body corporate and \$10,200 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7936 or via email at robert.pfeiffer@fwc.gov.au.

Yours sincerely,

Robert Pfeiffer
Senior Adviser
Regulatory Compliance Branch

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /	As soon as practicable after end of financial year
(b) A # designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	/ /	
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<p>Within a reasonable time of having received the GPFR</p> <p>(NB: Auditor's report must be dated on or after date of Committee of Management Statement</p>
<p>Provide full report free of charge to members – s265</p> <p>The full report includes:</p> <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /	<p>(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,</p> <p>or</p> <p>(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.</p>
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.