



AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Ref: FR2003/714-[105N-VICT]

Ms Jane Calvert
Divisional Branch Secretary
Construction, Forestry, Mining and Energy Union-FFPD-
Victorian Branch (No.2 Branch)
PO Box 661
CARLTON SOUTH VIC 3053

Dear Ms Calvert

**Re: Construction, Forestry, Mining and Energy Union-FFPD- Victorian Branch (No.2 Branch)
Financial Reporting Obligations under *Workplace Relations Act 1996***

This is a courtesy letter to remind you of the financial reporting obligations of the abovenamed body under the *Workplace Relations Act 1996* ('the Act') for the financial year ended 31 December, 2003.

While the accounting, auditing and reporting obligations have changed with the introduction of the *Registration and Accountability of Organisations Schedule* (the RAO Schedule) which generally came into operation on 12 May 2003, Part IX, Division 11 of the Act continues to apply in relation to a financial year of an organisation that ends on 31 December, 2003. The corresponding obligations set out in the RAO Schedule apply to each financial year of an organisation that starts on or after 1 July 2003.

Now that the financial year for 31 December, 2003 has ended, it is timely that you put in train the various steps of the financial reporting requirements. To assist you with this process I have enclosed for your information a notice summarising these requirements including the time-scales prescribed by the legislation.

Please note that a branch of an organisation may be exempted from the accounting, auditing and reporting obligations in respect of a financial year by satisfying a Registrar that the branch did not have any financial affairs during the financial year. An application under subsection 271A(1) of the Act must be made within 90 days (unless extended by a Registrar) after the end of the financial year.

Please do not hesitate to contact me on (02) 8374 6618 if you wish to discuss the financial reporting requirements, especially if you anticipate any difficulty in meeting any step in the time-scales prescribed.

Yours sincerely

Belinda Penna

E-mail: belinda.penna@air.gov.au
9 January 2004



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Ref: FR2003/714 -[105N-VICT]

Ms Jane Calvert
Divisional Branch Secretary
CFMEU FFPD
Victorian Divisional Branch
PO Box 661
CARLTON SOUTH VIC 3053

Dear Ms Calvert

**Re: Construction, Forestry, Mining and Energy Union - FFPD - Victorian Branch
Outstanding Financial Documents - *Workplace Relations Act 1996***

There is no record of lodgment in the Industrial Registry of the auditor's report, accounts and statements of the abovenamed body, prepared in accordance with Part IX, Division 11 of the *Workplace Relations Act 1996* ('the Act'), for the year ended 31 December, 2003.

While the accounting, auditing and reporting obligations have changed with the introduction of the *Registration and Accountability of Organisations* Schedule (the RAO Schedule) which generally came into operation on 12 May 2003, Part IX, Division 11 of the Act continues to apply in relation to a financial year of an organisation that ends on 31 December, 2003. The corresponding obligations set out in the RAO Schedule apply to each financial year of an organisation that starts on or after 1 July 2003.

An organisation registered under the Act or a branch of such an organisation is required after the end of its financial year to prepare accounts and statements, obtain a report from the auditor, provide copies of the auditor's report, accounts and statements to its members, present the auditor's report, accounts and statements to a meeting of members or committee of management, and lodge copies in the Industrial Registry. Having in mind the time-scales allowed by the Act to complete each of these steps, lodgment of the required documents would, in the normal course, be expected before now.

Therefore, I request your written advice *by 2 November, 2004* as to when each of the following steps is expected to be completed:-

1. preparation of the accounts and statements in compliance with section 273
2. making of the audit report in compliance with section 276(4)
3. provision of copies of the auditor's report, accounts and statements to the members in compliance with sections 279(1) and (3)
4. presentation of the financial documents to a meeting of the members or the committee of management in compliance with sections 279(6) and (7) (*following provision of copies to the members as per step 3 above*)

5. lodgment of copies of the financial documents in the Industrial Registry under cover of a certificate by you in compliance with section 280(1) - such certificate should confirm that the documents so lodged are copies of the documents presented to the meeting referred to in step 4 above - the type of meeting and the date when it was held should be specified

If you wish to discuss this letter you may contact me on (02) 8374 6618. In reply please quote: **FR2003/714.**

Yours sincerely

Belinda Penna

Belinda Penna

E-mail: belinda.penna@air.gov.au

12 October, 2004



AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Our ref: FR2003/714

Ms Jane Calvert
Branch Secretary
CFMEU FFPD
Victorian Divisional Branch
PO Box 661
CARLTON SOUTH VIC 3053

Dear Ms Calvert

Re: CFMEU FFPD
Outstanding Financial Documents - *Workplace Relations Act 1996*

There is still no record of lodgement in the Industrial Registry of the auditor's report, accounts and statements of the abovenamed body, prepared in accordance with Part IX, Division 11 of the *Workplace Relations Act 1996* ('the Act'), for the year ended 31 December 2003.

An organisation registered under the Act or a branch of such an organisation is required after the end of its financial year to prepare accounts and statements, obtain a report from the auditor, provide copies of the auditor's report, accounts and statements to its members, present the auditor's report, accounts and statements to a meeting of members or committee of management, and lodge copies in the Industrial Registry. Having in mind the time-scales allowed by the Act to complete each of these steps, lodgement of the required documents would, in the normal course, be expected before now.

Therefore, I request your written advice *by Friday 4 March 2005* as to when each of the following steps is expected to be completed:-

1. preparation of the accounts and statements in compliance with section 273
2. making of the audit report in compliance with section 276(4)
3. provision of copies of the auditor's report, accounts and statements to the members in compliance with sections 279(1) and (3)
4. presentation of the financial documents to a meeting of the members or the committee of management in compliance with sections 279(6) and (7) (*following provision of copies to the members as per step 3 above*)
5. lodgement of copies of the financial documents in the Industrial Registry under cover of a certificate by you in compliance with section 280(1) - such certificate should confirm that the documents so lodged are copies of the documents presented to the meeting referred to in step 4 above - the type of meeting and the date when it was held should be specified.

If you would like to discuss this letter please contact me on (02) 8374 6666, or by email to peter.mckerrow@air.gov.au.

Yours sincerely

Peter McKerrow
for Deputy Industrial Registrar

21 February 2005



CONSTRUCTION

FORESTRY

MINING

ENERGY

UNION



FORESTRY & FURNISHING

PRODUCTS DIVISION

FORESTRY BRANCH

VICTORIA

ABN 30 267 473 953

JANE CALVERT

SECRETARY

Po Box 661
Carlton South
Victoria 3053

1st Floor
500 Swanston Street
Carlton South
Victoria 3053

Ph: (03) 9348 1888

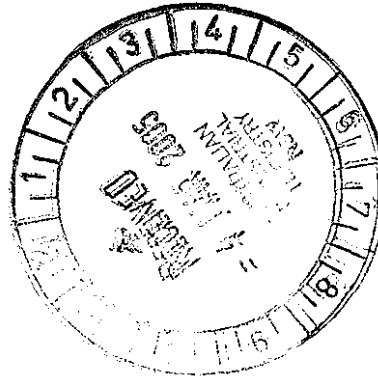
Fax: (03) 9349 3470

Freecall: 1800 060 556

Email:

cfmeuforestry@bigpond.com

Peter McKerrow
Australian Industrial registrar
L8 Terrace Towers
80 William Street East Sydney
NSW 2011



Dear Mr McKerrow,

**Re: CFMEU FFPD
Financial Documents – 2003**

Please find enclosed the Financial Documents pertaining to the year ended 31st December 2003.

No loans, grants or donations, exceeding \$1,000, were made during the period.

The reports were presented at an Executive Committee of Management meeting (the first meeting), held on the 31st August 2004. The reports was then circulated to members in the first week of September 2004 and were the subject of a resolution of a Committee of Management meeting held on the 24th September 2004 (the second meeting).

Please contact me on (mb) 0419 346 531 or (office) (03) 9348 1888 or (email) jcalvert@cfmeuforestry.org if you need to discuss this matter further.

Sincerely

Jane Calvert
Secretary
CFMEUFFPD
Vic. Forestry Branch

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION
NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953
FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2003**

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2003**

	Note	2003 \$	2002 \$
Revenues from ordinary activities	3	1,109,391	1,011,334
Administration expense		(167,427)	(100,315)
Affiliation fees and levies expense		(209,352)	(175,372)
Borrowing costs expense		(68,063)	(38,507)
Communication expense		(38,632)	(35,128)
Depreciation and amortisation expenses	4	(12,483)	(14,874)
Employee benefits expense		(408,021)	(383,260)
Motor vehicle expense		(55,230)	(91,830)
Occupancy expense		(71,750)	(32,278)
Other expenses from ordinary activities		<u>(60,395)</u>	<u>(73,838)</u>
Profit from ordinary activities before income tax expense	4	18,038	65,932
Income tax expense relating to ordinary activities	1(a)	<u>-</u>	<u>-</u>
Net profit from ordinary activities after income tax expense		<u>18,038</u>	<u>65,932</u>
Total changes in equity	14	<u>18,038</u>	<u>65,932</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2003**

	Notes	2003 \$	2002 \$
CURRENT ASSETS			
Cash assets	6	758,960	584,475
Receivables	7	255,667	144,304
Other	8	28,216	30,436
TOTAL CURRENT ASSETS		<u>1,042,843</u>	<u>759,215</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	923,875	389,070
Other financial assets	10	212,920	212,920
TOTAL NON-CURRENT ASSETS		<u>1,136,795</u>	<u>601,990</u>
TOTAL ASSETS		<u>2,179,638</u>	<u>1,361,205</u>
CURRENT LIABILITIES			
Payables	11	734,454	488,015
Interest-bearing liabilities	12	150,000	550,000
Provisions	13	158,246	150,778
TOTAL CURRENT LIABILITIES		<u>1,042,700</u>	<u>1,188,793</u>
NON CURRENT LIABILITIES			
Interest-bearing liabilities	12	400,000	-
TOTAL NON CURRENT LIABILITIES		<u>400,000</u>	<u>-</u>
TOTAL LIABILITIES		<u>1,442,700</u>	<u>1,188,793</u>
NET ASSETS		<u>736,938</u>	<u>172,412</u>
EQUITY			
Retained profits	14	280,292	262,254
Reserves	15	456,646	(89,842)
TOTAL EQUITY		<u>736,938</u>	<u>172,412</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2003**

	Notes	2003 \$	2002 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Grant income		50,000	101,027
Membership contributions		809,430	749,945
Other revenue		186,226	168,316
Interest received		27,176	22,572
Interest paid		(68,063)	(37,122)
Payments to suppliers & employees		<u>(876,854)</u>	<u>(878,578)</u>
Net cash provided by (used in) operating activities	18b	<u>127,915</u>	<u>126,160</u>
CASH FLOW FROM INVESTING ACTIVITIES			
John Curtin Fund		47,370	51,040
Proceeds from sale of investments		-	10,000
Purchase of property, plant & equipment		<u>(800)</u>	<u>-</u>
Net cash provided by (used in) investing activities		<u>46,570</u>	<u>61,040</u>
Net increase/(decrease) in cash held		174,485	187,200
Cash at beginning of year		<u>584,475</u>	<u>397,275</u>
Cash at end of year	18a	<u>758,960</u>	<u>584,475</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Workplace Relations Act 1996.

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

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a. Income Tax

No provision for income tax is necessary as "Trade Unions" are exempt from income tax under Section 50 – 15 of the Income Tax Assessment Act 1997.

b. Property, Plant and Equipment

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

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the Union to have an independent valuation every three years, with annual appraisals being made by the committee of management.

The revaluation of freehold land and buildings has not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax.

Plant and equipment

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by committee of management to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their estimated useful lives to the Union commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. 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 class of assets are:

Class of Fixed Asset	Depreciation Rate
Building improvements	2.5%
Plant and equipment	7.5% - 40%

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

c. Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

d. Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other 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.

Contributions are made by the Union to an employee superannuation fund and are charged as expenses when incurred.

e. Cash

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

f. Revenue

Revenue from membership is recognised on a cash basis.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

g. 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 Statement of Financial Position are shown inclusive of GST.

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 274, which read as follows: -

1. Application for Information

A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.

2. Provision of Information

An organisation shall, on application made under sub-section (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR cont

3. Function of Registrar

A Registrar may only make an application under sub-section (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member, information received because of an application made at the request of the member.

Penalty: \$1,000

	2003	2002
	\$	\$
NOTE 3: REVENUE		
Operating activities		
Membership subscriptions	819,869	756,765
Non-operating activities		
Interest	27,786	22,356
Grant funds received	50,000	86,624
Office administrative and other services	179,579	97,466
Sitting fees	-	738
Others	32,157	47,385
	<u>1,109,391</u>	<u>1,011,334</u>

NOTE 4: PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities before income tax expense has been determined after:

Expenses

Borrowing costs	68,063	38,507
Depreciation of property, plant and equipment	12,483	14,874
Remuneration of auditor		
- audit or review	7,100	6,895
- other services	1,695	-

NOTE 5: DONATIONS

Australian Labor Party - Lara	500	-
Woodworkers Orbost	250	-
	<u>750</u>	<u>-</u>

NOTE 6: CASH ASSETS

Cash on hand	100	100
Cash at bank	393,248	265,959
Cash at bank – John Curtin Fund	365,612	318,416
	<u>758,960</u>	<u>584,475</u>

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

	2003	2002
	\$	\$
NOTE 7: RECEIVABLES		
CURRENT		
GST input tax credits	39,416	25,082
Sundry debtors	218,907	122,488
Accrued income	3,254	2,644
	<u>261,577</u>	<u>150,214</u>
Less provision for doubtful debts	(5,910)	(5,910)
	<u>255,667</u>	<u>144,304</u>
 NOTE 8: OTHER		
Prepayments	<u>28,216</u>	<u>30,436</u>
 NOTE 9: PROPERTY, PLANT AND EQUIPMENT		
LAND AND BUILDINGS		
Freehold Land – Swanston Street at committee of management valuation 31 December 2003 (1995)	<u>360,122</u>	<u>167,578</u>
Buildings – Swanston Street at committee of management valuation 31 December 2003 (1995)	539,878	174,677
Less accumulated depreciation	-	(30,569)
Total buildings at committee of management valuation 31 December 2003 (1995)	<u>539,878</u>	<u>144,108</u>
TOTAL LAND AND BUILDINGS	<u>900,000</u>	<u>311,686</u>
PLANT AND EQUIPMENT		
Plant and equipment – at cost	170,735	169,935
Less accumulated depreciation	<u>(146,860)</u>	<u>(140,188)</u>
	<u>23,875</u>	<u>29,747</u>
Building improvements – at committee of management valuation 1995	-	57,745
Less accumulated depreciation	-	(10,108)
	<u>-</u>	<u>47,637</u>
TOTAL PLANT AND EQUIPMENT	<u>23,875</u>	<u>77,384</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>923,875</u>	<u>389,070</u>

The amount disclosed as Freehold Land - Swanston Street and Buildings - Swanston Street totalling \$900,000 represents the CFMEU Forest & Furnishing Products Division No. 2 Victorian Branch's-half share of First Floor, 500 Swanston Street, Carlton South. The amount represents the valuation adopted by the committee of management at 31 December 2003.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

NOTE 9: PROPERTY, PLANT AND EQUIPMENT cont

The revaluation of freehold land and buildings was based on the assessment of their current market value. The independent valuation was carried out at 16 June 2003 by Mr D Neale AAPI. The committee of management has used this valuation to revalue the freehold land and buildings at 31 December 2003.

Ownership of the whole property at 500 Swanston Street, Carlton South, is registered in the name of the Union as the Federally registered organisation. The National Executive of the Federal body of the Union has resolved that they are holding Lot 2 (the title to the First Floor) on behalf of the CFMEU Forest & Furnishing Products Division No. 2 Victorian Branch and the CFMEU Pulp & Paper Workers Division No. 7 Branch equally and that the care, custody and control of the property contained in Lot 2 shall vest with each Branch and shall confer on the No. 2 Branch and the No. 7 Branch exclusive occupancy of the First Floor.

The Federal Executive has passed a resolution acknowledging care, custody and control in the CFMEU Forest & Furnishing Products Division No. 2 Victorian Branch it also acknowledges that the Victorian Branch shall be responsible for the mortgage loan on the property of an amount of \$550,000.

MOVEMENTS IN CARRYING AMOUNTS

	Land and Buildings \$	Plant and equipment \$	Total \$
Balance at the beginning of year	311,686	77,384	389,070
Additions	-	800	800
Disposals	-	-	-
Revaluation increment / (decrement)	592,681	(46,193)	546,488
Amortisation/depreciation expense	(4,367)	(8,116)	(12,483)
Carrying amount at the end of financial year	<u>900,000</u>	<u>23,875</u>	<u>923,875</u>

2003
\$

2002
\$

NOTE 10: OTHER FINANCIAL ASSETS

Inscribed stock	212,910	212,910
Shares in unlisted company	10	10
	<u>212,920</u>	<u>212,920</u>
Amounts realisable within one year	-	-
Amounts not realisable within one year	212,920	212,920
	<u>212,920</u>	<u>212,920</u>

NOTE 11: PAYABLES

GST Collected	56,589	56,020
Sundry creditors	312,079	113,579
John Curtin Fund	365,786	318,416
	<u>734,454</u>	<u>488,015</u>

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

	2003 \$	2002 \$
NOTE 12: INTEREST BEARING LIABILITIES		
CURRENT		
Bank loan secured	<u>150,000</u>	<u>550,000</u>
NON CURRENT		
Bank loan secured	<u>400,000</u>	<u>-</u>
NOTE 13: PROVISIONS		
Employee entitlements		
- provision for annual leave	25,832	27,529
- provision for long service leave	62,376	58,810
- provision for recognition of service	<u>70,038</u>	<u>64,439</u>
	<u>158,246</u>	<u>150,778</u>
NOTE 14: CONTRIBUTED EQUITY		
Total equity at the beginning of the financial year	262,254	196,322
Total changes in equity recognised in the statement of financial performance	<u>18,038</u>	<u>65,932</u>
Total equity at the end of the financial year	<u>280,292</u>	<u>262,254</u>
NOTE 15: RESERVES		
Asset Revaluation Reserve	359,793	(186,695)
Capital reserve	<u>96,853</u>	<u>96,853</u>
	<u>456,646</u>	<u>(89,842)</u>
a. Asset Revaluation Reserve		
Movement during the year		
Opening Balance	(186,695)	(186,695)
Revaluation increment on freehold land and building	<u>546,488</u>	<u>-</u>
Closing balance	<u>359,793</u>	<u>(186,695)</u>
NOTE 16: OPERATING LEASE COMMITMENTS		
Being for rent of motor vehicles Payable		
not later than 1 year	32,441	14,411
later than 1 year but not later than 5 years	<u>45,016</u>	<u>6,717</u>
Total Lease Liability	<u>77,457</u>	<u>21,128</u>

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

NOTE 17: SEGMENT REPORTING

The Union operates predominantly in one industry, being the forestry sector. The business operates predominantly in one geographical area being Victoria, Australia.

	2003	2002
	\$	\$

NOTE 18: CASH FLOW INFORMATION

a. Reconciliation of Cash

Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash on hand	100	100
Cash at bank	241,054	232,990
Cash in special purpose fund assets	365,612	318,416
Deposits at call	152,194	32,969
	758,960	584,475

b. Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax

Net profit	18,038	65,932
Depreciation	12,483	14,874
Changes in assets and liabilities:		
(Increase)/decrease in accrued income	(610)	216
(Increase)/decrease in prepayments	2,220	8,394
(Increase)/decrease in sundry debtors	(110,753)	(37,675)
Increase/(decrease) in sundry creditors	199,069	49,578
Increase in provision for annual leave	(1,697)	725
Increase in provision for long service leave	3,566	6,745
Increase in provision for doubtful debt	-	5,910
Increase in provision for recognition of service	5,599	11,461
Cash flows from operations	127,915	126,160

c. Credit Stand-by Arrangement and Loan Facilities

The Union has a bills matured account facility amounting to \$550,000 (2002: \$550,000). At 31 December 2003 \$550,000 of this facility was used (2002: \$550,000). Interest rates are variable. Subsequent to year end the facility was finalised with \$150,000 payable within 12 months and \$400,000 repayable over a period of 15 years.

d. There were no non-cash financing or investing activities during the period.

NOTE 19: FINANCIAL INSTRUMENTS

a. Interest Rate Risk

The Union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

NOTE 19: FINANCIAL INSTRUMENTS cont

2003	Note	Weighted Floating		Fixed Interest Rate Maturing			TOTAL
		Average Effective Interest Rate	Interest Rate	Within 1 Year	1 to 5 Years	Non-interest bearing within 1 year	
		%	\$	\$	\$	\$	\$
Financial Assets							
Cash at bank	6	2.95	758,860	-	-	100	758,960
Receivables	7	-	-	-	-	255,667	255,667
Investments	10	10.25	212,920	-	-	-	212,920
Total Financial Assets			<u>971,780</u>	<u>-</u>	<u>-</u>	<u>255,767</u>	<u>1,227,547</u>
Financial Liabilities							
Payables	11	-	-	-	-	734,454	734,454
Bank loans	12	13.95	-	150,000	400,000	-	550,000
Total Financial Liabilities			<u>-</u>	<u>150,000</u>	<u>400,000</u>	<u>734,454</u>	<u>1,284,454</u>
Net Financial Assets/(Liabilities)			<u>971,780</u>	<u>(150,000)</u>	<u>(400,000)</u>	<u>(478,687)</u>	<u>(56,907)</u>

2002	Note	Weighted Floating		Fixed Interest Rate Maturing			TOTAL
		Average Effective Interest Rate	Interest Rate	Within 1 Year	1 to 5 Years	Non-interest bearing within 1 year	
		%	\$	\$	\$	\$	\$
Financial Assets							
Cash at bank	6	2.95	584,375	-	-	100	584,475
Receivables	7	-	-	-	-	144,304	144,304
Investments	10	10.25	212,920	-	-	-	212,920
Total Financial Assets			<u>797,295</u>	<u>-</u>	<u>-</u>	<u>144,404</u>	<u>941,699</u>
Financial Liabilities							
Payables	11	-	-	-	-	488,015	488,015
Bank loans	12	5.76	-	550,000	-	-	550,000
Total Financial Liabilities			<u>-</u>	<u>550,000</u>	<u>-</u>	<u>488,015</u>	<u>1,038,015</u>
Net Financial Assets/(Liabilities)			<u>797,295</u>	<u>(550,000)</u>	<u>-</u>	<u>(343,611)</u>	<u>(96,316)</u>

2003 **2002**
\$ \$

a.

Reconciliation of Net Financial Assets to Net Assets

Net Financial assets as above		(56,907)	(96,316)
Non-Financial assets and liabilities			
Prepayments	8	28,216	30,436
Property, plant and equipment	9	923,875	389,070
Employee entitlements	13	<u>(158,246)</u>	<u>(150,778)</u>
Net assets per statement of financial position		<u>736,938</u>	<u>172,412</u>

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

NOTE 19: FINANCIAL INSTRUMENTS cont

b. Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes the financial statements.

The Union does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Union.

c. Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the Union intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

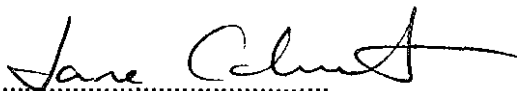
**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953**

ACCOUNTING OFFICER'S CERTIFICATE

I, Jane Calvert, being the officer responsible for keeping the accounting records of the Construction Forestry Mining Energy Union Forest & Furnishing Products Division No. 2 Victorian Branch certify that as at 31 December, 2003, the number of members of the organisation was 3,035.

In my opinion:-

- (i) the attached accounts show a true and fair view of the financial affairs of the organisation as at 31 December, 2003;
- (ii) a record has been kept of all monies paid by, or collected from members, and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the rules of the organisation;
- (iii) before any expenditure was incurred, approval of the incurring of the expenditure was obtained in accordance with the rules of the organisation;
- (iv) with regard to funds of the organisation raised by compulsory levies or voluntary contributions from members, or funds other than the general fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated;
- (v) no loans or other financial benefits, other than remuneration in respect of their full time employment with the organisation, were made to persons holding office in the organisation; and
- (vi) the register of members of the organisation was maintained in accordance with the Act.



.....
JANE CALVERT - SECRETARY

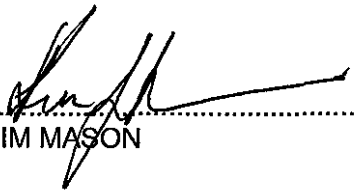
Melbourne: 30 June, 2004.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953**

COMMITTEE OF MANAGEMENT CERTIFICATE

We, Kim Mason and Ian Mullen being two members of the Committee of Management of the Construction Forestry Mining Energy Union Forest & Furnishing Products Division No. 2 Victorian Branch, do state on behalf of the Committee and in accordance with a resolution passed by the Committee, that:-

- (i) in the opinion of the Committee of Management, the attached accounts show a true and fair view of the financial affairs of the organisation as at 31 December, 2003;
- (ii) in the opinion of the Committee of Management, meetings of the Committee were held during the year ended 31 December, 2003, in accordance with the rules of the organisation;
- (iii) to the knowledge of any member of the Committee, there have been, during the financial year to which the accounts relate, no instances where records of the organisation or other documents (not being documents containing information made available to a member of the organisation under sub section 274 (2) of the Workplace Relations Act 1996), or copies of those records or documents, or copies of the rules of the organisation, have not been furnished, or made available, to members in accordance with the requirements of the Workplace Relations Act 1996, the Regulations thereto, or the rules of the organisation; and
- (iv) the organisation has complied with sub sections 279 (1) and (6) of the Act in relation to the financial accounts in respect of the year ended 31 December, 2002, and the Auditor's Report thereon.


.....
KIM MASON


.....
IAN MULLEN

Melbourne: 30 June, 2004.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953
INDEPENDENT AUDITOR'S REPORT**

To the Members of the Construction Forestry Mining Energy Union Forest & Furnishing Products Division No. 2 Victorian Branch:

Scope

We have audited the financial report of the Construction Forestry Mining Energy Union Forest & Furnishing Products Division No. 2 Victorian Branch ("The Union") for the year ended 31 December, 2003, as set out on pages 1 to 14. The Union's Committee of Management and Accounting Officer is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on them to the members of the Union.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly, in accordance with Accounting Standards, Workplace Relations Act 1996, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), and statutory requirements, so as to present a view which is consistent with our understanding of the Union's financial position and performance as represented by the results of its operations and its cash flows.


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

Audit Opinion

In our opinion:-

- (a) There were kept by the Union, in respect of the year ended 31 December, 2003, satisfactory accounting records, including:
 - (i) record of the sources and nature of the income of the organisation (including income from members); and
 - (ii) records of the nature and purpose of the expenditure of the organisation.
- (b) The attached accounts and statements are prepared in accordance with Section 273 of the Workplace Relations Act 1996, and are properly drawn up so as to give a true and fair view of:
 - (i) the financial position of the Union as at 31 December, 2003; and
 - (ii) the financial performance and profit of the Union for the year ended on that date.
- (c) We have received all the information and explanation we requested for the purposes of our audit.
- (d) The financial report is drawn up in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.


MSI RAGG WEIR
CHARTERED ACCOUNTANTS


TREVOR M. WEIR
PARTNER

Melbourne: 30 June, 2004

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953
COMPILATION REPORT**

To Construction Forestry Mining Energy Union Forest & Furnishing Products Division No. 2 Victorian Branch

Scope

On the basis of the information provided by the Committee of Management of Construction Forestry Mining Energy Union Forest & Furnishing Products Division No. 2 Victorian Branch we have compiled, in accordance with APS 9: Statement of Compilation of Financial Reports the special purpose financial report comprising the Detailed Profit and Loss Statement of Construction Forestry Mining Energy Union Forest & Furnishing Products Division No. 2 Victorian Branch for the year ended 31 December 2003 as set out on page 17 and 18.

The specific purpose for which the special purpose financial report has been prepared is to provide financial information to the Committee of Management. No Accounting Standards and other mandatory professional reporting requirements have been adopted in the preparation of the special purpose financial report.

The Committee of Management is solely responsible for the information contained in the special purpose financial report and has determined that the accounting policies used are consistent and are appropriate to satisfy the needs of the Committee of Management.

Our procedures use accounting expertise to collect, classify and summarise the financial information which the Committee of Management provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the Union, may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared for the benefit of the Union and its members and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.



MSI RAGG WEIR
CHARTERED ACCOUNTANTS

Melbourne: 30 June, 2004

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953
DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2003**

	2003 \$	2002 \$
OPERATING INCOME		
Membership contributions	819,869	756,765
Grants received	50,000	86,624
Interest received	27,786	22,356
Office administrative and other services	179,579	97,466
Sitting fees	-	738
Sundry income	<u>32,157</u>	<u>47,385</u>
TOTAL OPERATING INCOME	<u>1,109,391</u>	<u>1,011,334</u>
 LESS OPERATING EXPENDITURE		
Affiliation fees		
- Australian Labour Party	36,835	13,720
- CFMEU National Office	166,371	150,687
- Trades & Labour Council:		
Ballarat	182	608
Geelong	89	91
Gippsland	-	(200)
North East and Border	(175)	175
South West	105	246
- Victorian Left Union	50	-
- Victorian Trades Hall Council	5,066	8,608
Bank charges	1,775	1,675
Buildings outgoings	66,414	27,681
Campaign expenses	8,367	40,362
Cleaning	5,337	4,597
Computer expenses	4,349	3,188
Conference expenses	1,849	2,086
Consulting fee	20,000	23,870
Depreciation	12,483	14,874
Donations	750	-
Fringe benefits tax	8,595	9,777
Insurances	9,348	7,090
Interest paid	68,063	38,507
Levies paid	829	1,437
Meeting expenses		
- Committee of Management	6,386	6,187
- Executive Committee	-	138
- Other	415	1,522
Motor vehicle expenses	27,858	27,407
Payroll tax	19,202	16,830
Postage & freight	4,741	4,664
Printing & stationery	2,281	25

This statement should be read in conjunction with the attached compilation report on page 16.

**CONSTRUCTION FORESTRY MINING ENERGY UNION -
FOREST & FURNISHING PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953
DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2003 (cont.)**

	2003 \$	2002 \$
OPERATING EXPENDITURE (cont.)		
Professional services		
- Accountancy & audit fees	8,795	6,895
- Legal fees	139,063	53,907
Provision for annual leave	(1,697)	725
Provision for doubtful debt	-	5,372
Provision for long service leave	3,567	6,745
Provision for recognition of service	5,598	11,461
Rental of motor vehicles	27,373	64,423
Repairs & maintenance	1,097	898
Salaries:		
- officials	237,508	239,933
- employees	86,345	48,451
Staff amenities	1,423	2,322
Subscriptions	-	677
Sundry expenses	4,107	807
Superannuation	40,139	36,173
Telephone	34,282	31,940
Training and seminars	5,607	11,095
Travelling expenses	11,517	4,591
Unfair dismissals	300	150
WorkCover	<u>8,764</u>	<u>12,985</u>
TOTAL OPERATING EXPENDITURE	<u>1,091,353</u>	<u>945,402</u>
NET PROFIT FOR YEAR	<u>\$ 18,038</u>	<u>\$ 65,932</u>

This statement should be read in conjunction with the attached compilation report on page 16.



Australian Government
Australian Industrial Registry

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80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

Ms Jane Calvert
Branch Secretary
CFMEU FFPD
Victorian Divisional Branch
PO Box 661
CARLTON SOUTH VIC 3053

Dear Ms Calvert

**Re: Lodgement of Financial Statements and Accounts for the CFMEU FFPD Victorian
Divisional No.2 Branch for the year ending 31 December 2003 (FR2003/714)**

Receipt is acknowledged of the abovementioned financial documents, which were lodged in the Registry on 4 March 2005.

Thank you for your attention to this matter. The documents have been filed, and may be viewed on the internet at www.e-airc.gov.au/105nvict/financial.

I would like to take this opportunity to remind you that information about the new financial reporting obligations under the Registration and Accountability of Organisations Schedule (Schedule 1B to the *Workplace Relations Act 1996*) which now apply to your organisation can be found at www.airc.gov.au/fact_sheets/factsheets.html.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Belinda Penna'.

Belinda Penna
for Deputy Industrial Registrar

23 March 2005