



5 September 2018

Mr Jason O'Mara
Branch Secretary

Construction, Forestry, Maritime, Mining and Energy Union-Construction and General Division,
Australian Capital Territory Divisional Branch

By email: enquiries@act.cfmeu.asn.au

CC: rodney.miller@rsm.com.au

Dear Mr O'Mara,

**Construction, Forestry, Maritime, Mining and Energy Union-Construction and General Division, Australian Capital Territory Divisional Branch
Financial Report for the year ended 31 March 2018 - [FR2018/22]**

I acknowledge receipt of the financial report of the Construction, Forestry, Maritime, Mining and Energy Union-Construction and General Division, Australian Capital Territory Divisional Branch (CFMMEU-ACT). The documents were lodged with the Registered Organisations Commission (the ROC) on 26 July 2018.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 March 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged, however I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

Committee of Management Statement

Reference to s. 272 & 273

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, with effect from 1 May 2017, section 272 refers to Commissioner of the ROC instead of the General Manager, Fair Work Commission. However, section 273 continues to refer to the Fair Work Commission.

The CFMMEU-ACT Committee of Management statement, at reference (e)(vi), refers to the 'Registered Organisations Commission'. In future, please ensure that this reference is to the 'Fair Work Commission'.

Reporting Requirements

New Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

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

If you have any queries regarding this letter, please contact me on (02) 8293 4654 or via email at david.vale@roc.gov.au.

Yours faithfully

A handwritten signature in blue ink that reads "David Vale". The signature is written in a cursive style with a horizontal line underlining the name.

David Vale
Registered Organisations Commission

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
THE CONSTRUCTION AND GENERAL DIVISION
AUSTRALIAN CAPITAL TERRITORY DIVISIONAL BRANCH**

ABN 38 491 952 173

**FINANCIAL REPORT
FOR THE YEAR ENDING 31 MARCH 2018**

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
THE CONSTRUCTION AND GENERAL DIVISION
AUSTRALIAN CAPITAL TERRITORY DIVISIONAL BRANCH
ABN 38 491 952 173

DESIGNATED OFFICER'S CERTIFICATE

S268 of Fair Work (Registered Organisations) Act 2009

I, Jason O'Mara being the Divisional Branch Secretary of the Construction Forestry Maritime Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch certify:

- that the documents lodged herewith are copies of the full report for Construction Forestry Maritime Mining and Energy Union, The Construction and General Division, Australian Capital Territory Branch for the year ending 31 March 2018 referred to in S268 of Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members on 2 July 2018; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 24 July 2018, in accordance with section 266 of Fair Work (Registered Organisations) Act 2009.



Jason O'Mara
Divisional Branch Secretary
Construction Forestry Mining and Energy Union, The Construction and General Division, Australian
Capital Territory Divisional Branch

Dated this 24th day of July 2018
at Canberra, Australian Capital Territory

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
THE CONSTRUCTION AND GENERAL DIVISION
AUSTRALIAN CAPITAL TERRITORY DIVISIONAL BRANCH
ABN 38 491 952 173

OPERATING REPORT

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 the Committee of Management present their Operating Report on the Construction Forestry Maritime Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch, the relevant reporting unit, for the year ended 31 March 2018.

Principle Activities

Construction Forestry Maritime Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch ("reporting unit") is committed to advancing the wages, conditions, and wellbeing of its membership.

The reporting unit's principal activities during the year were:

- Representation of members on the job.
- Union-negotiated collective agreements.
- Assisting members with legal representation.
- Facilitating access to training courses.
- Informing members through the regular newsletter.
- Sale of products to union members.
- Investment of union funds.

Review of principle activities

The Committee of Management has reviewed its principle activities and is satisfied that activities have been successfully conducted throughout the year.

Significant changes to activities

There were no significant changes in the nature of the reporting unit's activities during the year.

Review of results

The results of the reporting unit's activities were consistent with the reporting unit's aims and activities.

Significant changes to financial affairs

There have been no significant changes during the period 1 April 2017 to 31 March 2018. The reporting unit at Note 1(p) has considered the going concern principle and is satisfied that the going concern concept is satisfied.

The operating profit of the reporting unit for the year ending 31 March 2018 is \$345,544 (2017: operating loss (\$463,965) for the period 1 January 2017 to 31 March 2017).

Members rights to resign

Members may resign from the Union in accordance with Section 254(2)(c) of the Fair Work (Registered Organisations) Act 2009, which reads as follows:

- 1) A member of the Union may resign from membership by written notice addressed and delivered to the Secretary of the Branch of which he is a member.
- 2) A notice of resignation from membership of the Union takes effect:
 - a) Where the member ceases to be eligible to become a member of the Union:
 - i) On the day on which notice is received by the Union; or
 - ii) On the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member; Whichever is later; or
 - b) In any other case:
 - i) At the end of two (2) weeks after the notice is received by the Union; or
 - ii) On the day specified in the notice;

Whichever is later.

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
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OPERATING REPORT (CONTINUED)

- 3) Any dues payable but not paid by a former member of the Union, in relation to a period before the member's resignation from the Union took effect, may be sued for and recovered in the name of the Union in a court of competent jurisdiction, as a debt due to the Union.
- 4) A notice delivered to the person mentioned in subsection (1) shall be taken to have been received by the Union when it was delivered.
- 5) A notice of resignation that has been received by the Union is not invalid because it was not addressed and delivered in accordance with subsection (1).

A resignation from membership of the Union is valid even if it is not affected in accordance with the rule if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.

Officers as Trustees

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

Prescribed Information

- (a) the number of persons that were, at 31st March 2018, recorded in the register of members for section 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the reporting unit under Section 254(2)(f) of the Fair Work (Registered Organisations) Act 2009 and Regulation 159(a) was 2,930 (2,035 financial members and 895 non-financial members); (2017: total 2,711 members; 1,945 financial members and 766 non-financial members);
- (b) the number of persons who were, at 31st March 2018, employees of the reporting unit, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis was 13 employees (2017: 12 employees);
- (c) the name of each person who has been a member of the committee of management of the reporting unit at any time during the period 1 April 2017 to 31 March 2018, and the period for which he or she held such a position is:

NAME	PERIOD
Dean James Hall	1 April 2017 – 20 March 2018
Jason Lawrence O'Mara	1 April 2017 – 31 March 2018
Mark Stephen Dymock	1 April 2017 – 31 March 2018
Anthony Paul Vitler	1 April 2017 – 31 March 2018
Duncan James Bennett-Burleigh	1 April 2017 – 31 March 2018
Leon Mark Arnold	1 April 2017 – 31 March 2018
Desmond Marland	1 April 2017 – 31 March 2018
Zachary Alan Smith	1 April 2017 – 31 March 2018
Jason John Jennings	1 April 2017 – 31 March 2018
Cameron David Hardy	1 April 2017 – 31 March 2018
Jeffrey Allan Polsen	1 April 2017 – 31 March 2018
Scott Andrew Stenner	1 April 2017 – 31 March 2018
Peter John Cain	1 April 2017 – 31 March 2018
Michael Barry Cousins	1 April 2017 – 31 March 2018
Johnny Junior Lomax	1 April 2017 – 31 March 2018
Clyde Thomas Peter Stewart	1 April 2017 – 31 March 2018

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OPERATING REPORT (CONTINUED)

Other Information

There is no other information that the reporting unit considers is relevant.

For and on behalf of the Committee of Management:



JASON O'MARA
Dated at Canberra, ACT: 29/06/2018



ZACHARY SMITH
Dated at Canberra, ACT: 26/6/2018.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION CONSTRUCTION AND GENERAL DIVISION- (ACT BRANCH)

Opinion

I have audited the financial report of Construction Forestry Maritime Mining and Energy Union Construction and General Division - (ACT Branch), which comprises the statement of financial position as at 31 March 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 March 2018, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Construction Forestry Maritime Mining and Energy Union Construction and General Division - (ACT Branch) as at 31 March 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

THE POWER OF BEING UNDERSTOOD

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RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Pty Ltd ACN 009 321 377 atf Birdanco Practice Trust ABN 65 319 382 479 trading as RSM

Liability limited by a scheme approved under Professional Standards Legislation

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

A handwritten signature in black ink that reads 'RSM'.

RSM AUSTRALIA PTY LTD

A handwritten signature in black ink that reads 'Rodney Miller'.

RODNEY MILLER
Director

Canberra, ACT
Dated: 29 June 2018

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/144

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
THE CONSTRUCTION AND GENERAL DIVISION
AUSTRALIAN CAPITAL TERRITORY DIVISIONAL BRANCH
ABN 38 491 952 173

COMMITTEE OF MANAGEMENT STATEMENT

On the 26th of June 2018 the Committee of Management of the Construction Forestry Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 31 March 2018:

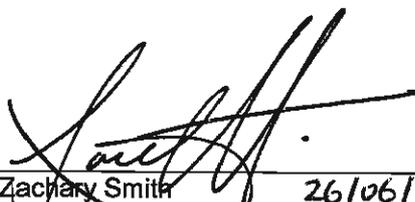
The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period

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



Jason O'Mara
Divisional Branch Secretary 29/06/18



Zachary Smith 26/06/18
Divisional Branch Assistant Secretary

Dated at Canberra, Australian Capital Territory this June 2018.

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
THE CONSTRUCTION AND GENERAL DIVISION
AUSTRALIAN CAPITAL TERRITORY DIVISIONAL BRANCH
ABN 38 491 952 173

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

	NOTE	2018 \$	2017 \$
Membership Subscriptions		1,435,023	263,715
Advertising Income		70,000	-
Sitting Fees	18	27,306	-
Interest Received		557	1,444
Profits from Trusts		250,000	-
Other Revenue	2A	2,301,494	268,628
Total Revenue		<u>4,084,380</u>	<u>533,787</u>
Employee Expenses	3(a)	(2,320,115)	(399,936)
Capitation Fees	3(b)	(106,515)	(16,895)
Affiliation Fees	3(c)	(44,029)	(5,194)
Administrative Expenses	3(d)	(550,382)	(191,202)
Grants or Donations	3(e)	(1,975)	(1,060)
Legal Fees	3(f)	(444,058)	(327,696)
Depreciation Expense		(70,649)	(13,827)
Interest Expense		-	-
Bad Debts Expense		(32,000)	(8,904)
Member Benefits		(143,815)	(17,038)
Audit Fees	4	(22,115)	(16,000)
Loss on Sale of Motor Vehicles		(3,183)	-
Total Expenses		<u>(3,738,836)</u>	<u>(997,752)</u>
Surplus(deficit) for the year		<u>345,544</u>	<u>(463,965)</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>345,544</u></u>	<u><u>(463,965)</u></u>

The accompanying notes form part of these financial statements.

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
THE CONSTRUCTION AND GENERAL DIVISION
AUSTRALIAN CAPITAL TERRITORY DIVISIONAL BRANCH
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STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	NOTE	2018 \$	2017 \$
CURRENT ASSETS			
Cash and Cash Equivalents	5	488,052	243,513
Trade and Other Receivables	6	293,786	378,407
Other Current Assets	7	<u>57,565</u>	<u>59,287</u>
TOTAL CURRENT ASSETS		<u>839,403</u>	<u>681,207</u>
NON-CURRENT ASSETS			
Financial Assets	8	36,402	346,686
Property, plant and equipment	9	<u>296,388</u>	<u>265,355</u>
TOTAL NON-CURRENT ASSETS		<u>332,790</u>	<u>612,041</u>
TOTAL ASSETS		<u>1,172,193</u>	<u>1,293,248</u>
CURRENT LIABILITIES			
Trade payables	10A	369,382	196,422
Other payables	10B	19,720	304,477
Other Current Liabilities	11	54,414	122,755
Employee Provisions	12	295,303	378,511
Borrowings	13	<u>118,551</u>	<u>329,262</u>
TOTAL CURRENT LIABILITIES		<u>857,370</u>	<u>1,331,427</u>
NON-CURRENT LIABILITIES			
Employee Provisions	12	26,626	19,168
TOTAL NON-CURRENT LIABILITIES		<u>26,626</u>	<u>19,168</u>
TOTAL LIABILITIES		<u>883,996</u>	<u>1,350,595</u>
NET ASSETS		<u>288,197</u>	<u>(57,347)</u>
EQUITY			
Retained earnings (accumulated deficit)		<u>288,197</u>	<u>(57,347)</u>
TOTAL EQUITY		<u>288,197</u>	<u>(57,347)</u>

The accompanying notes form part of these financial statements.

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
THE CONSTRUCTION AND GENERAL DIVISION
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STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2018

	Retained Earnings \$	Total \$
Balance as at 31 December 2016	<u>406,618</u>	<u>406,618</u>
Loss attributable to the entity	(463,965)	(463,965)
Balance as at 31 December 2017	<u>(57,347)</u>	<u>(57,347)</u>
Profit attributable to the entity	345,544	345,544
Balance as at 31 March 2018	<u><u>288,197</u></u>	<u><u>288,197</u></u>

The accompanying notes form part of these financial statements

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
THE CONSTRUCTION AND GENERAL DIVISION
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STATEMENT OF CASH FLOWS
For the year ended 31 March 2018

	NOTE	2018 \$	2017 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from other reporting units/controlled entity(s)	15(d)	22,017	-
Cash receipts from members' subscriptions		1,319,708	246,476
Cash Receipts from Customers		307,298	37,827
Cash payments to suppliers and employees		(3,591,339)	(712,715)
Interest received		557	1,444
Donations received		1,940,000	250,000
Payment of affiliation fees, capitation fees and dispute levies		(150,544)	(22,089)
Other Revenue		300,901	-
Donations paid		(1,975)	(1,060)
		<hr/>	<hr/>
Net cash generated from operating activities	15(a)	146,623	(200,117)
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for Property, Plant and Equipment		(109,864)	(6,958)
Proceeds from Property, Plant and Equipment		5,000	-
Proceeds from investment		-	-
Proceeds from loans		202,780	125,000
		<hr/>	<hr/>
Net cash provided by investing activities		97,916	118,042
CASH FLOW FROM FINANCING ACTIVITIES			
Net proceeds from borrowings		-	-
Proceeds from borrowings		-	-
Repayment of Borrowings		-	-
		<hr/>	<hr/>
Net cash provided by financing activities		-	-
		<hr/>	<hr/>
Net change in cash held		244,539	(82,075)
		<hr/>	<hr/>
Cash at beginning of the financial year		243,513	325,588
		<hr/>	<hr/>
Cash & cash equivalents at the end of the reporting period	5	488,052	243,513
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
THE CONSTRUCTION AND GENERAL DIVISION
AUSTRALIAN CAPITAL TERRITORY DIVISIONAL BRANCH
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NOTES TO THE FINANCIAL STATEMENTS

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, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

The financial report covers the Construction Forestry Maritime Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch (the Union) as an individual entity. The Union is an unincorporated entity. The Union is a not-for-profit entity for the purposes of Australian Accounting Standard AASB 1054.

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

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

a) Taxation

The Construction Forestry Maritime Mining and Energy Union, Construction & General Division, ACT Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

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 and impairment losses.

Property

Leasehold buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on 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 group 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.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increase of the same asset are charged against fair value reserves directly in equity, all other decrease are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value basis over their useful economic lives commencing from the time the asset is held ready for use.

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

<i>Class of asset</i>	<i>Depreciation rate</i>
Office Equipment	12.5-66%
Motor Vehicles	25%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

Gain and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

d) Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

e) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. 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 and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

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 amount with a consequential recognition of an income or expense item in profit or loss.

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, reference to similar instruments and option pricing models.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

Financial assets at fair value through profit and loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Impairment

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

f) Impairment of Assets

At each reporting date, 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 income statement.

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

g) Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the Union's share of post acquisition reserves of its associates.

Associated entities are those that the Committee of Management have determined that the Union has significant influence, but not controlling interest, by means of the level of equity held and the relationship to the Union and the Committee of Management members. There are currently no Investments in Associates.

h) 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 entitlements arising from wages and salaries, and annual leave which will be settled after one year, have been measured at their nominal amount, plus any 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.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Provisions

Provisions are recognised when the Union has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

j) 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 statement of financial position.

k) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

l) Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

m) Capitation fees and levies

Capitation fees and levies are to be recognised on an accrual basis and recorded as an expense in the year to which it relates.

n) Comparative figures

The Union has elected to change its reporting date to 31 March, as a result this report covers the period 1 April 2017 to 31 March 2018. The comparatives are for the 3 month period 1 January 2017 to 31 March 2017.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o) Significant accounting estimates and judgements

The Committee evaluate estimates and judgements incorporated into the financial report 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 date by evaluating conditions specific to the Union that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

p) Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The Construction Forestry Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch (the Union) incurred a profit of \$345,544 and had net cash inflows from operating activities of \$146,623. As at 31 March 2018 the Union had net current liabilities of \$17,967 and net assets of \$288,197.

The Canberra Tradesmen's Union Club Limited (the Club) has provided a letter of support stating the Club undertakes to provide the CFMEU with financial support to a level that will allow the CFMEU to continue to operate as a going concern for a period of 12 months from the date of financial report.

As a result, the Committee of Management believe that it is reasonably foreseeable that the Union will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

q) New standards and interpretations adopted

The entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r) New standards and interpretations issued but not yet effective

At the date of this financial report the following standards and interpretations, which may impact the entity in the period of initial application, have been issued but are not yet effective:

AASB 2015-7	<i>Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities</i>	This amendment relieves not-for-profit public sector entities from certain disclosures about the fair value measurements of property, plant and equipment. The relief exempts them from disclosures of quantitative information about significant unobservable inputs used in fair value measurements, sensitivity of certain fair value measurements to changes in unobservable inputs, etc.	1 January 2018	Disclosures Only
AASB 9	<i>Financial Instruments</i>	This Standard supersedes both AASB 9 (December 2010) and AASB 9 (December 2009) when applied. It introduces a “fair value through other comprehensive income” category for debt instruments, contains requirements for impairment of financial assets, etc.	1 January 2018	Minimal Impact
AASB 2014-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i>	Consequential amendments arising from the issuance of AASB 9	1 January 2018	Minimal Impact

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NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reference	Title	Summary	Application date (financial years beginning)	Expected Impact
AASB 15	<i>Revenue from contracts with customers</i>	AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.	1 January 2018	Minimal Impact
AASB 16	<i>Leases</i>	AASB 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.	1 January 2019	Minimal impact.

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	2018	2017
	\$	\$
NOTE 2 – REVENUE		
NOTE 2A – OTHER REVENUE		
(a) Capitation Fees	-	-
(b) Levies	-	-
(c) Donations	2,042,996	250,000
(d) Dividends Received	212	78
(e) Grants	-	-
(f) Sponsorship Income	207,386	18,550
(g) Court order receipts	50,901	-
	2,301,494	268,628

NOTE 2B – VOLUNTARY CONTRIBUTIONS RAISED FROM MEMBERS

The following funds were raised from the members as appeals for voluntary contributions (including whip rounds) for the furtherance of the following:

Name of Recipient	Purpose of donation	Amount
Nil		

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NOTES TO THE FINANCIAL STATEMENTS

	2018	2017
	\$	\$
NOTE 3 – EXPENSES		
a) Employee Expenses		
Holders of Office		
Wages and Salaries	885,770	225,678
Wages and Salaries – Leave Paid Out	60,018	-
Superannuation	91,220	22,897
Separation and redundancies	455,498	-
Other employee expenses	84,312	33,277
	<u>1,576,818</u>	<u>281,852</u>
Employees other than Office Holders		
Wages and salaries	615,656	100,676
Wages and Salaries – Leave Paid Out	-	-
Superannuation	58,437	9,477
Separation and redundancies	22,689	-
Other employee expenses	46,516	7,931
	<u>743,297</u>	<u>118,084</u>
Total Employee Expenses	<u>2,320,115</u>	<u>399,936</u>

Office holders receive honorariums for positions they hold with other entities. The amounts received are contributed back to the Union and are recorded as Sitting Fees in Revenue.

Some office holders, who were also employees, were included in Employees other than Office Holders category in the 2017 financial statements. The 2017 year comparative figures have been corrected to record all Office Holders in the 'Holders of Office' category.

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	2018	2017
	\$	\$
NOTE 3 – EXPENSES (CONTINUED)		
b) Capitation Fees		
CFMEU Construction & General Division National Office	106,515	16,895
Total Capitation Fees	106,515	16,895
c) Affiliation Fees		
Australian Labor Party	6,691	2,230
Unions ACT	35,232	2,964
BWI	2,106	-
APHEDA	-	-
Total Affiliation Fees	44,029	5,194

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NOTE 3 – EXPENSES (CONTINUED)

	2018	2017
	\$	\$
d) Administration Expenses		
Consideration to Employers for Payroll Deductions	-	-
Compulsory Levies:		
CFMEU Construction & General – National Campaign Levy	59,789	7,615
Fees/Allowances – Meeting and Conferences	37,844	5,900
Conference and Meeting Expenses	74,417	31,085
Contractors/Consultants	3,977	991
Property Expenses	34,030	9,333
Office Expenses	136,084	28,444
Motor Vehicle Expenses	55,043	18,655
Advertising Expenses	69,590	14,954
Other Expenses	79,608	74,225
	<hr/>	<hr/>
Total Administration Expenses	550,382	191,202
	<hr/>	<hr/>
e) Grants or Donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	862	1,060
Total paid that exceeded \$1,000	1,113	-
	<hr/>	<hr/>
Total Grants or Donations	1,975	1,060
	<hr/>	<hr/>
f) Legal fees		
Litigation	433,765	304,243
Other Legal Matters	10,293	23,453
Total Legal Fees	444,058	327,696
	<hr/>	<hr/>
g) Other expenses		
Penalties - via RO Act or RO Regulations	-	-
	<hr/>	<hr/>
Total other expenses	-	-
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 – REMUNERATION OF AUDITOR

Total amounts received and receivable by the auditors of the Union for:

	2018	2017
	\$	\$
Audit of the Union's financial report	22,115	16,000
Other services	-	-
Total remuneration of auditors	<u>22,115</u>	<u>16,000</u>

NOTE 5 – CASH AND CASH EQUIVALENTS

	2018	2017
	\$	\$
Cash on hand	2,323	1,400
Cash at bank	485,729	242,113
	<u>488,052</u>	<u>243,513</u>

The effective interest rate on cash at bank was 0.01% (2017: 1.75%)

	2018	2017
	\$	\$
NOTE 6 – TRADE AND OTHER RECEIVABLES		
Receivables from other reporting units		
CFMEU Construction & General National Office	167,937	251,828
Total receivables from other reporting units	<u>167,937</u>	<u>251,828</u>
Less provision for doubtful debts	-	-
Total provision for doubtful debts	-	-
Receivable from other reporting units (net)	<u>167,937</u>	<u>251,828</u>
Other Receivables		
GST Receivable from the Australian Taxation Office	-	15,703
Other trade receivables	125,849	110,876
Total other receivables	<u>125,849</u>	<u>126,579</u>
Total trade and other receivables (net)	<u>293,786</u>	<u>378,407</u>

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	2018	2017
	\$	\$
NOTE 7 – OTHER CURRENT ASSETS		
Accrued Income	4,900	29,523
Prepayments	52,665	29,764
	57,565	59,287

	2018	2017
	\$	\$
NOTE 8 – FINANCIAL ASSETS		
Shares in listed corporations - available for sale	3,997	3,786
Equity in Marque Northbourne Trust	32,405	132,900
Loan to Canberra Tradesmen's Union Club Limited	-	210,000
	36,402	346,686

At the date of this report the Union has subscribed to 32,405 \$1 units in Marque Northbourne Limited as trustee for The Marque Northbourne Unit Trust. The Trust is a Special Purpose Trust which has entered into a joint venture agreement with Prime Space as trustee of the Northbourne Trust and Worth Street Commercial Pty Ltd. The purpose of the JV is to construct and develop a residential development project. The project is known as IQ Apartments.

The Union is a minority unit holder in the Trust and does not have control over the Trust. The project has now reached practical completion and development risk has been eliminated. There are no liquidity arrangements, guarantees or other commitments with the joint venture that will affect the Union's interest in the investment. The current expectation is that the Trust will be finalised by 30 June 2018 or shortly thereafter.

At the date of these financials there does not exist any conditions precedent that have not yet been satisfied.

The investment has resulted in a distribution of 2018: \$102,996 which was received during the financial year ending 31st March 2018. The Trust has a June year end and there will be a distribution however this has not yet been determined by the Trustee and therefore cannot be quantified at the date of these financials.

The Loan to Canberra Tradesmen's Union Club Limited was a secured financial loan for a period of 3 years at an interest rate of 5%pa. The Club has now repaid the loan in full.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	\$	\$
Office Equipment - at cost	131,411	125,537
Less accumulated depreciation	<u>(59,228)</u>	<u>(30,711)</u>
	<u>72,183</u>	<u>94,826</u>
Motor Vehicles – at cost	393,656	318,345
Less accumulated depreciation	<u>(169,451)</u>	<u>(147,816)</u>
	<u>224,205</u>	<u>170,529</u>
Total Property, Plant and Equipment	<u>296,388</u>	<u>265,355</u>

Reconciliation of the Opening and Closing Balances of Plant and Equipment

	Motor Vehicles	Office Equipment	Total
	\$	\$	\$
As at 31 March 2017			
Gross book value	318,345	125,537	443,882
Accumulated depreciation and impairment	(147,816)	(30,711)	(178,527)
Net book value 31 March 2017	<u>170,529</u>	<u>94,826</u>	<u>265,355</u>
Additions:			
By purchase	103,990	5,874	109,864
From acquisition of entities (including restructuring)	-	-	-
Impairments	-	-	-
Depreciation expense	(42,131)	(28,517)	(70,648)
Other movement (reversal of accumulated depreciation on disposal or write off)	20,497	-	20,497
Disposals:			
From disposal of entities (including restructuring)	-	-	-
From disposal or write off	(28,680)	-	(28,680)
Net book value 31 March 2018	<u>224,205</u>	<u>72,183</u>	<u>296,388</u>
Net book value as of 31 March 2018 represented by:			
Gross book value	393,656	131,411	525,067
Accumulated depreciation and impairment	(169,451)	(59,228)	(228,679)
Net book value 31 March 2018	<u>224,205</u>	<u>72,183</u>	<u>296,388</u>

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NOTES TO THE FINANCIAL STATEMENTS

	2018 \$	2017 \$
NOTE 10A – TRADE PAYABLES		
Trade creditors	48,735	58,262
Accrued expenses	320,647	129,882
Subtotal trade creditors	<u>369,382</u>	<u>188,144</u>
Payables to other reporting unit		
CFMEU Construction & General National Branch	-	8,278
Subtotal payables to other reporting unit	<u>-</u>	<u>8,278</u>
Total trade payables	<u>369,382</u>	<u>196,422</u>
Settlement is usually made within 30 days.		
NOTE 10B – OTHER PAYABLES		
Legal costs - Litigation	-	277,986
Legal costs - Other	-	8,298
Subtotal Legal costs	<u>-</u>	<u>286,284</u>
Superannuation	12,163	18,193
GST Payable	7,557	-
Total other payables	<u>19,720</u>	<u>304,477</u>
Total other payables are expected to be settled in:		
No more than 12 months	19,720	304,477
Total other payables	<u>19,720</u>	<u>304,477</u>

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	2018 \$	2017 \$
NOTE 11 – OTHER CURRENT LIABILITIES		
Income in Advance	54,414	122,755
	<u>54,414</u>	<u>122,755</u>
 NOTE 12 – EMPLOYEE PROVISIONS		
	2018 \$	2017 \$
Current	295,303	378,511
Non-Current	26,626	19,168
	<u>321,929</u>	<u>397,679</u>
 Employee benefits attributable to:		
Office Holders		
Annual Leave	58,150	80,904
Long Service Leave - current	83,032	119,641
Long Service Leave – non-current	17,406	14,164
Separations and redundancies	-	-
Other	79,387	106,377
Subtotal employee provisions – office holders	<u>237,975</u>	<u>321,086</u>
 Employees other than Office Holders		
Annual Leave	41,015	33,910
Long Service Leave - current	8,425	6,993
Long Service Leave – non-current	9,220	5,004
Separations and redundancies	-	-
Other	25,294	30,686
Subtotal employee provisions – employees other than office holders	<u>83,954</u>	<u>76,593</u>
Total Employee Provisions	<u>321,929</u>	<u>397,679</u>

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to long service leave. 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 upon historical data. The recognition criteria for employee benefits has been included in Note 1.

Some office holders, who were also employees, were included in Employees other than Office Holders category in the 2017 financial statements. The 2017 year comparative figures have been corrected to record all Office Holders in the 'Holders of Office' category.

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NOTE 13 – BORROWINGS

	2018	2017
	\$	\$
Current		
Loan from Creative Safety Initiatives Trust	-	7,220
Loan from Marque Northbourne Trust	118,551	322,042
	<u>118,551</u>	<u>329,262</u>

The loan from Marque Northbourne Trust is an advance on the profit distribution for 2017. The loan is unsecured and non-interest bearing and will be repaid within 12 months.

NOTE 14 – OTHER SPECIFIC DISCLOSURES – FUNDS

	2018	2017
	\$	\$
Compulsory levy/voluntary contribution fund – if invested in assets	-	-
Other fund(s) required by rules		
Balance as at start of year	-	-
Balance as at end of year	<u>-</u>	<u>-</u>

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NOTE 15 - CASH FLOW INFORMATION

(a) Reconciliation of Cash Flows from Operations with Profit

	2017	2017
	\$	\$
Profit/(Loss) for the year	417,294	(463,965)
Adjustments for:		
Depreciation and amortisation	70,648	13,827
Unrealised gain on Investments	-	-
Bad Debts Expense	25,064	8,904
IAG Shares – Dividend Reinvestment Plan	(212)	(78)
Loss on sale of Assets	3,183	-
Investment Income	(102,996)	-
Changes in operating assets and liabilities:		
(Increase)/Decrease in receivables	(13,571)	(43,119)
(Increase)/Decrease in other assets	361	61,447
Increase/(Decrease) in payables	(113,110)	202,744
Increase/(Decrease) in provisions	(71,697)	5,624
Increase/(Decrease) in other liabilities	(68,341)	14,499
Cash flows from operations	<u><u>146,623</u></u>	<u><u>(200,117)</u></u>

(b) Non-cash Financing and Investing Activities

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

(c) Credit Stand by Arrangement and Loan Facilities

The Union has four credit cards issued to office holders and employees, with a total credit limit for all four of \$32,500. No other credit stand-by or financing facilities are in place.

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NOTE 15 - CASH FLOW INFORMATION (CONTINUED)

(d) Cash Flow to/from other reporting units

	2018	2017
	\$	\$
Cash Flow from other reporting units		
CFMEU Construction and General National Office	22,017	-
CFMEU Head Office	-	-
CFMEU Construction and General NSW	-	-
CFMEU Construction and General QLD	-	-
CFMEU Forestry and Furnishings Products Division VIC	-	-
CFMEU Construction and General WA	-	-
CFMEU Construction and General VIC/TAS	-	-
CFMEU Mining and Energy QLD	-	-
Total Cash Flow from Other reporting units	22,017	-
Cash Flow to other reporting units		
CFMEU Construction and General National Office	114,255	30,485
CFMEU Construction and General NSW	2,077	-
CFMEU Construction and General QLD/NT	1,000	-
CFMEU Forestry and Furnishings Products Division VIC	-	-
CFMEU Head Office	23,100	-
CFMEU Construction and General WA	-	80
CFMEU Construction and General VIC/TAS	-	150
Total Cash Flow from Other reporting units	140,432	30,715

NOTE 16 – EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events after the balance sheet date.

NOTE 17 – ECONOMIC DEPENDENCY

The continuing operation of the Union is dependent upon the financial support by the Canberra Tradesmen's Union Club Limited to the Construction Forestry Maritime Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch. The support from Canberra Tradesmen's Union Club included financial support totalling \$1,940,000 (2017: \$250,000 period 1 January 2017 – 31 March 2017).

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NOTE 18 – RELATED PARTY DISCLOSURE

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

Sitting fees for Office Holders

	2018	2017
	\$	\$
ACT Construction Industry Long Service Leave Board	2,891	395
ACIRT	21,850	(4,500)
Training Fund Authority	2,565	-
Membership	-	-
	<u>27,306</u>	<u>4,105</u>

Affiliation Fees

	2018	2017
	\$	\$
Australian Labor Party – ACT Branch	6,691	2,230
Unions ACT	35,231	2,964
BWI	2,106	-
APHEDA	-	-
	<u>44,028</u>	<u>5,194</u>

Goods & Services

	2018	2017
	\$	\$
CFMEU Children’s Healthcare Trust	250	-
	<u>250</u>	<u>-</u>

Payments to other related parties - Rule 24D(a)(i)(A)

	2018	2017
	\$	\$
Rosalind Read	116,192	33,286
	<u>116,192</u>	<u>33,286</u>

Rosalind Read was an employee of the Reporting Unit and was, pursuant to s. 9B(2) of the Fair Work (Registered Organisations) Act 2009, a related party of the Reporting Unit. This disclosure pursuant to Rule 24D(a)(i)(A), was omitted in the 2016 Financial year statements year ending December 2016: \$97,369 and, for the period 1 January 2017 – March 2017: \$33,286. These payments were made on terms that reflect the ordinary employment arrangements offered to other employees of the branch and that would be reasonable in the circumstances if the branch and the related party were dealing at arm’s length.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 18 – RELATED PARTY DISCLOSURE (CONTINUED)

Transactions with other reporting units - Expenses

	2018	2017
	\$	\$
CFMEU Construction and General NSW		
- CFMEU Annual Safety Dinner	909	-
- Accommodation K Catanzariti for 2017 Safety Dinner	979	-
CFMEU Construction and General National Office		
- Capitation Fees	106,515	26,676
- Campaign levies	29,380	7,345
- Contribution to C&G National for legal Fees - Litigation	7,953	-
- Contribution to C&G National for Penalties	5,449	-
- ABCC Campaign contribution to C&G National Office	10,689	-
CFMEU Construction and General QLD/NT		
- Merchandise	909	-
CFMEU Construction and General VIC/TAS	-	136
CFMEU Forestry and Furnishings Products Division VIC	-	-
CFMEU Construction and General WA	-	73
CFMEU Head Office		
- Graphic design support	21,000	-
	<u>183,288</u>	<u>34,230</u>

Transactions with other reporting units - Revenue

	2018	2017
	\$	\$
CFMEU Construction and General NSW	-	-
CFMEU Construction and General National Office		
- Air fares reimbursed	16,256	3,760
CFMEU Head Office	-	-
CFMEU Construction and General QLD/NT	-	-
CFMEU Forestry and Furnishings Products Division VIC	-	-
CFMEU Construction and General VIC/TAS	-	-
CFMEU Construction and General WA	-	-
	<u>16,256</u>	<u>3,760</u>

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 18 – RELATED PARTY TRANSACTIONS (CONTINUED)

Payables to other reporting units

	2018	2017
	\$	\$
CFMEU Construction and General National Office		
- Capitation Fees	19,662	8,278
CFMEU Construction and General VIC/TAS	-	-
CFMEU Forestry and Furnishings Products Division VIC	-	-
	<u>19,662</u>	<u>8,278</u>

Receivables from other reporting units

	2018	2017
	\$	\$
CFMEU Head Office	-	-
CFMEU Construction and General National Office	-	-
- Campaign levy in advance	167,937	251,828
CFMEU Construction and General VIC/TAS	-	-
CFMEU Forestry and Furnishings Products Division VIC	-	-
CFMEU Mining and Energy QLD	-	-
	<u>167,937</u>	<u>251,828</u>

Terms and conditions of transactions with related parties

From time-to-time, the National Office of the Construction & General Division of the CFMMEU (“CFMMEU C&G National Office”) coordinates various administrative activities on behalf of the Union. This includes the collation of certain costs, which are apportioned to the appropriate branches and invoiced in full. Accordingly, with the CFMMEU C&G National Office merely being the facilitator of such transactions between the Union and independent third parties (and there is no profit component in recharging these costs), these are not considered to be related party expenditures of the Union and hence are not required to be disclosed. Notwithstanding this, the transfer of funds to meet these obligations remain related party transactions, and accordingly have been disclosed in the related party cash flows reported at note 14. Additionally, any amounts outstanding as at balance date between related parties have been disclosed at note 17.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm’s length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ending 31 March 2018, the Construction Forestry Maritime Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2017: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 18 – RELATED PARTY TRANSACTIONS (CONTINUED)

Key Management Personnel Remuneration for the Reporting Period

In accordance with AASB 124, the key management personnel of the Branch are the Secretary and Assistant Secretary. The totals of remuneration paid to the key management personnel during the year are as follows:

	2018	2017
Short-term employee benefits	\$	\$
Salary (including leave taken)	454,501	85,991
Annual Leave and RDO Accrual	(92,522)	(3,900)
Long Term Benefits		
Long term benefits Accrual	(39,341)	2,337
Post Employment Benefits		
Post-employment benefits (to Superannuation fund only)	48,278	9,475
Termination benefits	374,170	-
	<hr/>	<hr/>
Total	745,086	93,903
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 19 - FINANCIAL RISK MANAGEMENT

The union's financial instruments consist mainly of deposits with bank, short term investments, accounts receivable and accounts payable.

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

	NOTE	2018 \$	2017 \$
Financial Assets			
Cash and cash equivalents	5	488,052	243,513
Available for sale financial assets			
– Shares in listed corporations		3,997	3,786
– Shares in Marque Northbourne Trust	8	32,405	132,900
Loans and Receivables			
– Loan to Creative Safety Initiative Trust		-	-
– Loan to Canberra Tradesmen's Union Club Ltd		-	210,000
		<u>524,454</u>	<u>590,199</u>
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade payables	10A	369,382	196,422
- Other payables	10B	19,720	304,477
- Borrowings	13	118,551	329,262
		<u>507,653</u>	<u>830,161</u>

Credit quality of financial instruments not past due or individually determined as impaired

	Not past due Nor Impaired 2018 \$	Past due or impaired 2018 \$	Not past due Nor Impaired 2017 \$	Past due or impaired 2017 \$
Financial asset				
Trade, term and loans receivables	-	-	-	7,316
Sundry debtors	-	92,410	-	60,030
Total	<u>-</u>	<u>92,410</u>	<u>-</u>	<u>67,346</u>

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 19 - FINANCIAL RISK MANAGEMENT (CONTINUED)

Ageing of financial assets that were past due but not impaired for 2018

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade receivables	167,937	-	-	-	167,937
Sundry debtors	125,849	-	-	92,410	218,259
Total	293,786	-	-	92,410	386,196

Ageing of financial assets that were past due but not impaired for 2017

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade receivables	285,088	-	-	7,316	292,404
Sundry Debtors	81,754	-	-	60,030	141,784
Total	366,842	-	-	67,346	434,188

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NOTE 19 – FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Risk Management Policies

The Reporting Unit's overall risk management strategy seeks to assist the union in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

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

a. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

b. Liquidity risk

Liquidity risk arises from the possibility that the union might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The union manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing only in surplus cash with major financial institutions; and
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

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NOTE 19 – FINANCIAL RISK MANAGEMENT (CONTINUED)

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

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis 2018

	Note	< 1 Year	1 - 2 Years	2 - 5 Years	>5 Years	Total
		\$	\$	\$	\$	\$
Financial liabilities due for payment						
Trade payables (excluding estimated annual leave and deferred income)	10A	369,382	-	-	-	369,382
Other payables	10B	19,720	-	-	-	19,720
Borrowings	13	118,551	-	-	-	118,551
Total expected outflows		507,653	-	-	-	507,653
Financial assets — cash flows realisable						
Cash and cash equivalents	5	488,052	-	-	-	488,052
Trade, term and loans receivables	6	293,786	-	-	-	293,786
Total expected inflows		781,838	-	-	-	781,838
Total Net Inflows/(Outflows)		274,185	-	-	-	274,185

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NOTE 19 – FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial liability and financial asset maturity analysis 2017

	Note	< 1 Year	1 - 2 Years	2 – 5 Years	>5 Years	Total
		\$	\$	\$	\$	\$
Financial liabilities due for payment						
Trade payables (excluding estimated annual leave and deferred income)	10A	196,422	-	-	-	196,422
Other payables	10B	304,477	-	-	-	304,477
Borrowings	13	329,262	-	-	-	329,262
Total expected outflows		830,161	-	-	-	830,161
Financial assets — cash flows realisable						
Cash and cash equivalents	5	243,513	-	-	-	243,513
Trade, term and loans receivables	6	378,407	-	-	-	378,407
Total expected inflows		621,920	-	-	-	621,920
Total Net Inflows/(Outflows)		(208,241)	-	-	-	(208,241)

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NOTE 19 – FINANCIAL RISK MANAGEMENT (CONTINUED)

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. 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.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. 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. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments which are carried at amortised cost are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the company.

		2018		2017	
	Footnote	Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Financial assets					
Cash and cash equivalents	(i)	488,052	488,052	243,513	243,513
Trade and other receivables	(i)	293,786	293,786	378,407	378,407
Loans receivable	(i)	-	-	210,000	210,000
Investments – available-for-sale	(ii)	36,402	36,402	136,686	136,686
Total financial assets		818,240	818,240	968,606	968,606
Financial liabilities					
Trade payables	(i)	369,382	369,382	196,422	196,422
Other payables	(i)	19,720	19,720	304,477	304,477
Loans payable	(i)	118,551	118,551	329,262	329,262
Total financial liabilities		507,653	507,653	830,161	830,161

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NOTE 19 – FINANCIAL RISK MANAGEMENT (CONTINUED)

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for relating to annual leave and deferred income which is not considered a financial instrument.
- (ii) For listed available-for-sale financial assets, closing quoted bid prices at reporting date are used.
- (iii) Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates. The fair values of fixed rate lease liability will differ to the carrying values.

Sensitivity Analysis

The following table illustrates sensitivities to the union's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at balance date 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.

	Financial Assets	
	Profit	Equity
	\$	\$
Period Ended 31 March 2018		
+/- 2% in interest rates	9,715	9,715
+/- 10% in investments – available for sale	3,640	3,640
Year Ended 31 March 2017		
+/- 2% in interest rates	4,842	4,842
+/- 10% in investments – available for sale	13,669	13,669

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

No sensitivity analysis has been performed on foreign exchange risk, as the union is not exposed to foreign currency fluctuations.

NOTE 20 – CAPITAL MANAGEMENT

Management control the capital of the union to ensure that adequate cash flows are generated to fund its operations and that returns from investments are maximised. Management ensures that the overall risk management strategy is in line with this objective.

Management operates under policies approved by the Committee of Management. Risk management policies are approved and reviewed by the Committee on a regular basis. These include credit risk policies and future cash flow requirements.

There have been no changes to the strategy adopted by management to control the capital of the union since previous year.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 21 – CONTINGENT LIABILITIES

As at balance date the Union has no known contingent liabilities.

Unquantifiable contingencies

The Union is currently involved in a number of ongoing legal matters in the normal course of business. The liability of the Union in respect of these matters cannot be reliably estimated at this time.

NOTE 22 – COMMITMENTS

	2018	2017
	\$	\$
Loan from Marque Northbourne Trust		
Payable – Not later than 12 months	<u>118,551</u>	<u>322,042</u>
	<u>118,551</u>	<u>322,042</u>

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 23 – FAIR VALUE MEASUREMENTS

The Union measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- Available for sale financial assets

The company does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

(a) Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categories fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair value of assets and liabilities that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The company selects valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

- **Market approach: uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.**
- **Income approach: converts estimated future cash flows or income and expenses into a single current (i.e. discounted) value.**
- **Cost approach: reflects the current replacement cost of an asset at its current service capacity.**

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 23 – FAIR VALUE MEASUREMENTS (CONTINUED)

The following table provides the fair value of the company's assets measured and recognised on a recurring basis after initial recognition, categorised within the fair value hierarchy.

	Note	Level 1 \$	Total \$
2018			
Recurring fair value measurements			
— Financial assets	8	3,997	3,997
Total assets recognised at fair value		3,997	3,997
2017			
Recurring fair value measurements			
— Financial assets	8	3,786	3,786
Total assets recognised at fair value		3,786	3,786

(b) Valuation techniques and inputs used to measure Level 1 fair values

Description	Fair value at 31 March 2018 \$	Valuation Techniques	Inputs used
— Financial assets	3,997	Market approach using quoted prices for identical assets published on Australian Stock Exchange	Price per square metre/yield to net income
	<u>3,997</u>		

Description	Fair value at 31 March 2017 \$	Valuation Techniques	Inputs used
— Financial assets	3,786	Market approach using quoted prices for identical assets published on Australian Stock Exchange	Price per square metre/yield to net income
	<u>3,786</u>		

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 23 – FAIR VALUE MEASUREMENTS (CONTINUED)

(c) Disclosed fair value measurements

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are disclosed in the notes:

- Accounts receivable and other debtors
Accounts payable and other payables
- Borrowings

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used:

Description	Note	Fair value hierarchy level	Valuation technique(s)	Inputs used
Accounts receivable and other debtors	6	3	Amortised cost	Invoices and contracts
Accounts payable and other payables	10	3	Amortised cost	Invoices and contracts
Borrowings	13	2	Income approach using discounted cash flow methodology	Current commercial borrowing rates for similar instruments

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 24 – MEMBERS’ ACCESS TO FINANCIAL RECORDS

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

- (1) A member of a reporting unit, or the Commissioner, 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).

NOTE 25 - ADMINISTRATION OF FINANCIAL AFFAIRS BY A THIRD PARTY

Name of entity providing service:

Canberra Tradesmen’s Union Club Ltd (CTUC)

Terms and conditions:

The following services are provided:

- Payroll
- Accounts payable
- Accounts Receivable
- BAS preparation
- Bank reconciliation
- End of month financial reports
- End of year financial reports
- End of year audit

Relevant CTUC staff abide by CFMEU ACT Branch financial policies.

Relevant CTUC staff have completed approved training in relation to Union Governance.

The financial services are provided on behalf of the Construction Forestry Maritime Mining and Energy Union The Construction and General Division ACT Divisional Branch by the administrative staff at the Canberra Tradesmen’s Union Club Ltd. It is almost impossible to separate the time of such staff members in assisting the CFMMEU ACT Branch from time spent with their general duties hence no fee is charged for this service.

Nature of expenses/consultancy service:

Nil revenues collected and/or expenses incurred

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 26 – GENERAL DISCLOSURES

Pursuant to the reporting guidelines of Section 253 of the Fair Work (Registered Organisations) Act 2009 the Union notes that:

- 1) The reporting entity is not reliant on an agreed financial support of another reporting unit;
- 2) The reporting entity has not agreed to provide financial support to another reporting unit;
- 3) The reporting unit has not acquired an asset or a liability during the year as a result of an amalgamation, or other restructure or business combination;
- 4) The reporting unit has not had a revocation of an asset or a liability during the year as a result of a determination under s245 or revocation under s249;
- 5) The reporting unit has not received any capitation fees from another reporting unit;
- 6) The reporting unit has not raised funds from members for an appeal during the year. No compulsory levies were imposed on the reporting unit;
- 7) The reporting unit is not in receipt of financial support from another reporting unit;
- 8) The reporting unit has not incurred expenses as consideration for employers making payroll deductions of membership subscriptions;
- 9) The reporting unit has no payables to employers as consideration for the employers making payroll deductions of membership subscriptions;
- 10) The reporting unit has no other funds as specified in Reporting Guideline 22 other than the general fund.
- 11) The reporting unit has not had penalties applied under the Fair Work (Registered Organisations) Act 2009;

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 27 – DISCLOSURE OF REMUNERATION AND NON-CASH BENEFITS

In accordance with CFMMEU Rule 24B (c) (ii) and (iii) the top two ranked officers within the Branch by relevant remuneration are:

	Dean Hall	Jason O'Mara
	Divisional Branch Secretary 1 April 2017 – 20 March 2018	Assistant Secretary 1 April 2017 – 27 March 2018 Branch Secretary 27 March 2018 – 31 March 2018
Salary and Allowances	\$230,224	\$159,661
Accrued Annual Leave and/or Rostered Days Off cashed out	\$110,595	\$ 27,885
Redundancy Fund contribution	\$ 10,640	\$ 5,510
Superannuation Fund contribution	\$ 29,835	\$ 18,821
Sitting Fees (as disclosed to the Union pursuant to Rule 24B(a), all sitting fees are not retained by officer but remitted to union)	\$ 17,850	\$ 2,565
Termination payment made in accordance with Divisional Branch Redundancy Policy (payment of accrued leave entitlements, pay in lieu of notice, and severance pay)	\$374,170	\$ -
Non cash benefits	Motor Vehicle	Motor Vehicle
Total relevant remuneration (excluding sitting fees not retained by officer)	\$773,314	\$214,442

NOTE 28 – UNION DETAILS

The registered office of the union is:

3 Rosevear Place
Dickson ACT 2602



Australian Government
Registered Organisations Commission

24 April 2018

Mr Dean Hall
Branch Secretary
Construction, Forestry, Maritime, Mining and Energy Union-Construction and General Division,
Australian Capital Territory Divisional Branch
By Email: enquiries@act.cfmeu.asn.au

Dear Mr Hall,

**Re: Lodgement of Financial Report - [FR2018/22]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Construction, Forestry, Maritime, Mining and Energy Union-Construction and General Division, Australian Capital Territory Divisional Branch (the reporting unit) ended on 31 March 2018. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 29 June 2018.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Financial report

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on your rules) no later than 30 June 2018 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported. The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement (see attached *Loans Grants and Donations* fact sheet FS 009).

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Auditor's report

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (which can also be located on our website).

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

Contact

Should you require any clarification in relation to the above, please email regorgs@roc.gov.au.

Yours faithfully,

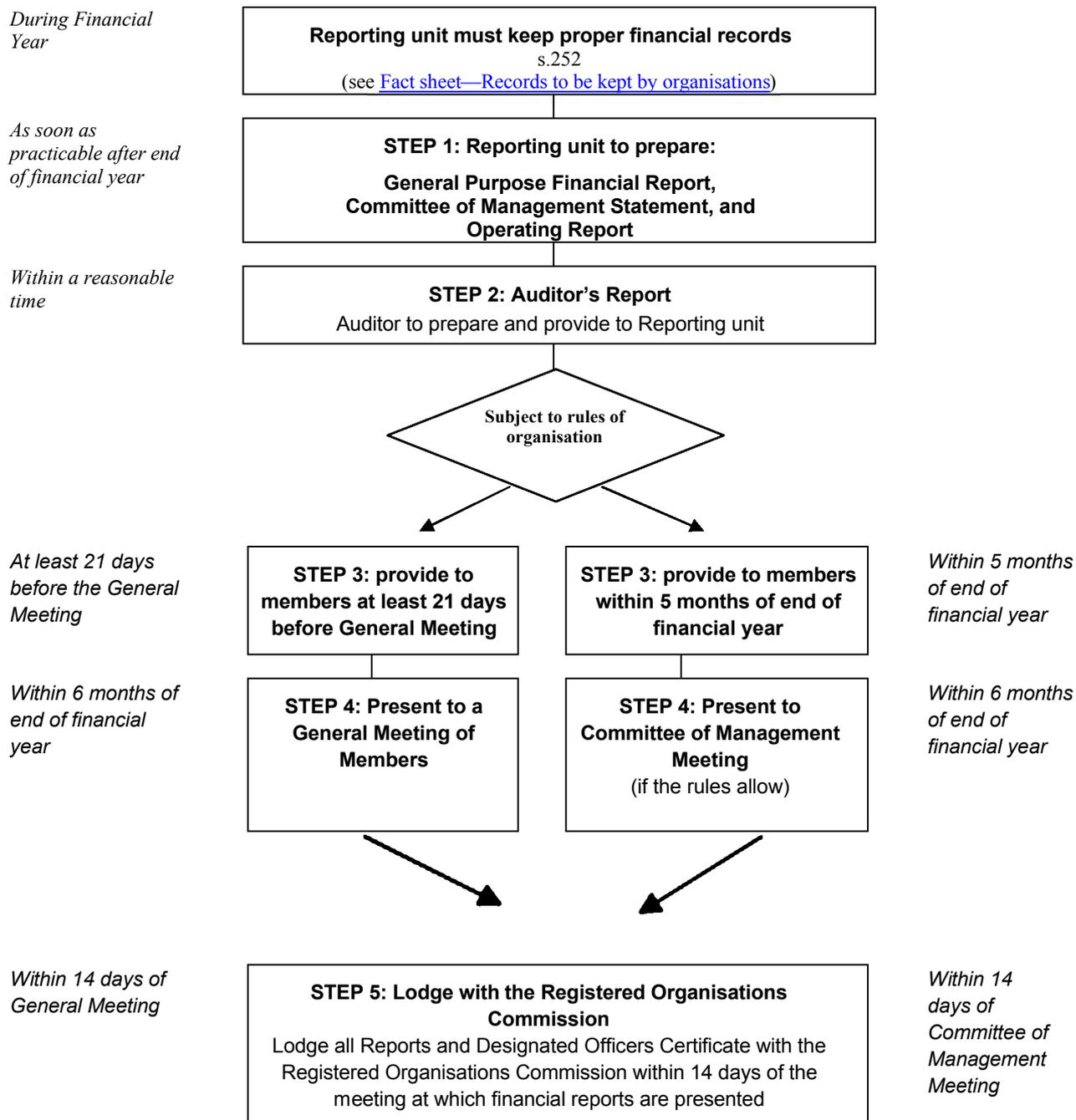


Sam Gallichio
Registered Organisations Commission

Fact sheet

Summary of financial reporting timelines – s.253 financial reports

See Fact sheet—Financial reporting for an explanation of each of these steps.





Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the Commissioner’s Reporting Guidelines, a reporting unit’s General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:

- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,* and
- the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
<p>✗ Only reporting units must lodge the Statement.</p>	<p>✓ All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.</p>
<p>✗ Employees can sign the Statement.</p>	<p>✓ The statement must be signed by an elected officer of the relevant branch.</p>

	Statements can be lodged with the financial report.		The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.
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Grants & Donations within the Financial Report

Item 16(e) of the Commissioner's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines. In the [ROC's Model Statements](#) the note appears as follows:

Note 4E: Grants ~~OR~~ donations*

Grants:	[Current year]	[Previous year]
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report.

Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on regorgs@roc.gov.au

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice