

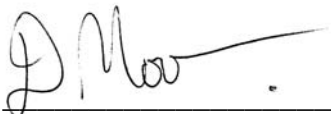
Construction, Forestry, Mining and Energy Union

(Construction and General Division)

FOR THE YEAR ENDED 31 DECEMBER 2010

SECRETARY'S CERTIFICATE

Pursuant to Section 268 of the *Fair Work (Registered Organisations) Act 2009*, I, David Noonan certify that the auditor's report, accounts and statements of the abovenamed Division for the year ended 31 December 2010, annexed hereto and provided to members on 1 June 2011, are copies of the documents presented to the meeting of the Divisional Branch Management Committee on 29 June 2011.



Divisional Secretary
CFMEU
Construction & General Division

4 July 2011

Date

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

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

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**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

OPERATING REPORT

The Committee of Management of the Construction Forestry Mining and Energy Union, Construction and General Division – National Office (“the Union”) present their Operating Report on the Union for the year ended 31 December 2010.

Committee of Management

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

Name	Position	Period of Appointment
Dave Noonan	National Secretary	1/1/10 to 31/12/10
Tom Watson	President	1/1/10 to 31/12/10
Peter McClelland	Senior Vice President	1/1/10 to 31/12/10
Joe McDonald	Senior Vice President	1/1/10 to 31/12/10
John Setka	Senior Vice President	1/1/10 to 31/12/10
Keith Murphy	Senior Vice President	18/5/10 to 31/12/10
Lindsay Fraser	Assistant Secretary	1/1/10 to 31/12/10
Frank O’Grady	Assistant Secretary	18/5/10 to 31/12/10
Martin Kingham	Assistant Secretary	1/1/10 to 5/3/10
Peter Close	Vice President	1/1/10 to 31/12/10
Ralph Edwards	Vice President	1/1/10 to 31/12/10
Noel Washington	Vice President	1/1/10 to 31/12/10
Elias Spervovasilis	Vice President	18/5/10 to 31/12/10
David Hanna	Vice President	18/5/10 to 31/12/10
Andrew Ferguson	COM Member	1/1/10 to 13/9/10
Aaron Cartledge	COM Member	23/11/10 to 31/12/10
Bill Oliver	COM Member	1/1/10 to 31/12/10
Brian Parker	COM Member	1/1/10 to 31/12/10
Cam McCullough	COM Member	1/1/10 to 31/12/10
Dean Hall	COM Member	1/1/10 to 18/5/10
Greg Simcoe	COM Member	1/1/10 to 31/12/10
John Sutton	COM Member	1/1/10 to 31/12/10
Jason O’Mara	COM Member	18/5/10 to 31/12/10
Justin Feehan	COM Member	1/1/10 to 23/11/10
Kevin Reynolds	COM Member	1/1/10 to 31/12/10
Martin O’Malley	COM Member	1/1/10 to 31/12/10
Michael Ravbar	COM Member	1/1/10 to 31/12/10
Sarah Schoonwater	COM Member	1/1/10 to 1/2/10
Steve Roach	COM Member	1/1/10 to 31/12/10
Tony Benson	COM Member	1/1/10 to 31/12/10

Principal Activities

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

- Implementation of Divisional Executive Decisions.
- Maintenance of Union Rules, Registrations and Affiliations.
- Organising Executive Meetings and Divisional Conferences as well as National Safety Officer Meetings.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

OPERATING REPORT (Continued)

Principal Activities (Continued)

- Conducting Activities for Parliamentary, Divisional and Divisional Branch elections, including assisting with statutory requirements.
- Co-ordinating seminars / education courses for Branch Officers to inform them of current developments or to seek collective input in the development of national policies.
- Representing the Division's interest on various national committees and organisations.
- Co-ordinating the involvement of the Union in relevant international trade union bodies and conferences.
- Responsibility for servicing national awards and enterprise agreements and maintaining related information services. Divisional Office also advises Branches on industrial matters.
- Provision to Branches with economic and industrial research.
- Provision to Branches of assistance with administration and financial management.
- Provision to Branches 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.
- Providing prime responsibility of initiating and leading the conduct of legal action launched in defence of the Division's constitutional work.
- Providing a National Computer Department to service each Branch and Divisional Office.
- Provision of National Publicity Services in respect of the national newspaper, safety newsletter and various brochures on industrial issues, media issues etc
- Provision of a National Training Agenda by representing the Union on various Boards and Committees.

Results of Activities

The result of the Union for the financial year was a loss of \$587,607 (2009: loss of \$213,186).

Significant Changes in Nature of Activities

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

Significant Changes in Financial Affairs

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

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

OPERATING REPORT (Continued)

Membership of the Union

There were 66,182 financial members of the Union as at 31 December 2010.

Rights of Members to Resign

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

Employees of the Union

As at 31 December 2010 the Union employed 15 full time employees.

Superannuation Trustees

Mr Dave Noonan is the National Secretary of the Union and is a director of United Super Pty Ltd which acts as Trustee of C Bus. He is also a Director of C Bus Property Pty Ltd.

Mr Frank O'Grady became an Assistant Secretary of the Union on the 18th May 2010 and is a director of United Super Pty Ltd which acts as Trustee of C Bus.

Mr John Sutton was a Committee of Management Member of the Union, he held that position until 1 January 2011 and was a director of United Super Pty Ltd which acts as Trustee of C Bus.


Mr Andrew Ferguson was a Committee of Management Member of the Union; he held that position until 13th September 2010 and held an alternate directorship (on behalf of Mr Dave Noonan and Mr John Sutton) of United Super Pty Ltd which acts as Trustee of C Bus.

Mr Gregory Simcoe is a member of the Committee of Management of the Union and is a director of BUSS (Queensland) Pty Ltd which acts as Trustee of BUSS[Q].

Mr Martin Kingham was an Assistant Secretary of the Union; he held that position until 5th March 2010 and held an alternate directorship (on behalf of Mr Albert Littler) of United Super Pty Ltd which acts as Trustee of C Bus.

No other 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.



.....
DAVE NOONAN
National Secretary

Dated this 8th day of June 2011.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

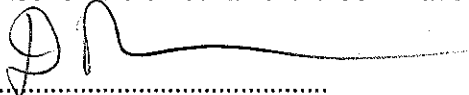
COMMITTEE OF MANAGEMENT STATEMENT

On 8th of June, 2011 the Committee of Management of Construction Forestry Mining and Energy Union, Construction and General Division – National Office (“the Union”), passed the following resolution in relation to the general purpose financial report (GPFR) of the Union, for the financial year ended 31 December 2010:

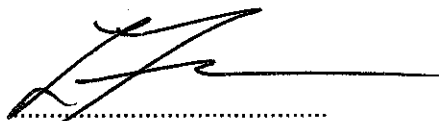
The Committee of Management declares in relation to the GPFR that in its opinion:

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

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



.....
DAVE NOONAN
National Secretary



.....
LINDSAY FRASER
Assistant Secretary

Dated this 8th day of June 2011.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010**

	NOTE	2010 \$	2009 \$
Revenue	2	5,365,869	3,819,571
Employee Benefits Expense		(1,700,053)	(1,839,679)
Depreciation and Amortisation Expense		(197,786)	(188,881)
Donation Expenses		(1,827,785)	(11,859)
Legal Fees		(306,851)	(19,844)
Other Expenses		(1,921,001)	(1,972,494)
Result Before Income Tax		<u>(587,607)</u>	<u>(213,186)</u>
Income Tax Expense	1 (j)	-	-
Result for the Year		<u>(587,607)</u>	<u>(213,186)</u>
Other Comprehensive Income			
Other Comprehensive Income Items		-	-
Other Comprehensive Income for the Year		<u>-</u>	<u>-</u>
Total Comprehensive Income for the Year		<u>(587,607)</u>	<u>(213,186)</u>

The accompanying notes form part of these financial statements

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

**BALANCE SHEET
AS AT 31 DECEMBER 2010**

	NOTE	2010 \$	2009 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4	603,534	488,908
Trade and Other Receivables	5	1,358,212	912,192
Financial Assets	7	2,130,944	3,246,957
Other Assets	8	63,330	32,213
TOTAL CURRENT ASSETS		<u>4,156,020</u>	<u>4,680,270</u>
NON-CURRENT ASSETS			
Trade and Other Receivables	5	44,750	44,750
Property, Plant and Equipment	9	3,897,119	4,018,240
TOTAL NON-CURRENT ASSETS		<u>3,941,869</u>	<u>4,062,990</u>
TOTAL ASSETS		<u>8,097,889</u>	<u>8,743,260</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	10	557,493	408,579
Short-term Provisions	11	735,405	966,036
TOTAL CURRENT LIABILITIES		<u>1,292,898</u>	<u>1,374,615</u>
NON-CURRENT LIABILITIES			
Long-term Provisions	11	33,801	9,848
TOTAL NON-CURRENT LIABILITIES		<u>33,801</u>	<u>9,848</u>
TOTAL LIABILITIES		<u>1,326,699</u>	<u>1,384,463</u>
NET ASSETS		<u>6,771,190</u>	<u>7,358,797</u>
EQUITY			
Retained Earnings		<u>6,771,190</u>	<u>7,358,797</u>
TOTAL EQUITY		<u>6,771,190</u>	<u>7,358,797</u>

The accompanying notes form part of these financial statements

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

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

	2010	2009
	\$	\$
Balance as at 1 January	7,358,797	7,571,983
Result for the year	<u>(587,607)</u>	<u>(213,186)</u>
Closing Balance as at 31 December	<u>6,771,190</u>	<u>7,358,797</u>

The accompanying notes form part of these financial statements

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

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

CASH FLOWS FROM OPERATING ACTIVITIES

Membership Levies Received		2,832,291	3,503,079
Other Receipts		2,192,515	1,171,487
Payment to Suppliers and Employees		(6,121,979)	(4,003,758)
Interest Received		193,561	152,809
Net cash (used in) / generated from operating activities	12	<u>(903,612)</u>	<u>823,617</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sale of Property, Plant and Equipment		49,545	-
Purchase of Property, Plant and Equipment		(147,320)	(84,151)
Proceeds from Disposal of Investment		1,116,013	-
Purchase of Investments		-	(407,108)
Net cash generated from / (used in) investing activities		<u>1,018,238</u>	<u>(491,259)</u>

Net increase in cash held		114,626	332,358
Cash and cash equivalents at the start of the financial year		488,908	156,550
Cash and cash equivalents at the end of the financial year	4	<u>603,534</u>	<u>488,908</u>

The accompanying notes form part of these financial statements

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers the Construction Forestry Mining and Energy Union, Construction and General Division – National Office (“the Union”) as an individual entity. The Union is an organisation of employees registered under the Fair Work (Registered Organisation) Act 2009 (“the RO Act”). In accordance with the RO Act, the Union is a body corporate and has perpetual succession, by virtue of this method of incorporation, the Union is not subject to the Corporations Act 2001.

Basis of Preparation

Construction Forestry Mining and Energy Union, Construction and General Division – National Office has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 January 2010.

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

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

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

Accounting Policies

a) Revenue

Revenue from membership contributions are recognised on an accruals basis, which is reflective of the timing and nature of the benefits provided to members.

Donations and bequests are recognised as revenue when received.

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

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

b) Inventories

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

c) Property, Plant and Equipment

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

Property, Plant and Equipment

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

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

c) Property, Plant and Equipment

Continued....

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

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

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate
Buildings	2%
Office Furniture and Fittings	10 – 20%
Motor Vehicles	20%
Computer Equipment	20 – 30%

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

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

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

d) Leases

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

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

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

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

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

e) Financial Instruments

Initial Recognition and Measurement

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

Classification and Subsequent Measurement

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

Amortised cost is calculated as:

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

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

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

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

ii) *Loans and Receivables*

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

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

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

e) Financial Instruments

Continued...

iii) *Held-to-Maturity Investments*

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

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

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

iv) *Available-for-Sale Financial Assets*

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

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

v) *Financial Liabilities*

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

Fair Value

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

Impairment

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

Derecognition

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

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

f) Impairment of Assets

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

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

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

g) Employee Benefits

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

h) Cash and Cash Equivalents

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

i) Goods and Services Tax (GST)

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

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

j) Income Tax

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

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

k) Provisions

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

l) Trade and Other Payables

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

m) Borrowing Costs

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

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

n) Comparatives

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

Where the Union applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a Balance Sheet as at the beginning of the earliest comparative period will be disclosed.

o) Critical Accounting Estimates and Judgments

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

Key Estimates – Impairment

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

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

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

	2010 \$	2009 \$
2. REVENUE AND OTHER INCOME		
Revenue		
Membership Levies	2,985,184	2,880,790
Meetings & Conferences	5,726	9,866
Attendance Fees	184,061	188,248
Computer Costs Reimbursed	6,138	6,121
Wages Reimbursements	13,356	26,276
Occupancy Costs Reimbursed	34,452	56,432
Darwin Associated Costs Reimbursed	229,260	293,155
Advertising Revenue	137,000	53,775
Donations Received	1,550,000	-
National Conference Sponsorship – 2009	-	125,000
	5,145,177	3,639,663
Other Revenue		
Interest Received	182,127	156,136
Other Income	10,000	522
Rents Received	28,565	23,250
	220,692	179,908
Total Revenue	5,365,869	3,819,571
3. RESULT FOR THE YEAR		
(a) Expenses		
Contributions to defined contribution Superannuation Funds	150,618	178,523
Loss on Disposal of Property, Plant and Equipment	21,110	-
(b) Significant Revenue Items		
- Donations Received	1,550,000	-
- National Conference Sponsorship – 2009	-	125,000
(c) Significant Expense Items		
- Legal Expenses	306,851	19,844
- Donation Expenses	1,827,785	11,859
- National Conference Expenses	1,496	128,222

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

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

	NOTE	2010 \$	2009 \$		
4. CASH AND CASH EQUIVALENTS					
Cash on Hand		1,500	1,500		
Cash at Bank		73,408	155,947		
Deposits at Call		528,626	331,461		
		<u>603,534</u>	<u>488,908</u>		
5. TRADE AND OTHER RECEIVABLES					
Current					
Other Receivables		138,980	132,937		
Interest Accrued		29,252	40,686		
		<u>168,232</u>	<u>173,623</u>		
Amounts due from Branches – Membership Levies	6	1,189,980	738,569		
		<u>1,358,212</u>	<u>912,192</u>		
Non-Current					
Loans to Related Parties		44,750	44,750		
		<u>44,750</u>	<u>44,750</u>		
6. AMOUNTS DUE FROM BRANCHES - MEMBERSHIP LEVIES (INCL GST)					
		Balance Owing 31/12/09 \$	Add Amounts Charged \$	Less Cash Received \$	Balance Owing 31/12/10 \$
New South Wales		254,209	633,891	(548,367)	339,733
Victoria		100,353	1,290,805	(1,156,352)	234,806
Queensland		103,248	399,843	(300,604)	202,487
South Australia		30,894	106,115	(85,400)	51,609
Western Australia		105,415	550,043	(370,261)	285,197
Tasmania		30	32,000	(40,030)	(8,000)
Australian Capital Territory		18,596	77,169	(71,275)	24,490
BTP Division		13,487	-	(13,487)	-
Queensland Labourers		112,337	193,837	(246,516)	59,658
TOTAL		<u>738,569</u>	<u>3,283,703</u>	<u>(2,832,292)</u>	<u>1,189,980</u>

The amount of GST included in the "Amounts Charged" is \$298,519 (2009: \$288,079).

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

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

	NOTE	2010 \$	2009 \$
7. FINANCIAL ASSETS			
Current			
Held-to-Maturity Financial Assets	(a)	2,130,944	3,246,957
(a) Held-to-Maturity Investments comprise:			
- Term Deposits		2,130,944	3,246,957
8. OTHER ASSETS			
Prepayments		63,330	32,213
9. PROPERTY, PLANT AND EQUIPMENT			
Land and Buildings			
Freehold land At Cost		250,000	250,000
Buildings At Cost		4,946,140	4,946,140
Less Accumulated Depreciation		(829,201)	(700,043)
Less Provision for Impairment		(702,755)	(702,755)
		3,414,184	3,543,342
Total Land and Buildings		3,664,184	3,793,342
Plant and Equipment			
Motor Vehicles			
At Cost		94,609	166,939
Less Accumulated Depreciation		(21,524)	(65,225)
		73,085	101,714
Computer Equipment			
At Cost		323,666	243,953
Less Accumulated Depreciation		(189,565)	(150,859)
		134,101	93,094
Office Furniture and Equipment			
At Cost		157,833	154,225
Less Accumulated Depreciation		(132,084)	(124,135)
		25,749	30,090
Total Plant and Equipment		232,935	224,898
TOTAL PROPERTY, PLANT AND EQUIPMENT		3,897,119	4,018,240

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

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

9. PROPERTY, PLANT AND EQUIPMENT

Continued...

(a) Movements in Carrying Amounts

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

	Opening WDV \$	Additions \$	Disposals \$	Depreciation Expense \$	Closing WDV \$
2010					
Freehold Land & Buildings	3,793,342	-	-	(129,158)	3,664,184
Motor Vehicles	101,714	63,999	(70,655)	(21,973)	73,085
Computer Equipment	93,094	79,713	-	(38,706)	134,101
Office Furniture & Equipment	30,090	3,608	-	(7,949)	25,749
	<u>4,018,240</u>	<u>147,320</u>	<u>(70,655)</u>	<u>(197,786)</u>	<u>3,897,119</u>

(b) Provision for Impairment

An independent valuation of the property situated at 276 Pitt Street, Sydney, was sought in respect of the 31 December 2008 financial year-end. This valuation, effective 17 February 2009, indicated that the current market value of the property for financial reporting purposes was \$3,350,000. This was \$702,755 less than the carrying value as at 31 December 2008, resulting in an impairment loss for this amount.

As at 31 December 2010, the Committee of Management has assessed that the impairment loss previously recognised still exists as commercial property in Sydney remains subdued due to reduced demand and the economic downturn generally.

	NOTE	2010 \$	2009 \$
10. TRADE AND OTHER PAYABLES			
Trade and Other Payables		399,019	385,079
Legal Matters Payables		158,474	23,500
		<u>557,493</u>	<u>408,579</u>
Included in the above are the following superannuation amounts payable as at balance date:			
- Officers		3,327	-
- All Other Employees		12,056	3,115
		<u>15,383</u>	<u>3,115</u>
(a) Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables		557,493	408,579
Less deferred income		-	-
Financial liabilities as trade and other payables	15	<u>557,493</u>	<u>408,579</u>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

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

	2010 \$	2009 \$
11. PROVISIONS		
Employee Benefits	<u>769,206</u>	<u>975,884</u>
Analysis of Total Provisions		
Current	735,405	966,036
Non-Current	<u>33,801</u>	<u>9,848</u>
	<u>769,206</u>	<u>975,884</u>

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to annual leave and 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 on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 of the financial statements.

(a) Employee Benefits Attributable to:

Office Holders	253,476	518,862
Staff	<u>515,730</u>	<u>457,022</u>
	<u>769,206</u>	<u>975,884</u>

12. CASH FLOW INFORMATION

**(a) Reconciliation of Cash Flows from Operations with
Result after Income Tax**

Operating Result after Income Tax	(587,607)	(213,186)
Non Cash Flows		
Depreciation	197,786	188,881
Loss on Sale of Property, Plant and Equipment	21,110	-
Changes in Assets and Liabilities		
Decrease/(Increase) in Amounts Due from Branches	(451,411)	334,677
Decrease/(Increase) in Trade and Other Receivables	5,391	247,399
Decrease/(Increase) in Other Assets	(31,117)	4,217
Increase/(Decrease) in Trade and Other Payables	148,914	912
Increase/(Decrease) in Provisions	<u>(206,678)</u>	<u>260,717</u>
	<u>(903,612)</u>	<u>823,617</u>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

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

	2010 \$	2009 \$
13. KEY MANAGEMENT PERSONNEL COMPENSATION		
The totals of remuneration paid to key management personnel (KMP) of the Company during the year are as follows:		
Key management personnel compensation	<u>423,114</u>	<u>566,574</u>

14. RELATED PARTY INFORMATION

(a) Members of the Committee of Management

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

Mr. Dave Noonan (National Secretary)	Mr. Tom Watson (President)
Mr. Keith Murphy (Senior Vice President)	Mr. Joe McDonald (Senior Vice President)
Mr. John Setka (Senior Vice President)	Mr. Peter McClelland (Senior Vice President)
Mr. Lindsay Fraser (Assistant Secretary)	Mr. Martin Kingham (Assistant Secretary)
Mr. Frank O'Grady (Assistant Secretary)	Mr. Peter Close (Vice President)
Mr. Noel Washington (Vice President)	Mr. Elias Spernovasilis (Vice President)
Mr. Ralph Edwards (Vice President)	Mr David Hanna (Vice President)

Persons appointed and holding honorary positions as members of the Committee of Management for the financial year:

Andrew Ferguson	Greg Simcoe	Martin O'Malley
Aaron Cartledge	John Sutton	Michael Ravbar
Bill Oliver	Justin Feehan	Sarah Schoonwater
Brian Parker	Jason O'Mara	Steve Roach
Cam McCullough	Keith Murphy	Tony Benson
Dean Hall	Kevin Reynolds	

Refer to the Operating Report for details of change of appointment dates and positions.

(b) Related Party Transactions

Other related parties

- i) Capitation fees totalling \$552,420 (2009: \$568,800) were paid to the Construction, Forestry, Mining and Energy Union during the year.
- ii) Donations were received from the following Branches during the year:-

	\$
Victoria	1,000,000
Western Australia	200,000
Queensland	150,000
Australian Capital Territory	125,000
Queensland Labourers	75,000
	<u>1,550,000</u>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

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

14. RELATED PARTY INFORMATION

Continued...

(b) Related Party Transactions

Continued....

- iii) During the year the Union donated \$750,000 to the Construction, Forestry, Mining and Energy Union – Mining & Energy Division.
- iv) Membership Levies (sustentation fees) were charged (excluding GST) to the following Branches during the 2010 and 2009 years:-

	2010	2009
	\$	\$
New South Wales	576,264	586,416
Victoria	1,173,459	1,069,673
Queensland	363,494	359,532
South Australia	96,467	98,383
Western Australia	500,039	467,067
Tasmania	29,091	29,171
Australian Capital Territory	70,154	51,468
BTP Division	-	33,005
Queensland Labourers	176,216	186,075
	<u>2,985,184</u>	<u>2,880,790</u>

- v) An amount of \$34,452 (2009: \$56,432) was received from Construction, Forestry, Mining and Energy Union, National Office during the year, for costs associated with occupying the Union premises.
- vi) An amount of \$28,565 (2009: \$23,250) was received from Construction, Forestry, Mining and Energy Union, Construction and General Division, New South Wales Divisional Branch during the year, for costs associated with occupying the Union premises.
- vii) An amount of \$4,465 (2009: \$25,000) was received from Construction, Forestry, Mining and Energy Union, Construction and General Division, Brick Tile, Pottery, Construction Materials and Related Products Industry Divisional Branch during the year, for clerical assistance.
- viii) During the year the Union has incurred expenditures associated with the continued operation of the Darwin Branch. The Union has received an amount of \$52,486 (2009: \$178,668) from the branches and divisions of the CFMEU to reimburse the Union these costs incurred.
- ix) 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.

(c) Related Party Balances

Other related parties

- i) As at balance date, membership levies due from the branches was \$1,189,980 (2009: \$738,569); refer Note 6.
- ii) As at balance date there was a loan of \$44,750 advanced to Construction, Forestry, Mining and Energy Union, Construction and General Division, South Australian Divisional Branch (2009: \$44,750).

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

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

15. FINANCIAL RISK MANAGEMENT

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

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

	NOTES	2010 \$	2009 \$
Financial Assets			
Cash and cash equivalents	4	603,534	488,908
Trade and other receivables	5	1,402,962	956,942
Held to maturity financial assets	7	2,130,944	3,246,957
		<u>4,137,440</u>	<u>4,692,807</u>
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	10	<u>557,493</u>	<u>408,579</u>

16. CONTINGENT LIABILITIES AND ASSETS

The Union has provided a guarantee to its bankers in relation to a banking facility.

<u>51,000</u>	<u>51,000</u>
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17. EVENTS AFTER THE REPORTING PERIOD

- (a) No matter or circumstance has arisen since the end of the year that has significantly affected or may significantly affect:
- (i) the operations of the Union;
 - (ii) the results of those operations; or
 - (iii) the state of affairs of the Union, in subsequent financial years.
- (b) The financial report was authorised for issue on the 8th of June 2011 by the Committee of Management.

18. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

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

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

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

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

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

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

	2010 \$	2009 \$
PROFIT AND LOSS DISCLOSURES		
ITEMS OF REVENUE		
Entrance fees or periodic subscriptions in respect of membership of the organisation	2,985,184	2,880,790
Compulsory levies raised from the members or as appeals for voluntary contributions for the furtherance of particular purposes:	-	-
Donations or Grants	1,550,000	-
ITEMS OF EXPENSE		
Expenses incurred as consideration for employers making payroll deductions of membership subscriptions	-	-
Proportion of entrance fees paid contributed towards the administrative expenses of another Union	-	-
Fees and periodic subscriptions in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters	56,500	55,000
Compulsory levies imposed on the Union	552,420	568,800
Grants or donations	1,827,785	11,859
Employee Benefits to:		
- Holders of office	416,974	392,135
- Employees (Other than holders of office)	1,022,354	1,020,677
	<u>1,439,328</u>	<u>1,412,812</u>
Fees or allowances to persons in respect of their attendance as representatives of the Union at conferences or other meetings	-	-
Legal costs and other expenses related to litigation or other legal matters	306,851	19,844
Expenses incurred in connection with meetings of members of the Union and any conferences or meeting of councils, committees, panels or other bodies for the holding of which the Union was wholly or partly responsible	102,544	221,802
Penalties imposed on the Union under the Act or Regulations	-	-

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND GENERAL
DIVISION – NATIONAL OFFICE**

We have audited the accompanying financial statements of Construction Forestry Mining and Energy Union, Construction and General Division – National Office (the Union), which comprises the Balance Sheet as at 31 December 2010 and the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of the significant accounting policies and other explanatory notes and the Committee of Management Statement.

Committee of Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Independence

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

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

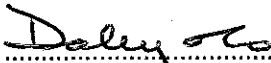
**OF CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND GENERAL
DIVISION – NATIONAL OFFICE**

CONTINUED...

Auditor's Opinion

In our opinion, the general purpose financial report of the Construction Forestry Mining and Energy Union, Construction and General Division – National Office, as at 31 December 2010 and for the year then ended, is presented fairly in accordance with:

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


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


.....
Michael Gleeson
Partner

Dated this 8th day of June 2011.