

21 September 2011

Mr Graham White
Secretary, South Western District Branch
Construction, Forestry, Mining and Energy Union
636 Northcliffe Drive
KEMBLA GRANGE NSW 2526



Dear Mr White

**Re: Lodgment of Financial Accounts and Statements – South Western District Branch –
for year ending 31 December 2010 (FR2010/2821)**

Thank you for lodging the above financial statements and accounts, which were received by Fair Work Australia on 6 September 2011.

The documents have been filed, but I take this opportunity to draw your attention to the following.

Grants and donations

Note 19 on page 21 of the report shows an amount of \$19,558.00 for “Grants or donations” under “Items of Expense”.

If this amount included any single grant or donation exceeding \$1,000, you are obliged to lodge a separate statement pursuant to section 237 of the *Fair Work (Registered Organisations) Act 2009*, setting out the prescribed particulars.

If this is not relevant in this particular instance, there is no further action required.

Yours respectfully,

Stephen Kellett

Statutory Services Branch



THE UNITED MINE WORKERS SOUTH WESTERN DISTRICT

(Division of the Construction, Forestry, Mining and Energy Union)

A.B.N. 30 094 303 096

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CERTIFICATE BY PRESCRIBED DESIGNED OFFICER

S268 Fair Work (Registered Organisations) Act 2009

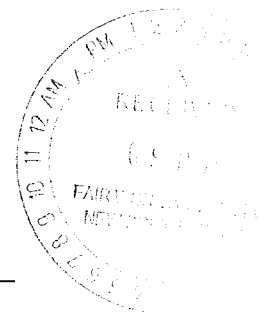
I, Graham White, a prescribed designated officer of the South Western District Branch, Mining Division, CFMEU, certify that the financial statements and accounts for the year ended 31st December 2010 lodged with Fair Work Australia on 06.09.11 are:

- Copies of the full report referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*
- Copies of the documents provided to the members on or from 11th April 2011
- Subsequently presented to a meeting (or series of meetings) in accordance with section 266 on 25th July 2011

Signature

Position – District Secretary

Dated 06.09.2011



President
A. Honeysett

Secretary
G. White

Vice President
B. Timbs

Vice President
G. Osborne

Check Inspectors
Trevor Schram

THE UNITED MINE WORKERS - SOUTH WESTERN DISTRICT
(A Division Of The Construction, Forestry, Mining & Energy Union - Mining & Energy Division)

FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010

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THE UNITED MINE WORKERS - SOUTH WESTERN DISTRICT
(A Division Of The Construction, Forestry, Mining & Energy Union - Mining & Energy Division)

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010**

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OPERATING REPORT

The Committee of Management of The United Mine Workers - South Western District (A Division Of The Construction, Forestry, Mining & Energy Union - Mining & Energy Division) ("the Union") present their Operating Report on the Union for the year ended 31 December 2010.

Committee of Management

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

NAME	POSITION	PERIOD OF APPOINTMENT
Mr A Honeysett	District President	1/1/2010 - 31/12/2010
Mr R Mitchell	District Secretary	1/1/2010 - 31/3/2010
Mr G White	District Secretary	1/4/2010 - 31/12/2010
Mr G Braes	District Vice President - Metalliferous	1/1/2010 - 31/12/2010
Mr G Osborne	District Vice President - West	1/1/2010 - 31/12/2010
Mr G White	District Vice President - South	1/1/2010 - 31/3/2010
Mr R Timbs	District Vice President - South	9/8/2010 - 31/12/2010
Mr S Winter	BOM Member	1/1/2010 - 31/12/2010
Mr R Marjoram	BOM Member	1/1/2010 - 29/11/2010
Mr A Townsend	BOM Member	1/1/2010 - 31/12/2010
Mr S Field	BOM Member	1/1/2010 - 31/12/2010
Mr A Giddings	BOM Member	1/1/2010 - 31/12/2010
Mr R Crawford	BOM Member	1/1/2010 - 31/12/2010
Mr B Reeves	BOM Member	1/1/2010 - 31/12/2010
Mr B Neall	BOM Member	1/1/2010 - 31/12/2010
Mr D McLachlan	Central Councillor	14/10/2010 - 31/12/2010

Principal Activities

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

- Implementation of Divisional Executive Decisions.
- Maintenance of Union Rules, Registrations and Affiliations.
- Organising Executive Meetings and Divisional Conferences as well as National Safety Officer Meetings.
- Conducting Activities for Parliamentary, Divisional and Divisional Branch elections, including assisting with statutory requirements.
- Co-ordinating seminars / education courses for Lodge Officers to inform them of current developments or to seek collective input in the development of national policies.
- Representing the Division's interest on various national committees and organisations.
- Co-ordinating the involvement of the Union in relevant international trade union bodies and conferences.
- Responsibility for servicing national awards and enterprise agreements and maintaining related information services. Divisional Office also advises Lodges on industrial matters.
- Provision to Lodges with economic and industrial research.
- Provision to Lodges of assistance with administration and financial management.
- Co-ordinating O H & S nationally and maintaining a national policy database and information service.

OPERATING REPORT (Continued)

Principal Activities (Continued)

- Leading the conduct of legal action launched in defence of the Division's constitutional work.
- Provision of a National Training Agenda by representing the Union on various Boards and Committees.

Results of Activities

The result of the Union for the financial year was a profit of \$13,634 (2009: \$344,113).

Significant Changes in Nature of Activities

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

Significant Changes in Financial Affairs

There were no significant changes in the financial affairs of the Union during the year.

Membership of the Union

There were 3,608 financial members of the Union as at 31 December 2010.

Rights of Members to Resign

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

Employees of the Union


As at 31 December 2010 the Union employed 12 full time employees.

Superannuation Trustees

Mr G Osborne is an executive of the Union and holds a directorship of Auscoal Superannuation.

No other officer or member of the Union acts:

- as a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- as a director of a Company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.



.....
Graham White
District Secretary

Dated this 11th day of April 2011.

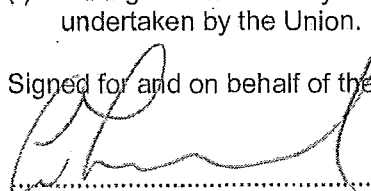
COMMITTEE OF MANAGEMENT STATEMENT

On 11th of April, 2011 the Committee of Management of The United Mine Workers - South Western District (A Division Of The Construction, Forestry, Mining & Energy Union - Mining & Energy Division) ("the Union"), passed the following resolution in relation to the general purpose financial report (GPFR) of the Union, for the financial year ended 31 December 2010:

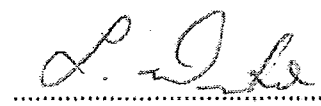
The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) The financial statements and notes comply with Australian Accounting Standards;
- (b) The financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- (c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year to which they relate;
- (d) There are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable;
- (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 Union; and
 - (ii) The financial affairs of the Union have been managed in accordance with the rules of the Union; and
 - (iii) The financial records of the Union have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 ('The RO Act') and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) No information has been sought in any request of a member of the Union or by the General Manager duly made under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (v) No orders for inspection of financial records have been made by Fair Work Australia or FWA under section 273 of the Fair Work (Registered Organisations) Act 2009; and
- (f) During the financial year ended 31 December 2010 no recovery of wages activities have been undertaken by the Union.

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



Andrew Townsend



Stephen Winter

Dated this 11th day of April 2011.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010

	NOTES	2010 \$	2009 \$
Revenue	2	3,870,745	3,797,944
Wages and Related Costs		(1,864,555)	(1,576,943)
Depreciation and Amortisation Expenses		(153,352)	(129,056)
Sustentation Fees		(1,117,514)	(976,980)
Other Expenses		(717,170)	(768,782)
Loss on Disposal of Assets		(4,520)	(2,070)
Net Result Before Income Tax		<u>13,634</u>	<u>344,113</u>
Other Comprehensive Income			
Net Gains on Available for Sale Financial Assets		716	783
Income Tax Expense	1(j)	-	-
Total Comprehensive Income Attributable to Members		<u>14,350</u>	<u>344,896</u>

The accompanying notes form part of these financial statements

BALANCE SHEET
AS AT 31 DECEMBER 2010

	NOTE	2010 \$	2009 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4	711,676	473,814
Trade and Other Receivables	5	220,440	242,493
Financial Assets	6	1,749,929	1,725,595
Other Assets	7	27,786	58,745
TOTAL CURRENT ASSETS		<u>2,709,831</u>	<u>2,500,647</u>
NON-CURRENT ASSETS			
Trade and Other Receivables	5	300	300
Property, Plant and Equipment	8	1,963,965	1,982,489
TOTAL NON-CURRENT ASSETS		<u>1,964,265</u>	<u>1,982,789</u>
TOTAL ASSETS		<u>4,674,096</u>	<u>4,483,436</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	9	523,548	512,923
Other Current Liabilities	10	220,498	133,874
Short-term Provisions	11	634,051	554,990
TOTAL CURRENT LIABILITIES		<u>1,378,097</u>	<u>1,201,787</u>
TOTAL LIABILITIES		<u>1,378,097</u>	<u>1,201,787</u>
NET ASSETS		<u>3,295,999</u>	<u>3,281,649</u>
EQUITY			
Retained Earnings		3,293,470	3,279,836
Investment Reserve		2,529	1,813
TOTAL EQUITY		<u>3,295,999</u>	<u>3,281,649</u>

The accompanying notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2010**

	Retained Earnings \$	Financial Assets Reserve \$	Total \$
Balance at 1 January 2009	2,935,723	1,030	2,936,753
Total Comprehensive Income for the Year			
Result for the year	344,113	-	344,113
<i>Other Comprehensive Income</i>			
Net increase in value of Available-for-Sale financial assets	-	783	783
Total Other Comprehensive Income	-	783	783
Balance at 31 December 2009	3,279,836	1,813	3,281,649
Total Comprehensive Income for the Year			
Result for the year	13,634	-	13,634
<i>Other Comprehensive Income</i>			
Net increase in value of Available-for-Sale financial assets	-	716	716
Total Other Comprehensive Income	-	716	716
Balance at 31 December 2010	3,293,470	2,529	3,295,999

The accompanying notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	NOTE	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members		3,352,786	3,348,905
Payments to Suppliers and Employees		(3,881,677)	(3,690,647)
Administration Fees		81,154	74,408
Interest and Distributions Received		36,029	12,968
Dividends Received		27	208
Grants Received		65,000	59,000
Long Service Leave - National Office		75,146	24,631
Donations Received		20,000	40,000
Rent Received		230,616	179,842
Caravan Park Site and Other Fees		337,585	274,283
Sundry Income		59,164	21,016
Subsidy Received - NSW Government		25,000	27,500
Net cash generated from / (used in) operating activities	13	<u>400,830</u>	<u>372,114</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Movements in Investments		(23,619)	(250,429)
Proceeds from Sale of Fixed Assets		204,999	45,003
Payments for Fixed Assets		(344,348)	(91,130)
Net cash generated (used in)/from investing activities		<u>(162,968)</u>	<u>(296,556)</u>
Net increase / (decrease) in cash held		237,862	75,558
Cash and cash equivalents at the start of the financial year		<u>473,814</u>	<u>398,256</u>
Cash and cash equivalents at the end of the financial year	4	<u><u>711,676</u></u>	<u><u>473,814</u></u>

The accompanying notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers The United Mine Workers - South Western District (A Division Of The Construction, Forestry, Mining & Energy Union - Mining & Energy Division) ("the Union") as an individual entity. The Union is an organisation of employees registered under the Fair Work (Registered Organisation) Act 2009 ("the RO Act"). In accordance with the RO Act, the Union is a body corporate and has perpetual succession, by virtue of this method of incorporation, the Union is not subject to the Corporations Act 2001.

Basis of Preparation

The United Mine Workers - South Western District (A Division Of The Construction, Forestry, Mining & Energy Union - Mining & Energy Division) has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 January 2010.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards' reduced disclosure requirements of the Australian Accounting Standards Board and the requirements imposed by the Reporting Guidelines of Part 3 of Chapter 8 of the RO Act.

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

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.

Accounting Policies

a) Revenue

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

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

b) Inventories

Inventories are measured at the lower of cost and net realisable value.

c) Property, Plant and Equipment

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
Continued...

c) Property, Plant and Equipment
Continued...

Property, Plant and Equipment

Property, plant and equipment are measured on the cost basis less depreciation and impairment losses.

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

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

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Leasehold Improvements	5%
Plant and Equipment	20 – 50%
Motor Vehicles	20 – 33.33%
Office Equipment	20 – 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

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

d) Leases

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

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

d) Leases

Continued...

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Union will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

e) Financial Instruments

Initial Recognition and Measurement

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

Classification and Subsequent Measurement

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

Amortised cost is calculated as:

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

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

i) *Financial Assets at Fair Value through Profit or Loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

e) Financial Instruments

Continued....

ii) *Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

iii) *Held-to-Maturity Investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Union's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after reporting period.

If during the period the Union sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

iv) *Available-for-Sale Financial Assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after reporting date. (All other financial assets are classified as current assets).

v) *Financial Liabilities*

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

Fair Value

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

Impairment

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

e) Financial Instruments

Continued...

Derecognition

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

f) Impairment of Assets

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

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

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

g) Employee Benefits

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

h) Cash and Cash Equivalents

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

i) Goods and Services Tax (GST)

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

i) Goods and Services Tax (GST)

Continued...

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

j) Income Tax

No provision for income tax has been raised as the Union is exempt from income tax under s.50-15 of the Income Tax Assessment Act 1997.

k) Provisions

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

l) Trade and Other Payables

Trade and other payables represent the liability outstanding at reporting date for goods and services received by the Union during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

m) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

n) Comparatives

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

Where 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 disclosed.

o) Critical Accounting Estimates and Judgments

The Committee of Management evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Union.

Key Estimates – Impairment

The Union assesses impairment at each reporting period by evaluation of conditions specific to the Union that may be indicative of impairment triggers. Recoverable amounts of relevant assets are measure using value-in-use calculations which incorporate various key assumptions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
2. REVENUE AND OTHER INCOME		
Administration Fees	73,776	67,644
Contributions and Levies	3,035,861	3,145,443
Rents Received	208,206	150,207
Site Rental Income	287,416	246,851
Grants Received	55,000	55,000
Donations Received	20,000	40,000
Interest Received	31,150	21,942
Long Service Leave – National Office	75,146	24,631
Subsidy – NSW State Government	25,000	25,000
Other Revenue	59,190	21,226
	<u>3,870,745</u>	<u>3,797,944</u>
3. RESULT FOR THE YEAR		
(a) Expenses		
Depreciation and Amortisation Expense	153,352	129,056
Loss on Disposal of Plant and Equipment	4,520	2,070
Contributions to defined contribution superannuation funds	132,936	123,642
4. CASH AND CASH EQUIVALENTS		
Cash on Hand	1,770	1,720
Cash at Bank	709,906	472,094
	<u>711,676</u>	<u>473,814</u>
5. TRADE AND OTHER RECEIVABLES		
Current		
Debtors	216,710	233,519
Accrued Interest	3,730	8,974
	<u>220,440</u>	<u>242,493</u>
Non-Current		
Deposits Refundable	300	300
	<u>220,740</u>	<u>242,793</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	NOTE	2010 \$	2009 \$
6. FINANCIAL ASSETS			
Held to Maturity Financial Assets	(a)	455,902	432,283
Available for Sale Financial Assets	(b)	1,294,027	1,293,312
		<u>1,749,929</u>	<u>1,725,595</u>
Split As:			
Current		1,749,929	1,725,595
Non Current		-	-
		<u>1,749,929</u>	<u>1,725,595</u>
 (a) <i>Held-to-maturity Financial Assets Comprise:</i>			
Term Deposits and Bank Bills held with Financial Institutions.		<u>455,902</u>	<u>432,283</u>
 (b) <i>Available for Sale Financial Assets Comprise:</i>			
Shares in Listed Corporations – at Fair Value		3,145	2,430
Shares in Unlisted Corporations – at Fair Value		1,290,882	1,290,882
		<u>1,294,027</u>	<u>1,293,312</u>

Available-for-sale financial assets comprise investments in the ordinary share capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

7. OTHER ASSETS

Prepayments		<u>27,786</u>	<u>58,745</u>
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
8. PROPERTY, PLANT AND EQUIPMENT		
<u>Land and Buildings – at Cost</u>		
Caravan Park Holiday Centre	480,085	480,085
Less Provision for Depreciation	(292,177)	(279,768)
	<u>187,908</u>	<u>200,317</u>
Land and Buildings	1,664,647	1,661,691
Less Provision for Depreciation	(207,136)	(176,378)
	<u>1,457,511</u>	<u>1,485,313</u>
Leasehold Improvements	51,362	51,362
Less Provision for Depreciation	(41,976)	(40,247)
	<u>9,386</u>	<u>11,115</u>
TOTAL LAND AND BUILDINGS	<u>1,654,805</u>	<u>1,696,745</u>
 <u>Plant and Equipment – at Cost</u>		
Motor Vehicles	255,267	249,160
Less Provision for Depreciation	(59,074)	(70,772)
	<u>196,193</u>	<u>178,388</u>
Office Furniture and Equipment	291,572	282,827
Less Provision for Depreciation	(212,009)	(191,126)
	<u>79,563</u>	<u>91,701</u>
Improvements	4,598	4,598
Less Provision for Depreciation	(4,598)	(4,267)
	<u>-</u>	<u>331</u>
Caravan Park Machinery and Equipment	131,205	106,601
Less Provision for Depreciation	(97,801)	(91,277)
	<u>33,404</u>	<u>15,324</u>
TOTAL PLANT & EQUIPMENT	<u>309,160</u>	<u>285,744</u>
TOTAL PROPERTY, PLANT & EQUIPMENT	<u>1,963,965</u>	<u>1,982,489</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2010

8. PROPERTY, PLANT AND EQUIPMENT

Continued...

(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:-

	Opening WDV \$	Additions \$	Disposals \$	Depreciation Expense \$	Closing WDV \$
2010					
Freehold Land & Buildings	1,696,745	2,956	-	(44,896)	1,654,805
Motor Vehicles	178,388	303,673	(206,884)	(78,984)	196,193
Office Equipment & Improvements	92,032	13,115	(2,636)	(22,948)	79,563
Furniture, Plant and Equipment	15,324	24,604	-	(6,524)	33,404
	<u>1,982,489</u>	<u>344,348</u>	<u>(209,520)</u>	<u>(153,352)</u>	<u>1,963,965</u>

2010
\$

2009
\$

9. TRADE AND OTHER PAYABLES

Trade and Other Payables

523,548

512,923

Included in the above are the following superannuation amounts payable as at balance date:

- Officers

22,211

18,341

- All Other Employees

2,411

2,032

24,622

20,373

10. OTHER CURRENT LIABILITIES

Income in Advance

147,250

99,326

Grant in Advance

20,000

20,000

Funds Held in Trust

53,248

14,548

220,498

133,874

11. PROVISIONS

Employee Benefits

634,051

554,990

Analysis of Total Provisions

Current

634,051

554,990

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

11. PROVISIONS
Continued...

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to annual leave, long service leave, sick leave and redundancy. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 of the financial statements.

	2010 \$	2009 \$
(a) Employee Benefits Attributable to:		
Office Holders	567,904	475,802
Staff	66,147	79,188
	<u>634,051</u>	<u>554,990</u>

12. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

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

Payable - Minimum lease payments

- Not later than 12 months	55,000	57,200
- Later than 12 months but not later than 5 years	220,000	228,800
- Later than 5 years	825,000	800,800
	<u>1,100,000</u>	<u>1,086,800</u>

13. CASH FLOW INFORMATION

Operating Result	13,634	344,113
Non-Cash Flows In Operating Deficit		
Loss On Sale Of Fixed Assets	4,521	2,070
Depreciation And Amortisation	153,352	129,056
Doubtful Debts Provision	-	(167,374)
Changes In Assets And Liabilities		
(Increase) Decrease In Receivables	22,053	109,814
(Increase) Decrease In Other Assets	30,959	(27,556)
Increase (Decrease) In Accounts Payable	49,326	(28,996)
Increase (Decrease) In Grants In Advance	47,924	(10,000)
Increase In Provisions	79,061	20,987
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	<u>400,830</u>	<u>372,114</u>

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	\$	\$
14. KEY MANAGEMENT PERSONNEL COMPENSATION		
<p>The totals of remuneration paid to key management personnel (KMP) of the Company during the year are as follows:</p>		
Key management personnel compensation	<u>1,489,011</u>	<u>1,279,781</u>

15. RELATED PARTY INFORMATION

(a) Members of the Committee of Management

Persons holding industrial positions within the Union and as members of the Board of Management during the year:

Union Officials

- Mr A Honeysett (District President)
- Mr G White (District Secretary – from 1/4/2010)
- Mr B Mitchell (District Secretary – resigned 31/03/2010)
- Mr G Braes (District Vice President - Metalliferous)
- Mr G Osborne (District Vice President - West)
- Mr G White (District Vice President – South - until 31/3/2010)
- Mr R Timbs (District Vice President – South - appointed 8/9/2010)

Board of Management Members

- Mr S Winter
- Mr B Reeves
- Mr R Marjoram (retired 29/11/2010)
- Mr A Townsend
- Mr S Field
- Mr A Giddings
- Mr R Crawford
- Mr B Neall

Central Councillors

- Mr D McLachlan (appointed 14/10/2010)

Other elected officials not members of the Board of Management

District Check Inspector

- Mr G Horne (Check Inspector)
- Mr T Schram (Check Inspector)

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2010**

15. RELATED PARTY INFORMATION

Continued...

(b) Related Party Transactions

Associated companies

- i) Office space was rented from The Trade Union Centre Wollongong Pty Limited during the year. Commercial rent totalling \$56,498 (2009: \$47,200) were paid during the year.

Other related parties

- ii) Sustentation fees totalling \$1,117,514 (2009: \$976,980) were charged by the Construction, Forestry, Mining and Energy Union – Mining and Energy Division during the year.
- (iii) Salary & Wages totalling \$nil (2009: \$16,688) were paid during the year to a relative of an elected official for the provision of secretarial services on a casual basis. Terms and conditions were within a normal employee relationship and no more favourable than those made available to other employees.

16. FINANCIAL RISK MANAGEMENT

The Union's financial instruments consist mainly of deposits with banks, accounts receivable and payable, commercial bills and leases.

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:

	NOTES	2010 \$	2009 \$
Financial Assets			
Cash and cash equivalents	4	711,676	473,814
Trade and other receivables	5	220,740	242,793
		932,416	716,607
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	9	523,548	512,923
- Borrowings		-	-
		523,548	512,923

17. EVENTS AFTER THE REPORTING PERIOD

- (a) No matter or circumstance has arisen since the end of the year that has significantly affected or may significantly affect:
 - (i) the operations of the Union;
 - (ii) the results of those operations; or
 - (iii) the state of affairs of the Union, in subsequent financial years.
- (b) The financial report was authorised for issue on the 11th April 2011 by the Committee of Management.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2010

18. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of subsection 272(5) of the RO Act, attention is drawn to the requirements of subsections (1), (2) and (3) of section 272 of the RO Act, which read as follows:-

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

19. ADDITIONAL DISCLOSURES REQUIRED UNDER THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

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

	2010 \$	2009 \$
PROFIT AND LOSS DISCLOSURES		
ITEMS OF REVENUE		
Donations or Grants	100,000	120,000
ITEMS OF EXPENSE		
Expenses incurred as consideration for employers making payroll deductions of membership subscriptions	-	-
Proportion of entrance fees paid contributed towards the administrative expenses of another Union:	1,117,514	976,980
Fees and periodic subscriptions in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters	13,813	18,017
Grants or donations	19,558	28,334
Employee Benefits to:		
- Holders of office	1,391,490	1,218,747
- Employees (Other than holders of office)	277,212	219,955
	1,668,702	1,438,702

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

19. ADDITIONAL DISCLOSURES REQUIRED UNDER THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

Continued...

Fees or allowances to persons in respect of their attendance as representatives of the Union at conferences or other meetings	10,370	3,621
Expenses incurred in connection with meetings of members of the Union and any conferences or meeting of councils, committees, panels or other bodies for the holding of which the Union was wholly or partly responsible	63,298	56,886
Legal costs and other expenses related to litigation or other legal matters	726	3,723

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

OF The United Mine Workers - South Western District (A Division Of The Construction, Forestry, Mining & Energy Union - Mining & Energy Division)

We have audited the accompanying financial statements of The United Mine Workers - South Western District (A Division Of The Construction, Forestry, Mining & Energy Union - Mining & Energy Division) (the Union), which comprises the Balance Sheet as at 31 December 2010 and the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of the significant accounting policies and other explanatory notes and the Committee of Management Statement.

Committee of Management's Responsibility for the Financial Statements

The Union's Committee of Management are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards' reduced disclosure requirements (including the Australian Accounting Interpretations) and Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 ('The RO Act'). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the Committee of Management also state, in accordance with Accounting Standards AASB 101: Presentation of Financial Statements, that compliance with Australian Standards' reduced disclosure requirements ensure that the financial report, comprising the financial statements and notes, complies with Australian Accounting Standards' reduced disclosure requirements

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are 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 statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Union's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Union's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

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

Independence

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS


**OF The United Mine Workers - South Western District (A Division Of The Construction, Forestry,
Mining & Energy Union - Mining & Energy Division)**

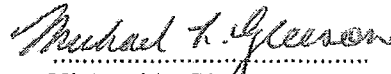
CONTINUED...

Auditor's Opinion

In our opinion, the general purpose financial report of The United Mine Workers - South Western District (A Division Of The Construction, Forestry, Mining & Energy Union - Mining & Energy Division) , as at 31 December 2010 and for the year then ended, is presented fairly in accordance with:

- (a) Accounting Standards' reduced disclosure requirements (including the Australian Accounting Interpretations); and
- (b) The Fair Work (Registered Organisations) Act 2009 ('The RO Act'), including the requirements imposed by Part 3 of Chapter 8 of the RO Act.


.....
Daley & Co
Chartered Accountants
98 Kembla Street
Wollongong NSW 2500


.....
Michael L. Gleeson
Partner

Dated this 11th day of April 2011



FAIR WORK
AUSTRALIA

11 January 2011

Mr Graham White
South Western District President
Construction, Forestry, Mining and Energy Union-Mining and Energy Division South Western
District Branch
(02) 9267 3198

Dear White,

**Lodgement of Financial Documents for year ended 31 December 2010 [FR2010/2821], 31
December 2009 [FR2009/10212]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Construction, Forestry, Mining and Energy Union-Mining and Energy Division South Western District Branch (the "reporting unit") has recently ended. This is a courtesy letter to remind you of the obligation to prepare and process the reporting unit's financial documents. The full financial report must be lodged with Fair Work Australia within a period of 6 months and 14 days of the end of the financial year.

(Please note, that Fair Work Australia has no record of the lodgement of the previous year's financial return, for the year ending 31 December 2009. This will have to be completed and lodged as a priority.)

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. The attached *Timeline/Planner* summarises these requirements, but I also describe the sequence here.

When the accounts have been prepared ready for the auditor, you or other officers of the Committee of Management must complete, sign and date a "Committee of Management Statement". This Statement effectively approves the accounts for audit and is usually completed at a "first" Committee meeting.

When the auditor has completed his or her audit, he or she must sign and date the "Auditor's Report". The signing and dating of the Auditor's Report may coincide with the date of the "first" Committee Meeting.

Only when the Auditor's Report has been signed and dated is the financial report ready for distribution or publication for the members. This is because the members must be able to see that the report has been audited.

The final event is a formal presentation of the financial report to a "second" meeting. I note that the usual practice within the Mining Divisional Branches is for general meetings of members in the Lodges to be held to endorse any Board resolution. In this particular case, the Australian Industrial Registry (as it was formerly known) has accepted that the endorsement by the Lodge meetings constitutes presentation for the purposes of the Act. The important thing is to comply with both s265 and s266, and ensure that members have satisfactory access and opportunity to view and consider the financial report before lodgement with Fair Work Australia.

Level 8, Terrace Tower
80 William Street
East Sydney NSW 2011

Telephone: (02) 8374 6666
Email : RIASydney@fwa.gov.au
Internet : www.fwa.gov.au

The documents must be lodged within 14 days of the final meeting constituting "presentation" of the report. Your Certificate should provide the date the report was distributed/made available to the members and the date of presentation to the final meeting. This will enable Fair Work Australia to be satisfied that you have complied with the relevant sections of the Act.

For additional information, if you need it, financial reporting fact sheets and sample documents can be found on our Fair Work Australia website (www.fwa.gov.au). You will find that the legislative requirements remain largely unchanged to that of the former requirements under Schedule 1 of the Workplace Relations Act 1996. The information can be viewed at [FWA Registered Organisations Fact Sheets](#)

This office encourages you to lodge all financial reports electronically (e.g. as pdf files) at RIASydney@fwa.gov.au. Alternatively, you can forward the documents by fax to (02) 9380 6990 .

If you need any further information or if you believe you will be unable to lodge the full financial report within the period mentioned above please contact me on (02) 8374 6666 or by email at RIASydney@fwa.gov.au.

Yours sincerely,



Steve Teece
Registered Organisations – New South Wales
Fair Work Australia

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. (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).	/ /	As soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	Within a reasonable time of having received the GPFR (NB: Auditor's report <u>must</u> be dated on or after date of Committee of Management Statement)
Provide full report free of charge to members – s265 The full report includes: <input type="checkbox"/> the General Purpose Financial Report (which includes the Committee of Management Statement); <input type="checkbox"/> the Auditor's Report; and <input type="checkbox"/> the Operating Report.	/ /	(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, or (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.
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 Fair Work Australia, 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.