

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
NATIONAL OFFICE**

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009**

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OPERATING REPORT

Your Committee of Management present their Operating Report on the Union for the year ended 31 December 2009.

Committee of Management

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

Name	Position	Period of Appointment
Tony Maher	National President	1/1/2009 to 31/12/2009
John Sutton	National Secretary	1/1/2009 to 31/12/2009
Andrew Vickers	National Executive Committee	1/1/2009 to 31/12/2009
Michael O'Connor	National Executive Committee	1/1/2009 to 31/12/2009
Leo Skourdombis	National Executive Committee	1/1/2009 to 31/12/2009
Jane Calvert	National Executive Committee	1/1/2009 to 31/12/2009
Albert Littler	National Executive Committee	1/1/2009 to 31/12/2009
Dave Noonan	National Executive Committee	1/1/2009 to 31/12/2009
Lindsay Fraser	National Executive Committee	1/1/2009 to 31/12/2009
Tom Watson	National Executive Committee	1/1/2009 to 31/12/2009
Kevin Reynolds	National Executive Committee	1/1/2009 to 19/3/2009
Andrew Ferguson	National Executive Committee	1/1/2009 to 31/12/2009
Martin Kingham	National Executive Committee	1/1/2009 to 31/12/2009
Bill Oliver	National Executive Committee	19/3/2009 to 31/12/2009
Ian Murray	National Executive Committee	20/9/2009 to 31/12/2009
Alex Millar	National Executive Committee	1/1/2009 to 31/12/2009

Principal Activities

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

- Adherence to the rules of the Union in furtherance of the objects of the Union consistent with the industrial relations legislation.
- Implementation of the decisions of the National Executive Committee.
- Industrial support including assistance with legal and legislative matters.

Results of Activities

The result for the year was a loss of \$8,835 (2008: Loss of \$17,768).

The Union has been involved in lobbying and negotiating with different levels of Government and key industry organisations around issues of importance to the broader CFMEU, including but not limited to health and safety issues, industrial and compensation matters, superannuation entitlements and environmental matters impacting the CFMEU membership.

The Union has successfully recruited new members in conjunction with a national objective of recruitment and training.

Significant Changes in Nature of Activities

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

OPERATING REPORT

Continued

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 100,565 members of the Union as at 31 December 2009 (2008: 111,000).

Rights of Members to Resign

All members of the Union have the right to resign in accordance with Rule 11(1) of the Union Rules (and section 174 of the Fair Work (Registered Organisations) Act 2009), namely, by providing written notice addressed and delivered to the Union Secretary.

Employees of the Union

As at 31 December 2009 the Union employed 4 full time employees (2008: 2).

Superannuation Trustees

Mr John Sutton was the National Secretary of the Union for the year and is a director of United Super Pty Ltd which acts as Trustee of C Bus.

Mr Dave Noonan is a director of United Super Pty Ltd which acts as Trustee of C Bus.

Mr Andrew Ferguson holds an alternate directorship (on behalf of Mr John Sutton and Mr Dave Noonan) of United Super Pty Ltd which acts as Trustee of C Bus.

Mr Albert Littler is a director of United Super Pty Ltd which acts as Trustee of C Bus. Mr Martin Kingham holds an alternate directorship (on behalf of Mr Albert Littler) of United Super Pty Ltd which acts as Trustee of C Bus.

Mrs Jane Calvert is a director of the FIRST Superannuation Fund.

Mr Michael O'Connor is a director of FIRST Superannuation Fund.

Mr Alex Millar is a director of the FIRST Superannuation Fund.

No officer or member of the Union acts:

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



.....
John Sutton

Dated this 19th day of May 2010.

COMMITTEE OF MANagements' CERTIFICATE

On 12th of May 2010, the Committee of Management of the Construction, Forestry, Mining and Energy Union – National Office passed the following resolution in relation to the financial report of the Union, for the year ended 31 December 2009:

The Committee of Management declares in relation to the general purpose financial report 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 Industrial Registrar;
- 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; and
- e) During the financial year to which the general purpose financial report relates and since the end of that year:-
 - (i) Meetings of the Board 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 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) The financial records of the Union have been kept, as far as practicable, in a consistent manner to each other reporting unit of the Union; and
 - (v) No information has been sought in any request of a member of the Union or by a Registrar duly made under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vi) No orders have been made by Fair Work Australia or FWA in regard to inspection of the financial records under section 273 of the Fair Work (Registered Organisations) Act 2009.

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



John Sutton

Dated this 19th day of May 2010.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION – NATIONAL OFFICE

Report on the Financial Report

We have audited the accompanying financial report of the Construction, Forestry, Mining and Energy Union – National Office (“the Union”), which comprises the Balance Sheet as at 31 December 2009 and the Income Statement, 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 Report

The Union’s Committee of Management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (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 establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. 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 report is free from material misstatement.

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

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

Independence

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

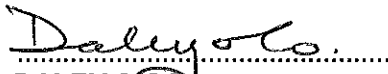
**INDEPENDENT AUDIT REPORT TO THE MEMBERS
OF THE CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION – NATIONAL OFFICE**
(Continued)

AUDIT OPINION

In our opinion, the general purpose financial report of the Construction, Forestry, Mining and Energy Union – National Office is in accordance with:

- (a) The Fair Work (Registered Organisations) Act 2009 ("the RO Act"), including:
 - (i) Giving a true and fair value of the Union's financial position as at 31 December 2009 and of its performance for the year ended on that date; and
 - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations); and

- (b) The requirements imposed by Part 3 of Chapter 8 of the RO Act.


.....
DALEY & CO
Chartered Accountants
98 Kembla Street
Wollongong NSW 2500


.....
M L Gleeson
Registered Company Auditor

Dated this 19th day of May 2010.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009**

	NOTES	2009 \$	2008 \$
REVENUE	3	<u>1,016,195</u>	<u>951,155</u>
EXPENSES			
Affiliation Fees		292,730	284,568
Employee Benefits		403,639	317,794
Depreciation and Amortisation Expense		7,154	8,041
Meeting and Conferences		84,669	113,750
Loss on Disposal of Assets		2,983	-
Operating Expenditure		<u>233,855</u>	<u>244,770</u>
		<u>1,025,030</u>	<u>968,923</u>
Other Comprehensive Income Items		-	-
Total Comprehensive Income for the Year		<u>-</u>	<u>-</u>
Total Comprehensive Income Attributable to Members		<u>(8,835)</u>	<u>(17,768)</u>

The accompanying notes form part of this financial report

**BALANCE SHEET
AS AT 31 DECEMBER 2009**

	NOTES	2009 \$	2008 \$
CURRENT ASSETS			
Cash and Cash Equivalents	5	479,614	407,275
Trade and Other Receivables	6	63,005	84,428
Other	7	36,602	15,855
TOTAL CURRENT ASSETS		<u>579,221</u>	<u>507,558</u>
NON-CURRENT ASSETS			
Plant & Equipment	8	32,168	22,650
TOTAL NON-CURRENT ASSETS		<u>32,168</u>	<u>22,650</u>
TOTAL ASSETS		<u>611,389</u>	<u>530,208</u>
CURRENT LIABILITIES			
Trade and Other Payables	9	83,230	35,429
Provisions	10	155,488	121,706
GST Liability		16,881	8,448
TOTAL CURRENT LIABILITIES		<u>255,599</u>	<u>165,583</u>
TOTAL LIABILITIES		<u>255,599</u>	<u>165,583</u>
NET ASSETS		<u>355,790</u>	<u>364,625</u>
MEMBERS FUNDS			
Accumulated Members' Funds		<u>355,790</u>	<u>364,625</u>

The accompanying notes form part of this financial report

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Accumulated Member Funds \$	TOTAL \$
Opening Balance as at 1 January 2008	382,393	382,393
Loss Attributable to Members	(17,768)	(17,768)
Total Other Comprehensive Income for the Year	-	-
Closing Balance as at 31 December 2008	<u>364,625</u>	<u>364,625</u>
Loss Attributable to Members	<u>(8,835)</u>	<u>(17,768)</u>
Closing Balance as at 31 December 2009	<u><u>355,790</u></u>	<u><u>364,625</u></u>

The accompanying notes form part of this financial report

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009**

	NOTES	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members		892,052	853,642
Receipts from Interest		18,094	28,765
Receipts from Sitting Fees		48,462	46,317
Other income received		52,057	-
Payments to Suppliers and Employees		(918,671)	(1,181,124)
NET CASH PROVIDED BY OPERATING ACTIVITIES	13(A)	<u>91,994</u>	<u>(252,400)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant & Equipment		13,181	-
Payment for Property, Plant & Equipment		(32,836)	(1,515)
NET USED IN INVESTING ACTIVITIES		<u>(19,655)</u>	<u>(1,515)</u>
NET INCREASE / (DECREASE) IN CASH HELD		72,339	(253,915)
CASH AT THE START OF THE FINANCIAL YEAR		<u>407,275</u>	<u>661,190</u>
CASH AT THE END OF THE FINANCIAL YEAR	13(B)	<u>479,614</u>	<u>407,275</u>

The accompanying notes form part of this financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

1. STATEMENT OF ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements imposed by the reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act, 1996.

The financial report is for the entity Construction Forestry Mining and Energy Union – National Office, as an individual entity. This organisation is registered under the Workplace Relations Act 1996 and domiciled in Australia. In accordance with the 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.

The financial report complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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.

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis, except where specifically stated, and is based on historical costs modified by the revaluation of selected financial assets for which the fair value basis of accounting has been applied.

Accounting Policies

(a) PLANT AND EQUIPMENT

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

Plant and Equipment

Plant and Equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Union 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Union and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

Continued

1. STATEMENT OF ACCOUNTING POLICIES

Continued

(a) PLANT & EQUIPMENT

CONTINUED

Depreciation

The depreciation amount of all fixed assets including capitalised lease assets (where applicable) is depreciated on a straight line basis over their useful lives to the Union. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Furniture, Fittings and Equipment	7.50 - 20%
Motor Vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Balance Sheet date.

An assets' 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 income statement.

(b) INCOME TAX

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

(c) EMPLOYEE BENEFITS

Provision is made in respect of the Union's liability for employee benefits arising from services rendered by officers and employees to balance date.

Long service leave is accrued in respect of all officers and employees with more than 5 years service. Related on-costs are included in these provisions.

Contributions are made to employee superannuation funds and are charged as expenses where incurred.

(d) REVENUE

Revenue from capitation fees are recognised on an accruals 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).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

Continued

1. STATEMENT OF ACCOUNTING POLICIES

Continued

(e) FINANCIAL INSTRUMENTS

Recognition

Financial instruments are initially measured at cost on trade date, which included transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

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 stated at amortised cost using the effective interest rate method.

Held-to-Maturity Investments

These investments have fixed maturities, and it is the Union's intention to hold these investments to maturity. Any held-to-maturity investments held by the Union are stated at amortised cost using the effective interest rate method.

Available-for-Sale Financial Assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, 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 income statement.

(f) IMPAIRMENT OF ASSETS

At each reporting date, the Union reviews the carrying values of its 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 income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Union estimates the recoverable amount of cash-generating unit to which the asset belongs.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

Continued

1. STATEMENT OF ACCOUNTING POLICIES

Continued

(g) 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.

(h) 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 Taxation 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.

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.

(i) COMPARATIVE FIGURES

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

(j) COMPARATIVE ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

During the current year the union adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of Construction, Forestry, Mining and Energy Union – National Office.

- **AASB 101: Presentation of Financial Statements**

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the union's financial statements.

Disclosure impact

Terminology changes — The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity — The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

Continued

1. STATEMENT OF ACCOUNTING POLICIES

Continued

(j) COMPARATIVE ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS CONTINUED

Statement of comprehensive income — The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The union's financial statements now contain a statement of comprehensive income.

Other comprehensive income — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

(k) NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The union has decided against early adoption of these standards. A discussion of those future requirements and their impact on the union follows:

- AASB 2008–5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (applicable for annual reporting periods commencing from 1 January 2009) and AASB 2008–6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (applicable for annual reporting periods commencing from 1 July 2009).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the union.

- AASB 2009–4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009–5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the union.

- AASB 2009–7: Amendments to Australian Accounting Standards [AASB 5, 7, 107, 112, 136 & 139 and Interpretation 17] (applicable for annual reporting periods commencing on or after 1 July 2009).

This standard reflects editorial changes made to a number of accounting standards by the IASB. No changes are expected to materially affect the union.

The union does not anticipate early adoption of any of the above reporting requirements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

Continued

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Fair Work (Registered Organisations) Act, 2009, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 which reads as follows:

- (1) A member of a Union, or the General Manager, may apply to the Union for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) An application must be made 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 Union.
- (3) The Union must comply with an application made under subsection (1).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

Continued

	2009 \$	2008 \$
3. REVENUE		
<i>Operating Revenues</i>		
Capitation Fees	869,298	802,725
Sitting Fees	48,462	46,317
Interest Received	18,094	28,765
Other Income	1,331	23,968
Grant FWEIP Income	79,010	-
Distributions – National Development Fund	-	49,380
	<u>1,016,195</u>	<u>951,155</u>
4. RESULT FOR THE YEAR		
(a) EXPENSES		
Depreciation of Non-Current Assets		
Motor Vehicles	4,164	4,180
Plant & Equipment	2,990	3,861
Total Depreciation	<u>7,154</u>	<u>8,041</u>
Movements In Employee Entitlements	29,717	10,636
Remuneration of Auditors		
- Auditing the Financial Report	8,500	6,000
- Accounting & Taxation Services	6,092	3,151
5. CASH AND CASH EQUIVALENTS		
Cash on Hand	700	700
Cash at Bank	54,430	65,466
Business Direct Savings	424,484	341,109
	<u>479,614</u>	<u>407,275</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

Continued

	2009 \$	2008 \$
6. TRADE AND OTHER RECEIVABLES		
Current		
Sundry Debtors	63,005	30,725
Distribution Receivable – National Development Fund	-	49,380
Accounts Due from Branches – Capitation Fees	-	4,323
TOTAL RECEIVABLES	<u>63,005</u>	<u>84,428</u>

(i) The funds advanced have no set repayment date. Interest is not charged on the amount advanced.

Amounts Relating to:-

CFMEU – Construction & General Division	26,334	21,404
CFMEU – FEDFA Division	-	-
CFMEU – FFTS Division	2,368	-
CFMEU – Mining & Energy Division	-	4,323
CFMEU – Forest & Forestry Products Division	-	-
CFMEU – Construction & General Division, NSW Branch	-	-
CFMEU – FFTS Division – NSW Branch	-	-
	<u>28,702</u>	<u>25,727</u>

(i) Credit Risk — Trade and Other Receivables

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

Continued

(i) Credit Risk — Trade and Other Receivables Continued

	Gross amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			< 30 \$	31-60 \$	61-90 \$	> 90 \$	
2009							
Trade and term receivables	63,005	-	-	-	-	-	63,005
Other receivables	-	-	-	-	-	-	-
Total	63,005	-	-	-	-	-	63,005
2008							
Trade and term receivables	84,428	-	-	-	-	-	84,428
Other receivables	-	-	-	-	-	-	-
Total	84,428	-	-	-	-	-	84,428

The union does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

7. OTHER CURRENT ASSETS

Prepayments	<u>36,602</u>	<u>15,855</u>
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8. PROPERTY, PLANT & EQUIPMENT

FURNITURE, FITTINGS & EQUIPMENT

At Cost	14,807	14,646
Accumulated Depreciation	<u>(10,328)</u>	<u>(10,111)</u>
	<u>4,479</u>	<u>4,535</u>

MOTOR VEHICLES

At Cost	29,638	28,016
Accumulated Depreciation	<u>(1,949)</u>	<u>(9,901)</u>
	<u>27,689</u>	<u>18,115</u>

TOTAL PROPERTY, PLANT & EQUIPMENT	<u><u>32,168</u></u>	<u><u>22,650</u></u>
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

Continued

8. PROPERTY, PLANT & EQUIPMENT

Continued

Movements in Carrying Amounts

Movements in the carrying amounts (written down values) for each class of property, plant and equipment between the start and end of the current financial year.

2009	FURNITURE, FITTINGS & EQUIPMENT	MOTOR VEHICLES	TOTAL
Balance at Start of Year	4,535	18,115	22,650
Additions	3,198	29,638	32,836
Disposals – Assets	(3,038)	(28,016)	(31,054)
Amort/Depreciation Expense	(2,990)	(4,164)	(7,154)
Disposals – Accum Dep'n	2,774	12,116	14,890
Balance at End of Year	4,479	27,689	32,168

2008	FURNITURE, FITTINGS & EQUIPMENT	MOTOR VEHICLES	TOTAL
Balance at Start of Year	6,881	22,295	29,176
Additions	1,515	-	1,515
Disposals – Assets	-	-	-
Amort/Depreciation Expense	(3,861)	(4,180)	(8,041)
Disposals – Accum Dep'n	-	-	-
Balance at End of Year	4,535	18,115	22,650

	2009 \$	2008 \$
9. TRADE AND OTHER PAYABLES		
Sundry Creditors	83,230	35,429
<i>Amounts Relating to:-</i>		
CFMEU – Mining & Energy Division	-	-
CFMEU – Forest & Forestry Products Division	-	-
CFMEU – NSW	16,065	-
CFMEU – Construction & General Division	8,964	8,064
	25,029	8,064

10. PROVISIONS

	Provision for Annual Leave \$	Other Employee Entitlements \$	TOTAL \$
Opening balance at 1 January 2009	53,521	68,185	121,706
Amounts Transferred In	-	-	-
Additional provisions	32,674	6,424	39,098
Amounts Used	(5,316)	-	(5,316)
Balance at 31 December 2009	80,879	74,609	155,488

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

Continued

10. PROVISIONS *Continued*

(a) Analysis of ageing of provisions

Current	<u>155,488</u>	<u>121,706</u>
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(b) Number of Employees at Balance Date	<u>4</u>	<u>2</u>
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(c) Total Employee Benefits Attributable to:

Office Holders	133,006	115,722
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Staff	<u>22,482</u>	<u>5,984</u>
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	<u>155,488</u>	<u>121,706</u>
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11. CONTINGENT LIABILITIES

A contingent liability may exist in relation to debts incurred by the Divisions of the Union for which the National Office may become liable under the rules of the Union. Disclosure for such liabilities are not brought to account in the National Office on the basis that each Division is a separate reporting entity responsible for disclosing its own contingent and other liabilities.

The Union and specified officials are being sued for as yet unspecified damages in an action arising from an alleged industrial dispute. The National Executive is of the opinion that the action can be successfully defended by the Union which is challenging the action. Given the complex nature of this action and advice of legal counsel, it is not practicable to estimate the potential financial impact, if any, of this action at this time.

The information usually required by AASB 137 Provisions, Contingent Liabilities and Contingent Assets, is not disclosed on the grounds it can be expected to prejudice seriously the outcome of the litigation.

12. ECONOMIC DEPENDENCE

The principal source of income for the Union is capitation fees from its Divisions. Accordingly, the National Office is economically dependent on the ability of the Divisions to continue to service the needs of its members on industrial and workplace matters

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

Continued

	2009 \$	2008 \$
13. CASH FLOW INFORMATION		
(A) RECONCILIATION OF CASH FLOWS FROM OPERATIONS WITH OPERATING RESULT		
Net Operating Result	(8,835)	(17,768)
Non-Cash Flows in Net Result		
Depreciation	7,154	8,041
Increase / (Decrease) in Employee Benefits	33,782	10,636
Loss on Sale of Fixed Assets	2,983	-
Changes in Assets and Liabilities		
(Increase) / Decrease in Sundry Debtors	21,423	(22,431)
(Increase) / Decrease in Prepayments	(20,747)	356
Increase / (Decrease) in Sundry Creditors	47,801	(216,058)
Increase / (Decrease) in Tax Liability	8,433	(15,176)
CASH FLOWS FROM OPERATIONS	<u>91,994</u>	<u>(252,400)</u>
(B) RECONCILIATION OF CASH		
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to terms in the Balance Sheet as follows:		
• Cash [Note 5]	<u>479,614</u>	<u>407,275</u>
(C) NET CASH FLOWS (EXCLUDING GST) RELATING TO ANOTHER REPORTING UNITS OF THE ORGANISATION ARE AS FOLLOWS:		
CFMEU – Construction and General Division	501,410	520,863
CFMEU – Mining and Energy Division	175,779	187,943
CFMEU – Forest and Forest Products Division	136,868	171,204
	<u>814,057</u>	<u>880,010</u>
14. LEGAL AND PROFESSIONAL FEES & EXPENSES		
Amounts received, or due and receivable, by the auditor for:		
▪ Auditing	8,500	6,000
▪ Accounting fees	6,092	3,151
▪ Legal Expenses	1,900	-
TOTAL	<u>16,492</u>	<u>9,151</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

Continued

15. AMOUNTS DUE FROM DIVISIONS - CAPITATION FEES

(Amounts are Inclusive of GST)

	BALANCE OWING (31.12.08)	AMOUNTS CHARGED	CASH RECEIVED	BALANCE OWING (31.12.09)
Construction and General Division	-	625,680	625,680	-
Forest & Forest Products Division	-	147,730	147,730	-
Mining & Energy Division	4,755	182,817	187,572	-
	<u>4,755</u>	<u>956,227</u>	<u>960,982</u>	<u>-</u>

16. ORGANISATION DETAILS

The Union is a Trade Union registered and domiciled in Australia. The registered office and principle place of business of the Union is: Level 12, 276 Pitt Street, Sydney NSW 2000.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

Continued

17. EVENTS SUBSEQUENT TO BALANCE DATE

- (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 in May 2010 by the Board of Management.

18. KEY MANAGEMENT PERSONNEL COMPENSATION

Key Management Personnel

- Mr John Sutton
- Mr Sean Marshall

	2009 \$	2008 \$
Total Compensation		
- Short Term Benefits	219,623	274,559
- Post Employment Benefits	31,310	38,135
- Long Term Benefits	3,015	2,871
	<u>253,948</u>	<u>315,565</u>

19. RELATED PARTY INFORMATION

(a) MEMBERS OF THE BOARD OF MANAGEMENT

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

Name	Position
➤ Tony Maher	National President
➤ John Sutton	National Secretary
➤ Andrew Vickers	National Executive Committee
➤ Michael O'Connor	National Executive Committee
➤ Leo Skourdoumbis	National Executive Committee
➤ Jane Calvert	National Executive Committee
➤ Albert Littler	National Executive Committee
➤ Dave Noonan	National Executive Committee
➤ Lindsay Fraser	National Executive Committee
➤ Tom Watson	National Executive Committee
➤ Kevin Reynolds	National Executive Committee
➤ Andrew Ferguson	National Executive Committee
➤ Bill Oliver	National Executive Committee
➤ Martin Kingham	National Executive Committee
➤ Ian Murray	National Executive Committee
➤ Alex Millar	National Executive Committee

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

Continued

19. RELATED PARTY INFORMATION

Continued

(b) RELATED PARTY TRANSACTIONS

Other related parties

- i) Rent and Administration charges were paid to Construction, Forestry, Mining and Energy Union – Construction and General Division totaling \$56,432 (2008: \$78,411).
- ii) Directors fees totaling \$23,424 (2008: \$21,866) were received from the Construction & Building Industry Super (CBUS) by the Union in respect of board attendances by Mr John Sutton.
- iii) Directors fees totaling \$7,500 (2008: \$7,500) were received from ACIRT by the Union in respect of board attendances by Mr John Sutton.
- iv) Directors fees totaling \$17,538 (2008: \$16,556) were received from ISPT by the Union in respect of board attendances by Mr John Sutton.

20. OPERATING LEASE AND CAPITAL EXPENDITURE COMMITMENTS

(a) Operating Lease Commitment

A commitment exists in respect of the sub-lease of floor area within premises situated at Pitt Street, Sydney. The maximum amount committed plus the maximum extension of options is as follows :-

	2009 \$	2008 \$
The total operating lease commitments are:		
not later than one year	56,432	78,411
later than one year but not later than two years	-	-
	<u>56,432</u>	<u>78,411</u>

(b) Capital Expenditure Commitment

There are no material capital commitments at 31 December 2009.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

Continued

21. FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management Policies

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

The Committee of Managements' overall risk management strategy seeks to assist the Union in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The Union does not have any derivative instruments at 31 December 2009.

	NOTE :	2009 \$	2008 \$
Financial Assets			
Cash and cash equivalents		479,614	407,275
Trade and other receivables		63,005	84,428
		542,619	491,703
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables		83,230	35,429
- Borrowings		-	-
		83,230	35,429

Specific Financial Risk Exposures and Management

The main risks the union is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the union.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the balance sheet.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 6.

The union has no significant concentration of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 6.

The union has no significant concentration of credit risk exposure to any single counterparty or group of counterparties.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

Continued

21. FINANCIAL RISK MANAGEMENT Continued

Credit risk related to balances with banks and other financial institutions is managed by the Board of Directors. Board policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	NOTE	2009 \$	2008 \$
Cash and cash equivalents			
- Approved Deposit Taking Institution	5	479,614	407,275

(b) Liquidity risk

Liquidity risk arises from the possibility that the union might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The union manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

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

	WITHIN 1 YEAR \$	1 TO 5 YEARS \$	OVER 5 YEARS \$	TOTAL CONTRACTUAL CASH FLOW \$
At 31 December 2009				
Financial liabilities				
Financial Liabilities	-	-	-	-
Trade & Other Payables	83,230	-	-	83,230
Total Financial Liabilities	83,230	-	-	83,230
At 31 December 2008				
Financial liabilities				
Financial Liabilities	-	-	-	-
Trade & Other Payables	35,429	-	-	35,429
Total Financial Liabilities	35,429	-	-	35,429

(c) Market risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The union is also exposed to earnings volatility on floating rate instruments.

ii. Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

The union is exposed to securities price risk on investments held for trading or for medium to longer terms. Such risk is managed through diversification of investments across industries and geographical locations.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

Continued

21. FINANCIAL RISK MANAGEMENT

Continued

Sensitivity analysis

The following table illustrates sensitivities to the union's exposure to changes in interest rates. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	2009 \$	2008 \$
Change in profit		
— Increase in interest rate by 1%	4,789	4,066
— Decrease in interest rate by 1%	(4,789)	(4,066)
Change in equity		
— Increase in interest rate by 1%	4,789	4,066
— Decrease in interest rate by 1%	(4,789)	(4,066)

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices

22. CAPITAL MANAGEMENT

Management controls the capital of the Union in order to maintain a good debt to equity ratio and to ensure that the Union can fund its operations and continue as a going concern.

All debt in the Balance Sheet is interest-free and is not entered into with the view of managing the capital of the Union. At entering into the loan agreements, the funds received are set aside in highly liquid cash and investment accounts, as shown below.

The gearing ratios for the years ended 31 December 2009 and 31 December 2008 are as follows:

	2009 \$	2008 \$
Financial liabilities	-	-
Trade and other payables	83,230	35,429
Total	83,230	35,429
Less: Cash and cash equivalents	479,614	407,275
Net debt	-	-
Total equity	355,790	364,625
Total capital	355,790	364,625
Gearing ratio	Nil	Nil

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

Continued

23. ADDITIONAL DISCLOSURES REQUIRED UNDER THE RAO SCHEDULE

In accordance with the requirements of Section 255 of Schedule 1B [the Registration and Accountability of Organisations (RAO) schedule], the following necessary disclosures are made:

	2009 \$	2008 \$
i) ITEMS OF REVENUE		
Donations or Grants Income	79,010	-
ii) ITEMS OF EXPENSE		
Affiliation fees/subscriptions to organisations with an interest in industrial matters.	292,730	284,568
Donations or Grant Expenses.		
• AFTINET	3,000	3,000
• ACTU Work Site	3,000	-
• A.P.H.E.D.A	25,000	25,000
• SIGTUR	-	5,000
• Catalyst Australia Inc	10,000	-
• Philippines Seminar	-	1,045
• Finland (U.I.T.B.B)	10,000	-
• Burma Cyclone (A.P.H.E.D.A)	-	1,000
• Cuba Cyclone (A.P.H.E.D.A)	-	2,000
• Forum	-	1,000
• U.I.T.B.B.	25,000	10,000
• General (< \$1,000)	800	410
	<u>76,800</u>	<u>48,455</u>
Employee Benefits Expense:		
- Office Holders	125,089	113,762
- Employees (Other than Office Holders)	204,349	168,080
	<u>329,438</u>	<u>281,842</u>
Expenses incurred in connection with meetings of members, councils, committees, panels to other bodies for which the Union was wholly or partly responsible.	84,669	114,743