

**Construction Forestry Mining and Energy Union  
Mining and Energy Division Victorian District  
Branch**

ABN: 38 442 492 093

**Financial Statements**

For the Year Ended 31 December 2015

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

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31 December 2015

## Financial Statements

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# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

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## Operating Report

For the Year Ended 31 December 2015

The Board of Management present their report on Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch for the financial year ended 31 December 2015.

### Information on Board of Management

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

<b>Name</b>	<b>Position</b>	<b>Period of Appointment</b>
Mr L van der Meulen	District President	1/1/15 - 31/12/15
Mr G Dyke	District Secretary	1/1/15 - 31/12/15
Mr G Middlemiss	District Vice President	1/1/15 - 31/12/15
Mr S Sceney	BOM Member	1/1/15 - 31/12/15
Mr B Walsh	BOM Member	1/1/15 - 31/12/15
Mr B Leighton	BOM Member	1/1/15 - 31/12/15
Mr M Richards	BOM Member	1/1/15 - 31/12/15
Mr N Zammit	BOM Member	1/1/15 - 31/12/15
Mr G Aitken	BOM Member	1/1/15 - 31/12/15
Mr K Freeman	BOM Member	1/1/15 - 31/12/15
Mr R Bernardi	BOM Member	1/1/15 - 31/12/15
Mr C Delia	BOM Member	11/3/15 - 31/12/15
Mr K Clark	BOM Member	1/1/15 - 13/2/15

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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## Operating Report

For the Year Ended 31 December 2015

### Review of Operations

A review of the operations and results of the Union is performed at meetings of the Board of Management.

### Principal activities

The principal activities of Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch during the financial year were:-

- Conducting Activities for Parliamentary, Divisional and District elections, including assisting with statutory requirements.
- Co-ordinating seminars / education courses for Lodge Officers to inform them of current developments or to seek collective input in the development of national policies.
- Representing the District's interest on various national committees and organisations.
- Responsibility for servicing national awards and enterprise agreements and maintaining related information services. District Office also advises Lodges on industrial matters.
- Provision to Lodges with economic and industrial research.
- Provision to Lodges of assistance with administration and financial management.
- Provision to Lodges of a National Library including information service / library through an electronic data base.
- Co-ordinating O H & S nationally and maintaining a national policy database and information service.
- Leading the conduct of legal action launched in defence of the District's constitutional work.
- Provision of a National Training Agenda by representing the Union on various Boards and Committees.

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

### Operating results

The deficit of the Union amounted to \$360,706 (2014: Surplus \$126,666).

### Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Union during the year.

### Events after the reporting date

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

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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## Operating Report

For the Year Ended 31 December 2015

### Right of members to resign

All members of the Union have the right to resign in accordance with Rule 5(iv)(a) of the Union Rules [and section 174 of the Fair Work (Registered Organisations) Act 2009], namely, by providing written notice addressed and delivered to either the District Secretary, or a Lodge Secretary or authorised delegate.

### Superannuation Trustees

No officer or member of the Union acts:

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

### Number of members

There were 1,332 members of the Union as at 31 December 2015 (2014: 1,395).

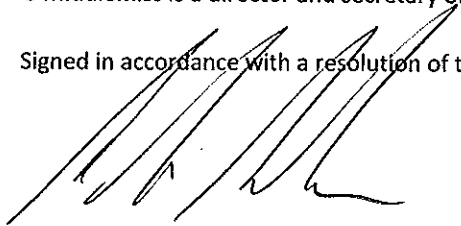
### Number of employees

As at 31 December 2015 the Union had 5 employees (2014: 5).

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

G Middlemiss is a director and secretary of South East Australian Transport Strategy Incorporated.

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



Luke van der Meulen  
District President

Dated 9 March 2016

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

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## Board of Management Statement

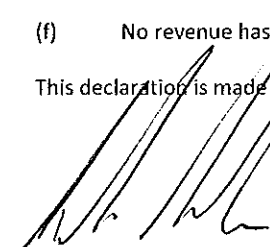
31 December 2015

On the 9 March 2016 the Board of Management of the Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2015:

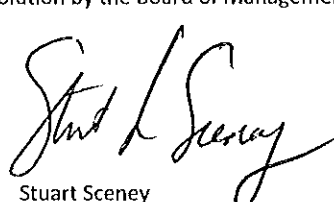
The Board of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (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 board 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 Fair Work (Registered Organisations) Act 2009 ('The RO Act') and the Fair Work (Registered Organisations) Regulations 2009; 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 manner consistent 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 General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) No revenue has been derived from undertaking recovery of wages activity during the period.

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



Luke van der Meulen  
District President



Stuart Sceney  
Board of Management

Dated 9 March 2016

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

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## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2015

	Note	2015 \$	2014 \$
Revenue	4	1,202,590	1,200,111
Employee benefits expense	5	(687,602)	(593,723)
Depreciation and amortisation expense	5	(30,093)	(28,171)
Capitation fees	5	(253,696)	(242,182)
Affiliation fees	5	(3,519)	(3,423)
Donations	5	(408,543)	(11,089)
Professional fees		(36,492)	(81,865)
Loss on disposal of fixed assets		(1,503)	(188)
Motor vehicle expenses		(13,389)	(12,624)
Other expenses		(128,459)	(100,180)
<b>Result for the year</b>		<b>(360,706)</b>	<b>126,666</b>
<b>Other comprehensive income:</b>			
Other comprehensive income items		-	-
<b>Total comprehensive income for the year</b>		<b>(360,706)</b>	<b>126,666</b>

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The accompanying notes form part of these financial statements.

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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## Balance Sheet

As at 31 December 2015

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	342,883	417,964
Trade and other receivables	7	91,694	79,199
Other financial assets	8	370,000	211,887
Other assets	9	11,316	6,677
<b>TOTAL CURRENT ASSETS</b>		<b>815,893</b>	<b>715,727</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	7	-	384,485
Property, plant and equipment	10	372,848	367,276
<b>TOTAL NON-CURRENT ASSETS</b>		<b>372,848</b>	<b>751,761</b>
<b>TOTAL ASSETS</b>		<b>1,188,741</b>	<b>1,467,488</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	274,780	204,223
Employee benefits	13	132,958	112,970
Other liabilities	12	22,104	27,442
<b>TOTAL CURRENT LIABILITIES</b>		<b>429,842</b>	<b>344,635</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	13	1,206	4,454
<b>TOTAL LIABILITIES</b>		<b>431,048</b>	<b>349,089</b>
<b>NET ASSETS</b>		<b>757,693</b>	<b>1,118,399</b>
<b>EQUITY</b>			
Retained earnings		757,693	1,112,557
<b>TOTAL EQUITY</b>		<b>757,693</b>	<b>1,112,557</b>

The accompanying notes form part of these financial statements.



# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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## Statement of Changes in Equity

For the Year Ended 31 December 2015

	Retained Earnings	
	2015	2014
	\$	\$
Balance at 1 January	1,118,399	991,733
Surplus / (Deficit) for the year	(360,706)	126,666
Balance at 31 December	<u>757,693</u>	<u>1,118,399</u>

The accompanying notes form part of these financial statements.

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# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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## Statement of Cash Flows

For the Year Ended 31 December 2015

	2015	2014
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers and members contributions	1,276,990	1,306,285
Interest received	10,842	14,733
Payments to suppliers and employees	<u>(1,167,632)</u>	<u>(1,114,650)</u>
Net cash provided by operating activities	18(a) <u>120,200</u>	<u>206,368</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for plant and equipment	(37,168)	(33,530)
Proceeds from sale of plant and equipment	-	1,592
Purchase of held-to-maturity financial assets	<u>(158,113)</u>	<u>(11,887)</u>
Net cash used in investing activities	<u>(195,281)</u>	<u>(43,825)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net cash used by financing activities	<u>-</u>	<u>-</u>
Net (decrease) / increase in cash and cash equivalents held	(75,081)	162,543
Cash and cash equivalents at beginning of year	<u>417,964</u>	<u>255,421</u>
Cash and cash equivalents at end of financial year	6 <u>342,883</u>	<u>417,964</u>

The accompanying notes form part of these financial statements.

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2015

The financial report covers Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch as an individual entity. The financial statements are presented in Australian Dollars.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and Interpretations issued by the Australia Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisations) Act 2009*. For the purpose of preparing the general purpose financial statements the Union is a not-for-profit entity.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

### 2 Summary of Significant Accounting Policies

#### (a) Property, plant and equipment

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

Under the cost model, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

#### Depreciation

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

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

Fixed asset class	Depreciation rate
Buildings	2.5 - 10%
Plant and Equipment	5 - 50%
Motor Vehicles	25%

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

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 2 Summary of Significant Accounting Policies (Continued)

#### (b) Financial instruments

##### Initial recognition and measurement

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

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

##### *Financial Assets*

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

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

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

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

##### *Loans and receivables*

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

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

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 2 Summary of Significant Accounting Policies (Continued)

#### (b) Financial instruments (Continued)

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

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

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

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

#### *Financial assets at fair value through profit or loss*

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

- acquired principally for the purpose of selling in the near future or
- designated by the entity to be carried at fair value through profit or loss upon initial recognition

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

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

#### *Held-to-maturity investments*

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

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

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 2 Summary of Significant Accounting Policies (Continued)

#### (b) Financial instruments (Continued)

##### *Financial liabilities*

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

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

##### *Impairment of financial assets*

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

##### *Financial assets at amortised cost*

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

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

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

##### **Derecognition of financial assets**

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

#### (c) Impairment of non-financial assets

At the end of each reporting period the Union determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 2 Summary of Significant Accounting Policies (Continued)

#### (c) Impairment of non-financial assets (Continued)

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

#### (d) Cash and cash equivalents

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

#### (e) Employee benefits

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

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

#### (f) 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.

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 2 Summary of Significant Accounting Policies (Continued)

#### (g) Leases

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

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

#### (h) Revenue and other income

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

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

##### Interest revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

##### Rental income

Rental revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

##### Capitation fees

Revenue from the provision of capitation fees is recognised on an accruals basis and is recorded as revenue in the year to which it relates.

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



# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 2 Summary of Significant Accounting Policies (Continued)

(i) **Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(j) **Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(k) **Income tax**

No provision for income tax is necessary, as the union (being a registered Industrial Trade Union) is exempt from tax under s50.1 of the Income Tax Assessment Act.

(l) **Adoption of new and revised accounting standards**

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

### 3 Critical Accounting Estimates and Judgments

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

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 3 Critical Accounting Estimates and Judgments (Continued)

#### Key estimates - impairment of property, plant and equipment

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

#### Key estimates - provisions

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

#### Key estimates - receivables

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

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 4 Revenue and other income

#### Revenue from continuing operations

	2015	2014
	\$	\$
<b>Revenue</b>		
Member subscriptions	1,143,935	1,144,316
Interest income	13,166	11,001
Rental income	33,045	30,572
Other income	12,444	14,222
<b>Total revenue</b>	<u>1,202,590</u>	<u>1,200,111</u>
<b>Other income</b>		
Grants	-	-
Donations	-	-
Capitation fees	-	-
Compulsory levies/voluntary contributions	-	-
Financial support received	-	-
<b>Total income</b>	<u>1,202,590</u>	<u>1,200,111</u>

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 5 Result for the year

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

	2015	2014
	\$	\$
<b>Grants and donations:</b>		
- Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
- Donations:		
Total paid that were \$1,000 or less	8,983	7,849
Total paid that exceeded \$1,000	399,560	3,240
	<u>408,543</u>	<u>11,089</u>
<b>Depreciation and amortisation</b>		
- Land and buildings	9,384	9,280
- Plant and equipment	20,709	18,891
	<u>30,093</u>	<u>28,171</u>
<b>Legal costs:</b>		
- Litigation	-	-
- Other legal matters	21,762	65,155
	<u>21,762</u>	<u>65,155</u>
<b>Employee Expenses</b>		
<b>Holders of office:</b>		
- Wages and salaries	311,394	338,792
- Superannuation	35,180	38,703
- Leave and other entitlements	9,156	6,911
- Separation and redundancies	-	-
- Other employee expenses	16,544	20,706
	<u>372,274</u>	<u>405,112</u>

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 5 Result for the year (Continued)

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

	2015	2014
	\$	\$
<b>Employees other than office holders:</b>		
- Wages and salaries	257,934	157,051
- Superannuation	28,979	18,716
- Leave and other entitlements	7,584	3,203
- Separation and redundancies	-	-
- Other employee expenses	20,831	9,641
	<u>315,328</u>	<u>188,611</u>
<b>Total employee expenses</b>	<u>687,602</u>	<u>593,723</u>
<b>Capitation fees - CFMEU Mining and Energy National Office</b>	253,696	242,182
<b>Affiliation fees - Victorian Trades Hall Council</b>	3,519	3,423
<b>Administration expenses:</b>		
- Consideration to employers for payroll deductions	-	-
- Compulsory levies	-	-
- Conference and meetings expenses	1,409	1,749
- Fees / allowances - meeting and conferences	-	-
<b>Loss on disposal of fixed assets</b>	1,503	188
<b>Penalties - via RO Act or RO Regulations</b>	-	-
<b>6 Cash and cash equivalents</b>		
Cash on hand	798	340
Cash at bank	342,085	417,624
	<u>342,883</u>	<u>417,964</u>

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 7 Trade and other receivables

	2015	2014
	\$	\$
CURRENT		
Trade receivables	73,336	54,285
Other receivables	18,358	10,484
Member loans	-	14,430
	<u>91,694</u>	<u>79,199</u>
NON-CURRENT		
Member loans	-	384,485
	<u>-</u>	<u>384,485</u>
<b>(a) Receivables from other reporting units</b>		
CFMEU M&E National Office	12,831	-
CFMEU C&G National Office	8,122	-
	<u>20,953</u>	<u>-</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

### 8 Other financial assets

CURRENT		
Held-to-maturity financial assets	(a) 370,000	211,887
	<u>370,000</u>	<u>211,887</u>
<b>(a) Held-to-maturity investments comprise:</b>		
Term deposits held with financial institutions	370,000	211,887
	<u>370,000</u>	<u>211,887</u>

### 9 Other assets

CURRENT		
Prepayments	11,316	6,677
	<u>11,316</u>	<u>6,677</u>

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

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## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 10 Property, plant and equipment

	2015	2014
	\$	\$
Freehold land at cost	23,000	23,000
Land and buildings		
At cost	387,006	364,081
Accumulated depreciation	(88,386)	(79,295)
	<u>298,620</u>	<u>284,786</u>
Plant and equipment		
At cost	59,504	79,222
Accumulated depreciation	(32,533)	(58,041)
	<u>26,971</u>	<u>21,181</u>
Motor vehicles		
At cost	88,029	88,029
Accumulated depreciation	(63,772)	(49,720)
	<u>24,257</u>	<u>38,309</u>
<b>Total property, plant and equipment</b>	<u><u>372,848</u></u>	<u><u>367,276</u></u>

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 10 Property, plant and equipment (Continued)

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

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

	Land and buildings	Plant and equipment	Motor vehicles	Total
	\$	\$	\$	\$
Balance at 1 January 2014	317,066	23,798	22,833	363,697
Additions	-	4,927	28,603	33,530
Disposals	-	(1,780)	-	(1,780)
Depreciation expense	(9,280)	(5,764)	(13,127)	(28,171)
<b>Balance at 31 December 2014</b>	<b>307,786</b>	<b>21,181</b>	<b>38,309</b>	<b>367,276</b>
Additions	24,179	12,989	-	37,168
Disposals	(961)	(542)	-	(1,503)
Depreciation expense	(9,384)	(6,657)	(14,052)	(30,093)
<b>Balance at 31 December 2015</b>	<b>321,620</b>	<b>26,971</b>	<b>24,257</b>	<b>372,848</b>

### 11 Trade and other payables

	2015	2014
	\$	\$
CURRENT		
Trade payables	274,780	204,223

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

#### (a) Payables to other reporting entities

CFMEU Mining and Energy National Office	-	69,048
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#### (b) Other payables

Legal fees payable	-	-
Consideration to employers for payroll deductions	-	-



# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 12 Other liabilities

	2015	2014
	\$	\$
CURRENT		
Income in advance	22,104	27,442

### 13 Employee benefits

CURRENT		
Employee benefits expense	132,958	112,970
NON-CURRENT		
Employee benefits expense	1,206	4,454

#### (a) Total employee benefits attributable to:

##### Office Holders:

- Annual leave	28,897	41,599
- Long service leave	4,991	1,041
- Separations and redundancies	-	-
- Other	6,859	10,495
	<u>40,747</u>	<u>53,135</u>

##### Employees other than office holders:

- Annual leave	65,383	45,174
- Long service leave	12,219	11,085
- Separation and redundancies	-	-
- Other	15,815	8,030
	<u>93,417</u>	<u>64,289</u>
<b>Total</b>	<u><u>134,164</u></u>	<u><u>117,424</u></u>

### 14 Financial risk management

The main risks Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

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## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 14 Financial risk management (Continued)

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

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

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

		2015	2014
		\$	\$
<b>Financial Assets</b>			
Cash and cash equivalents	6	342,883	417,964
Held-to-maturity investments	8	370,000	211,887
Trade and other receivables	7	91,694	463,683
<b>Total financial assets</b>		<b>804,577</b>	<b>1,093,534</b>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
- Trade and other payables	11	274,780	204,223
<b>Total financial liabilities</b>		<b>274,780</b>	<b>204,223</b>

#### Credit risk

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

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

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

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

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 14 Financial risk management (Continued)

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

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

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			< 30	31-60	61-90	> 90	
	\$	\$	\$	\$	\$	\$	\$
<b>2015</b>							
Trade and term receivables	73,336	-	-	-	-	54,155	19,181
Total	73,336	-	-	-	-	54,155	19,181
<b>2014</b>							
Trade and term receivables	54,285	-	-	-	-	-	54,285
Total	54,285	-	-	-	-	-	54,285

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

The other classes of receivables do not contain impaired assets.

#### Liquidity risk

Liquidity risk arises from the Union's management of working capital. It is the risk that the Union will encounter difficulty in meeting its financial obligations as they fall due.

The Union's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due.

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

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## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 14 Financial risk management (Continued)

#### Liquidity risk (Continued)

The Union's liabilities have contractual maturities which are summarised below:

	< 1 year	
	2015	2014
	\$	\$
Trade payables	274,780	204,223

#### Market risk

##### *i. Interest rate risk*

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

##### Interest rate risk sensitivity analysis

At 31 December 2015, the effect on profit and equity as a result of a 1% in the interest rate, with all other variables remaining constant would be as follows:

	2015	2014
	\$	\$
<i>Change in profit</i>		
- Increase of 1% in interest rate	3,421	4,176
- Decrease of 1% in interest rate	(3,421)	(4,176)
<i>Change in equity</i>		
- Increase of 1% in interest rate	3,421	4,176
- Decrease of 1% in interest rate	(3,421)	(4,176)

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

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## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 15 Interests of Key Management Personnel

The totals of remuneration paid to the key management personnel of Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch during the year are as follows:

	2015	2014
	\$	\$
<b>Short-term employee benefits</b>		
Salary (including annual leave taken)	207,353	204,370
Leave accrued	33,200	59,999
	<u>240,553</u>	<u>264,369</u>
<b>Post-employment benefits</b>		
Superannuation	28,979	28,721
<b>Other long term benefits</b>	3,283	946
<b>Termination benefits</b>	-	-
	<u>272,815</u>	<u>294,036</u>

### Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 17: Related Party Transactions.

### 16 Remuneration of Auditors

Remuneration of the auditor of the Union, Daley & Co Chartered Accountants, for:

- auditing or reviewing the financial report	13,180	12,800
- other services (FBT preparation & lodgement)	1,550	3,910
	<u>14,730</u>	<u>16,710</u>

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

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## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 17 Related party transactions

#### Related Parties

##### (a) Key management personnel

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

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

##### (b) Transactions with related parties

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

- i) Capitation fees totalling \$253,696 (2014: \$242,182) were charged by the Construction, Forestry, Mining and Energy Union Mining and Energy Division National Office during the year.
- ii) Salary & Wages totalling \$46,412 (2014: \$45,910) were paid during the year to a relative of an elected official for the provision of administration services on a part-time basis. Terms and conditions were within a normal employee relationship and no more favourable than those made available to other employees.
- iii) An amount of \$26,924 (2014: \$29,536) was received from Construction, Forestry, Mining and Energy Union, Construction and General Division, Victorian Divisional Branch during the year, for costs associated with occupying the Union premises.
- iv) An amount of \$6,003 (2014: \$7,473) was paid to Construction, Forestry, Mining and Energy Union, Construction & General Division National Office during the year, for costs associated with computer software support.
- v) An amount of \$11,020 (2014: Nil) was donated to members of the District who were related to an elected official and/or were an elected official during the year. Terms and conditions were no more favourable than those available to other members of the District who were in receipt of such donations.
- vi) From time to time the union makes expenditures which relate to itself as well as other branches and divisions of the CFMEU. These expenditures are then reimbursed to the union at cost, hence they are not considered to be related party transactions.

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 18 Cash flow information

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

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

	2015	2014
	\$	\$
<b>Result for the year</b>	<b>(360,706)</b>	<b>126,666</b>
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	30,093	28,171
- net loss on disposal of plant and equipment	1,503	188
<b>Changes in assets and liabilities:</b>		
- (increase)/decrease in trade and other receivables	371,988	2,727
- (increase)/decrease in other assets	(4,639)	(749)
- increase/(decrease) in trade and other payables	70,559	38,562
- increase/(decrease) in income in advance	(5,338)	689
- increase/(decrease) in employee benefits	16,740	10,114
<b>Cashflow from operations</b>	<b>120,200</b>	<b>206,368</b>

#### (b) Cash flow information

<b>Cash inflows from reporting units</b>		
- CFMEU C&G Victoria Branch	26,924	29,536
<b>Cash outflows from reporting units</b>		
- CFMEU M&E National Office	338,237	326,293
- CFMEU C&G National Office	6,003	7,473

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

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## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 19 Events after the end of the Reporting Period

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

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

### 20 Section 272 Fair Work (Registered Organisation) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of the members is drawn to the provisions of Subsections [1] to [3] of Section 272 which read as follows:

Information to be provided to members or the General Manager of Fair Work Australia:

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

### 21 Recovery of wages activity

There have been no recovery of wages activities that have occurred in the reporting period (2014: Nil).



# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

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## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 22 Additional disclosures required under the Fair Work (Registered Organisations) Act 2009

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

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

The financial affairs at the Union are not administered by a third party.

**Independent Audit Report to the members of**

**Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch**

**Report on the Financial Report**

We have audited the accompanying financial report of Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch, which comprises the balance sheet as at 31 December 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Board of Management's Statement.

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

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

**Auditor's Responsibility**

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

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

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

**Independence**

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

**Independent Audit Report to the members of**

**Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch**

**Opinion**

In our opinion the financial report presents fairly, in all material respects, the financial position of Construction Forestry Mining & Energy Union Mining & Energy Division Victorian District Branch (a Division of the Construction, Forestry, Mining & Energy Union - Mining & Energy Division), as at 31 December 2015 and its performance and cash flows for the year then ended in accordance with:

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

The scope of our audit did extend to recovery of wages activity, however as noted in the Board Management Statement, no such activity was undertaken during the reporting period.

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

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

*Daley & Co.*  
Daley & Co  
Chartered Accountants

*Michael Mundt*  
Michael Mundt  
Partner FCA

Wollongong

Dated 9 March 2016

Liability is limited by a scheme approved under Professional Standards Legislation

# Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

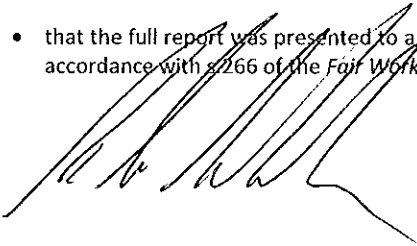
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## Designated Officer's Certificate

I, Luke van der Meulen, being the District President of the Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch certify:

- that the documents lodged herewith are copies of the full report for the Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch for the period ended 31 December 2015 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 9 March 2016; and
- that the full report was presented to a meeting of the Board of Management of the reporting unit on 9 March 2016 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Luke van der Meulen  
District President

Dated 9 March 2016

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The accompanying notes form part of these financial statements.