

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

ABN 38 491 952 173

**FINANCIAL REPORT
FOR THE PERIOD
1 JANUARY 2017 TO 31 MARCH 2017**

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

OPERATING REPORT

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 the Committee of Management present their Operating Report on the Construction Forestry Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch, the relevant reporting unit, for the period 1 January 2017 to 31 March 2017.

Principle Activities

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

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

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

Review of principle activities

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

Significant changes to activities

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

Review of results

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

Significant changes to financial affairs

There have been no significant changes during the period 1 January 2017 to 31 March 2017. Expenses have improved marginally over the 3 month period. The reporting unit at Note 1(o) has considered the going concern principle and is satisfied that the going concern concept is satisfied.

The operating loss of the reporting unit for the period 1 January 2017 to 31 March 2017 is (\$463,965) (2016: operating loss (\$1,886,214)).

Members rights to resign

Members may resign from the Union in accordance with Section 174 of the Fair Work Act, which reads as follows:

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

Whichever is later.

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OPERATING REPORT (CONTINUED)

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

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

Officers as Trustees

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

Prescribed Information

- (a) the number of persons that were, at 31st March 2017, recorded in the register of members for section 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the reporting unit under section 244 of the Fair Work (Registered Organisations) Act 2009 was 2,711 (1,945 financial members and 766 non-financial members); (2016: total 2,561 members; 1,745 financial members and 816 non-financial members);
- (b) the number of persons who were, at 31st March 2017, employees of the reporting unit, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis was 12 employees (2016: 12 employees);
- (c) the name of each person who has been a member of the committee of management of the reporting unit at any time during the period 1 January 2017 to 31 March 2017, and the period for which he or she held such a position is:

NAME	PERIOD
Dean James Hall	1 January 2017 – 31 March 2017
Rodney Driver	1 January 2017 - 2 January 2017
Brett Harrison	1 January 2017 - 2 January 2017
Jason Lawrence O'Mara	1 January 2017 – 31 March 2017
Mark Stephen Dymock	1 January 2017 – 31 March 2017
Anthony Paul Vitler	1 January 2017 – 31 March 2017
Duncan James Bennett-Burleigh	1 January 2017 – 31 March 2017
Leon Mark Arnold	1 January 2017 – 31 March 2017
Desmond Marland	1 January 2017 -31 March 2017
Zachary Alan Smith	1 January 2017 – 31 March 2017
Jason John Jennings	1 January 2017 – 31 March 2017
Trevor Scott	1 January 2017 - 2 January 2017
Richard Garrety	1 January 2017 - 2 January 2017
Cameron David Hardy	1 January 2017 – 31 March 2017
Timothy Puckett	1 January 2017 - 2 January 2017
Jeffrey Allan Polsen	1 January 2017 – 31 March 2017
Scott Andrew Stenner	2 January 2017 – 31 March 2017

OPERATING REPORT (CONTINUED)

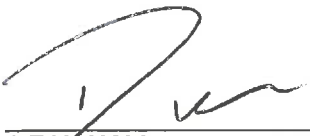
CONSTRUCTION FORESTRY MINING AND ENERGY UNION
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Peter John Cain	2 January 2017 – 31 March 2017
Michael Barry Cousins	2 January 2017 – 31 March 2017
Johnny Junior Lomax	2 January 2017 – 31 March 2017
Clyde Thomas Peter Stewart	2 January 2017 – 31 March 2017

Other Information

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

For and on behalf of the Committee of Management:



DEAN HALL
Dated at Canberra, ACT: Torquay
22/8/17



JASON O'MARA
Dated at Canberra, ACT: Torquay
22/8/17

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND GENERAL DIVISION- (ACT BRANCH)

Opinion

We have audited the financial report of Construction Forestry Mining and Energy Union Construction and General Division - (ACT Branch), which comprises the statement of financial position as at 31 March 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Committee of Management statement.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of Construction Forestry Mining and Energy Union Construction and General Division - (ACT Branch) as at 31 March 2017, and its financial performance and its cash flows for the period then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009,

We declare that as part of the audit of the financial statements, we have concluded that the management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of Construction Forestry Mining and Energy Union Construction and General Division - (ACT Branch) in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in Construction Forestry Mining and Energy Union Construction and General Division - (ACT Branch) annual report for the period ended 31 March 2017, but does not include the financial report and the auditor's report thereon.

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

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

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

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

Liability limited by a scheme approved under Professional Standards Legislation

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Report

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

In preparing the financial report, management is responsible for assessing Construction Forestry Mining and Energy Union Construction and General Division- (ACT Branch)'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Construction Forestry Mining and Energy Union Construction and General Division- (ACT Branch) or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Pronouncements/Australian-Auditing-Standards/Auditors-Responsibilities.aspx>. This description forms part of our auditor's report.

I declare that I am an approved auditor, a member of the Institute of Chartered Accountants in Australia, and hold a current public practice certificate.



RODNEY MILLER
Director

RSM AUSTRALIA PTY LTD
Canberra, Australian Capital Territory
Dated: 23 August 2017 (Reissued)

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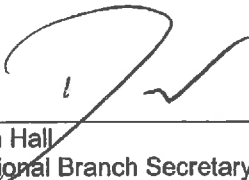
COMMITTEE OF MANAGEMENT STATEMENT

On the 22nd of August 2017 the Committee of Management of the Construction Forestry Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial period 1 January 2017 to 31 March 2017:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with 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 committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or 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 recovery of wages activities undertaken by the reporting unit resulted in any revenues or receipts paid or payable to the reporting unit. All Recovered wages were paid directly to reporting unit members by relevant employers.

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



Dean Hall
Divisional Branch Secretary



Jason O'Mara
Divisional Branch Assistant Secretary

Torquay
Dated at Canberra, Australian Capital Territory this

22/8/17
August 2017.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD 1 JANUARY 2017 TO 31 MARCH 2017

	NOTE	2017 \$	2016 \$
Membership Subscriptions		263,715	1,007,281
Advertising Income		-	52,273
Sitting Fees		-	34,433
Interest Received		1,444	42,918
Profits from Trusts		-	-
Other Revenue	2	268,628	902,689
Total Revenue		<u>533,787</u>	<u>2,039,594</u>
Employee Expenses	3(a)	(399,936)	(1,831,904)
Capitation Fees	3(b)	(16,895)	(88,358)
Affiliation Fees	3(c)	(5,194)	(23,868)
Administrative Expenses	3(d)	(191,202)	(737,421)
Grants or Donations	3(e)	(1,060)	(56,616)
Legal Fees	3(f)	(327,696)	(1,023,127)
Depreciation Expense		(13,827)	(49,331)
Interest Expense		-	(261)
Bad Debts Expense		(8,904)	-
Member Benefits		(17,038)	(82,924)
Audit Fees	4	(16,000)	(19,697)
Loss on Sale of Motor Vehicles		-	(12,301)
Total Expenses		<u>(997,752)</u>	<u>(3,925,808)</u>
Net profit/(loss) attributable to members of the Union		<u>(463,965)</u>	<u>(1,886,214)</u>
Other comprehensive income		-	-
Total comprehensive profit/(loss) attributable to members of the Union		<u>(463,965)</u>	<u>(1,886,214)</u>

The accompanying notes form part of these financial statements.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
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STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	NOTE	2017 \$	2016 \$
CURRENT ASSETS			
Cash and Cash Equivalents	5	243,513	325,588
Trade and Other Receivables	6	378,407	335,478
Other Current Assets	7	59,287	118,046
TOTAL CURRENT ASSETS		<u>681,207</u>	<u>779,112</u>
NON-CURRENT ASSETS			
Financial Assets	8	346,686	471,607
Property, plant and equipment	9	265,355	272,225
TOTAL NON-CURRENT ASSETS		<u>612,041</u>	<u>743,832</u>
TOTAL ASSETS		<u>1,293,248</u>	<u>1,522,944</u>
CURRENT LIABILITIES			
Trade payables	10A	196,422	200,622
Other payables	10B	304,477	87,141
Other Current Liabilities	11	122,755	108,256
Provisions	12	378,511	370,929
Borrowings	13	329,262	329,262
TOTAL CURRENT LIABILITIES		<u>1,331,427</u>	<u>1,096,210</u>
NON-CURRENT LIABILITIES			
Provisions	12	19,168	20,116
Borrowings	13	-	-
TOTAL NON-CURRENT LIABILITIES		<u>19,168</u>	<u>20,116</u>
TOTAL LIABILITIES		<u>1,350,595</u>	<u>1,116,326</u>
NET LIABILITIES		<u>(57,347)</u>	<u>406,618</u>
EQUITY			
Retained (losses)/surplus		<u>(57,347)</u>	<u>406,618</u>
TOTAL EQUITY		<u>(57,347)</u>	<u>406,618</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2017

	Retained Earnings \$	Total \$
Balance as at 31 December 2015	2,292,832	2,292,832
Loss attributable to the entity	(1,886,214)	(1,886,214)
Balance as at 31 December 2016	406,618	406,618
Loss attributable to the entity	(463,965)	(463,965)
Balance as at 31 March 2017	(57,347)	(57,347)

The accompanying notes form part of these financial statements

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
THE CONSTRUCTION AND GENERAL DIVISION
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CASH FLOW STATEMENT
FOR THE PERIOD 1 JANUARY 2017 TO 31 MARCH 2017

	NOTE	2017 \$	2016 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from members' subscriptions		246,476	1,073,897
Cash Receipts from Customers		37,827	104,761
Cash payments to suppliers and employees		(712,715)	(3,751,699)
Interest received		1,444	42,918
Donations received		250,000	510,000
Payment of affiliation fees, capitation fees and dispute levies		(22,089)	(150,226)
Other Revenue		-	105,258
Donations paid		(1,060)	(18,616)
Net cash generated from operating activities	14(a)	(200,117)	(2,083,707)
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for Property, Plant and Equipment		(6,958)	(155,324)
Proceeds from Property, Plant and Equipment		-	-
Proceeds from investment		-	245,458
Proceeds from loans		125,000	985,000
Net cash provided by investing activities		118,042	1,075,134
CASH FLOW FROM FINANCING ACTIVITIES			
Net proceeds from borrowings			
Proceeds from borrowings		-	47,042
Repayment of Borrowings		-	(15,741)
Net cash provided by financing activities		-	31,301
Net change in cash held		(82,075)	(977,272)
Cash at beginning of the financial year		325,588	1,302,860
Cash at the end of the financial year	5	243,513	325,588

The accompanying notes form part of these financial statements.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2017 TO 31 MARCH 2017

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

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

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

Basis of Preparation

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

Reporting Basis and Conventions

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

Accounting Policies

a) Income Tax

The Union is exempt from income tax under the provisions of Section 50-5 of the *Income Tax Assessment Act 1997*.

b) Property, Plant and Equipment

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

Property

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

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

Plant and Equipment

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

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

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

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2017 TO 31 MARCH 2017

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Depreciation

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

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

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

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

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

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

c) 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 entity, 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.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2017 TO 31 MARCH 2017

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

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

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

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

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated hedges. Realised and unrealised gains or losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2017 TO 31 MARCH 2017

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Impairment of Assets

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

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

f) Investments in Associates

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

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

g) Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, and annual leave which will be settled after one year, have been measured at their nominal amount, plus any related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

h) 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.

i) 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.

j) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to members and customers.

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the members and customers.

Revenue from membership fees is recognised at the fair value of consideration received or receivable in the period the membership fees relate and is net of returns, discounts or rebates.

Revenue from Trusts is recognised at the end of the Trust reporting period and may include early distributions where appropriate.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2017 TO 31 MARCH 2017**

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) 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.

l) Capitation fees and levies

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

m) Comparative figures

The Union has elected to change its reporting date to 31 March, as a result this report covers the period 1 January 2017 to 31 March 2017. The comparatives are for the 12 month period ended 31 December 2016.

n) Critical accounting estimates and judgements

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

Key estimates – Impairment

The Union assesses impairment at each reporting date by evaluating conditions specific to the Union that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

o) Going Concern

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

The Construction Forestry Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch (the Union) incurred a loss of (\$463,965) and had net cash outflows from operating activities of \$200,117 for the period 1 January 2017 to 31 March 2017. As at 31 March 2017 the Union had net current liabilities of \$650,220 and net liabilities of \$57,347.

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) New standards and interpretations adopted

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

q) New standards and interpretations issued but not yet effective

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

AASB 2015-6	<i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</i>	The amendments specify consistent related party disclosure requirements for the Australian Government, State Governments, local councils and other not-for-profit public sector entities.	1 July 2017	Disclosures Only
AASB 2015-7	<i>Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities</i>	This amendment relieves not-for-profit public sector entities from certain disclosures about the fair value measurements of property, plant and equipment. The relief exempts them from disclosures of quantitative information about significant unobservable inputs used in fair value measurements, sensitivity of certain fair value measurements to changes in unobservable inputs, etc.	1 July 2017	Disclosures Only
AASB 9	<i>Financial Instruments</i>	This Standard supersedes both AASB 9 (December 2010) and AASB 9 (December 2009) when applied. It introduces a "fair value through other comprehensive income" category for debt instruments, contains requirements for impairment of financial assets, etc.	1 January 2018	Minimal Impact
AASB 2014-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i>	Consequential amendments arising from the issuance of AASB 9	1 January 2018	Minimal Impact

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NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2017 TO 31 MARCH 2017

	2017 \$	2016 \$
NOTE 2 – OTHER REVENUE		
(a) Capitation Fees	-	-
(b) Levies	-	-
(c) Donations*	250,000	755,458
(d) Dividends Received	78	208
(e) JLT Income	-	-
(f) EBA Lodgement Income	-	5,218
(g) Audit and Training Fund	-	-
(h) Revaluation of Investments	-	-
(i) Sundry Income	-	-
(j) Bad debts recovered	-	-
(k) Adjustment to impairment of receivables	-	9,901
(l) Grants	-	-
(m) Sponsorship Income	18,550	31,864
(n) Settlement receipts	-	100,000
(o) Counselling Income	-	40
	<u>268,628</u>	<u>902,689</u>

*See correction to prior year detailed in Note 1.

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NOTES TO THE FINANCIAL STATEMENTS
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	2017 \$	2016 \$
NOTE 3 – EXPENSES		
a) Employee Expenses		
Office Holders		
Wages and Salaries	85,991	373,964
Wages and Salaries – Leave Paid Out	-	12,009
Superannuation	9,475	38,566
Separation	-	-
Other	7,758	86,519
	<u>103,224</u>	<u>511,058</u>
Employees other than Office Holders		
Wages and salaries	240,363	1,077,872
Wages and Salaries – Leave Paid Out	-	16,909
Superannuation	22,900	99,000
Separation	-	-
Other	33,449	127,065
	<u>296,712</u>	<u>1,320,846</u>
Total Employee Expenses	<u><u>399,936</u></u>	<u><u>1,831,904</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 3 – EXPENSES (CONTINUED)

Key Management Personnel Remuneration for the Reporting Period

The key management personnel of the Branch are the Office Holders, Secretary and Assistant Secretary. The totals of remuneration paid to the key management personnel during the year are as follows:

	2017	2016
	\$	\$
Short-term employee benefits		
Salary (including leave taken)	85,991	373,964
Annual Leave and RDO Accrual*	(3,900)	25,846
Long Term Benefits		
Long term benefits Accrual*	2,337	21,216
Post Employment Benefits		
Post-employment benefits (to Superannuation fund only)	9,475	38,566
Termination benefits	-	-
Total	<u>93,903</u>	<u>459,592</u>

* The comparative for the Annual Leave and RDO Accrual and Long term benefits Accrual has been disclosed to reflect the movement in the accrual. The previous accrual disclosed reported the balance of the accruals.

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

b) Capitation Fees

CFMEU Construction & General Division National Office	<u>16,895</u>	<u>88,358</u>
Total Capitation Fees	<u>16,895</u>	<u>88,358</u>

c) Affiliation Fees

Australian Labor Party	2,230	11,574
Unions ACT	2,964	11,676
APHEDA	<u>-</u>	<u>618</u>
Total Affiliation Fees	<u>5,194</u>	<u>23,868</u>

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 3 – EXPENSES (CONTINUED)

	2017	2016
	\$	\$
d) Administration Expenses		
Consideration to Employers for Payroll Deductions	-	-
Compulsory Levies:		
CFMEU Construction & General – National Campaign Levy	7,615	9,173
Fees/Allowances – Meeting and Conferences	5,900	68,009
Conference and Meeting Expenses	31,085	119,314
Contractors/Consultants	991	12,835
Property Expenses	9,333	40,575
Office Expenses	28,444	171,582
Motor Vehicle Expenses	18,655	47,499
Advertising Expenses	14,954	53,550
Sponsorship	-	-
Other Expenses	74,225	214,884
Total Administration Expenses	191,202	737,421
e) Grants or Donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	1,060	2,798
Total paid that exceeded \$1,000	-	53,818
Total Grants or Donations	1,060	56,616
f) Legal fees		
Litigation	304,243	775,290
Other Legal Matters	23,453	247,837
Total Legal Fees		
	327,696	1,023,127

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NOTE 4 – REMUNERATION OF AUDITOR

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

	2017	2016
	\$	\$
Audit of the Union's financial report	16,000	19,697
Other services	-	-
Total remuneration of auditors	<u>16,000</u>	<u>19,697</u>

NOTE 5 – CASH AND CASH EQUIVALENTS

	2017	2016
	\$	\$
Cash on hand	1,400	1,400
Cash at bank	242,113	324,188
	<u>243,513</u>	<u>325,588</u>

The effective interest rate on cash at bank was 1.75% (2016: 1.75%)

Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

	2017	2016
	\$	\$
Cash assets and cash equivalents	243,513	325,588

NOTE 6 – TRADE AND OTHER RECEIVABLES

Receivables from other reporting units

CFMEU Construction & General National Office	251,828	240,447
Total receivables from other reporting units	<u>251,828</u>	<u>240,447</u>

Less provision for doubtful debts

Total provision for doubtful debts	-	-
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Receivable from other reporting units (net)

	<u>251,828</u>	<u>240,447</u>
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Other Receivables

GST Receivable from the Australian Taxation Office	15,703	6,989
Other trade receivables	110,876	88,042
Total other receivables	<u>126,579</u>	<u>95,031</u>
Total trade and other receivables (net)	<u>378,407</u>	<u>335,478</u>

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	2017	2016
	\$	\$
NOTE 7 – OTHER CURRENT ASSETS		
Accrued Income	29,523	52,905
Prepayments	29,764	65,141
Loan to Creative Safety Initiative Trust	-	-
	59,287	118,046

	2017	2016
	\$	\$
NOTE 8 – FINANCIAL ASSETS		
Shares in listed corporations - available for sale	3,786	3,707
Equity in the Marque	132,900	132,900
Loan to Creative Safety Initiative Trust	-	-
Loan to Canberra Tradesmen's Union Club Limited	210,000	335,000
	346,686	471,607

At the date of this report the Union has subscribed to 132,900 \$1 units in Marque Northbourne Limited as trustee for The Marque Northbourne Unit Trust. The Trust is a Special Purpose Trust which has entered into a joint venture agreement with Prime Space as trustee of the Northbourne Trust and Worth Street Commercial Pty Ltd. The purpose of the JV is to construct and develop a residential development project. The project is known as IQ Apartments.

The Union is a minority unit holder in the Trust and does not have control over the Trust. The project has now reached practical completion and development risk has been eliminated. There are no liquidity arrangements, guarantees or other commitments with the joint venture that will affect the Union's interest in the investment. The current expectation is that the Trust will be finalised by 30 June 2017 or shortly thereafter.

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

The investment has resulted in a distribution of 2016: \$245,458 which was received during the financial year ending 31st December 2016. The Trust has a June year end and there will be a distribution however this has not yet been determined by the Trustee and therefore cannot be quantified at the date of these financials.

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

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

	2017	2016
	\$	\$
Office Equipment - at cost	125,537	118,579
Less accumulated depreciation	<u>(30,711)</u>	<u>(25,351)</u>
	<u>94,826</u>	<u>93,228</u>
 Motor Vehicles – at cost	 318,345	 318,345
Less accumulated depreciation	<u>(147,816)</u>	<u>(139,348)</u>
	<u>170,529</u>	<u>178,997</u>
 Total Property, Plant and Equipment	 <u>265,355</u>	 <u>272,225</u>

Reconciliation of the Opening and Closing Balances of Plant and Equipment

	Motor Vehicles	Office Equipment	Total
	\$	\$	\$
As at 1 January 2017			
Gross book value	318,345	118,579	436,924
Accumulated depreciation and impairment	(139,348)	(25,351)	(164,699)
Net book value 1 January 2017	<u>178,997</u>	<u>93,228</u>	<u>272,225</u>
Additions:			
By purchase	-	6,958	6,958
From acquisition of entities (including restructuring)	-	-	-
Impairments	-	-	-
Depreciation expense	(8,468)	(5,360)	(13,828)
Other movement (reversal of accumulated depreciation on disposal or write off)	-	-	-
Disposals:	-	-	-
From disposal of entities (including restructuring)	-	-	-
From disposal or write off	-	-	-
	<u>170,529</u>	<u>94,826</u>	<u>265,355</u>
Net book value 31 March 2017			
Net book value as of 31 March 2017 represented by:			
Gross book value	318,345	125,537	443,882
Accumulated depreciation and impairment	(147,816)	(30,711)	(178,527)
Net book value 31 March 2017	<u>170,529</u>	<u>94,826</u>	<u>265,355</u>

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	2017 \$	2016 \$
NOTE 10A – TRADE PAYABLES		
Trade creditors	58,262	73,105
Accrued expenses	129,882	124,375
Subtotal trade creditors	<u>188,144</u>	<u>197,480</u>
Payables to other reporting unit		
CFMEU Construction & General National Branch	8,278	3,142
Subtotal payables to other reporting unit	<u>8,278</u>	<u>3,142</u>
Total trade payables	<u>196,422</u>	<u>200,622</u>
Settlement is usually made within 30 days.		
NOTE 10B – OTHER PAYABLES		
Legal costs - Litigation	277,986	63,711
Legal costs - Other	8,298	2,567
Subtotal Legal costs	<u>286,284</u>	<u>66,278</u>
Superannuation	18,193	20,863
GST Payable	-	-
Total other payables	<u>304,477</u>	<u>87,141</u>
Total other payables are expected to be settled in:		
No more than 12 months	<u>304,477</u>	<u>87,141</u>
Total other payables	<u>304,477</u>	<u>87,141</u>

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	2017 \$	2016 \$
NOTE 11 – OTHER CURRENT LIABILITIES		
Income in Advance	122,755	108,256
	<u>122,755</u>	<u>108,256</u>

NOTE 12 - PROVISIONS

	2017 \$	2016 \$
Opening balance at 1 January 2017	391,045	397,151
Net provision movement during year	6,634	(6,106)
Balance at 31 March 2017	<u>397,679</u>	<u>391,045</u>
Current	378,511	370,929
Non-Current	19,168	20,116
	<u>397,679</u>	<u>391,045</u>
Employee benefits attributable to:		
Office Holders		
Annual Leave	59,834	65,450
Long Service Leave	98,837	96,499
Separations and redundancies	-	-
Other	79,786	78,070
Subtotal employee provisions – office holders	<u>238,457</u>	<u>240,019</u>
Employees other than Office Holders		
Annual Leave	54,980	56,982
Long Service Leave	46,965	40,238
Separations and redundancies	-	-
Other	57,277	53,805
Subtotal employee provisions – employees other than office holders	<u>159,222</u>	<u>151,025</u>
Total Employee Provisions	<u>397,679</u>	<u>391,044</u>

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The recognition criteria for employee benefits has been included in Note 1.

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NOTE 13 – BORROWINGS

	2017 \$	2016 \$
Current		
Hire purchase	-	-
Less future finance charges	-	-
Loan from Creative Safety Initiatives Trust	7,220	7,220
Loan from Marque Northbourne Trust	322,042	322,042
	<u>329,262</u>	<u>329,262</u>
Non-Current		
Hire purchase	-	-
Less future finance charges	-	-
	<u>-</u>	<u>-</u>

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

NOTE 14 - CASH FLOW INFORMATION

(a) Reconciliation of Cash Flows from Operations with Profit

	2017 \$	2016 \$
Profit/(Loss) for the year	(463,965)	(1,886,214)
Adjustments for:		
Depreciation and amortisation	13,827	49,331
Unrealised gain on Investments	-	-
Bad Debts Expense	8,904	(9,901)
IAG Shares – Dividend Reinvestment Plan	(78)	(208)
Loss on sale of Assets	-	12,301
Investment Income	-	(245,458)
Changes in operating assets and liabilities:		
(Increase)/Decrease in receivables	(43,119)	(221,382)
(Increase)/Decrease in other assets	61,447	(14,817)
Increase/(Decrease) in payables	202,744	182,438
Increase/(Decrease) in provisions	5,624	(1,998)
Increase/(Decrease) in other liabilities	14,499	52,201
Cash flows from operations	<u>(200,117)</u>	<u>(2,083,707)</u>

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NOTE 14 - CASH FLOW INFORMATION (CONTINUED)

(b) Non-cash Financing and Investing Activities

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

(c) Credit Stand by Arrangement and Loan Facilities

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

(d) Cash Flow to/from other reporting units

	2017 \$	2016 \$
Cash Flow from other reporting units		
CFMEU Construction and General National Office	-	3,306
CFMEU Head Office	-	-
CFMEU Construction and General NSW	-	-
CFMEU Construction and General QLD	-	2,200
CFMEU Forestry and Furnishings Products Division VIC	-	-
CFMEU Construction and General WA	-	-
CFMEU Construction and General VIC/TAS	-	-
CFMEU Mining and Energy QLD	-	-
Total Cash Flow from Other reporting units	-	5,506
Cash Flow to other reporting units		
CFMEU Construction and General National Office	30,485	168,229
CFMEU Construction and General NSW	-	3,748
CFMEU Construction and General QLD	-	3,219
CFMEU Forestry and Furnishings Products Division VIC	-	-
CFMEU Head Office	-	123,372
CFMEU Construction and General WA	80	2,500
CFMEU Construction and General VIC/TAS	150	2,303
Total Cash Flow from Other reporting units	30,715	303,371

NOTE 15 – EVENTS AFTER THE BALANCE SHEET DATE

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

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 16 – RELATED PARTY TRANSACTIONS

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

Sitting fees for Office Holders

	2017	2016
	\$	\$
ACT Construction Industry Long Service Leave Board	395	2,683
ACIRT	(4,500)	10,000
Training Fund Authority	-	2,500
Membership	-	-
	<u>4,105</u>	<u>15,183</u>

Affiliation Fees

	2017	2016
	\$	\$
Australian Labor Party – ACT Branch	2,230	12,732
Unions ACT	2,964	13,042
APHEDA	-	2,240
	<u>5,194</u>	<u>28,014</u>

Transactions with other reporting units - Expenses

	2017	2016
	\$	\$
CFMEU Construction and General NSW	-	3,408
CFMEU Construction and General National Office	34,021	130,011
CFMEU Construction and General QLD	-	3,018
CFMEU Construction and General VIC/TAS	136	1,996
CFMEU Forestry and Furnishings Products Division VIC	-	-
CFMEU Construction and General WA	73	2,273
CFMEU Head Office	-	112,156
	<u>34,230</u>	<u>252,862</u>

Transactions with other reporting units - Revenue

	2017	2016
	\$	\$
CFMEU Construction and General NSW	-	-
CFMEU Construction and General National Office	3,760	3,005
CFMEU Head Office	-	-
CFMEU Construction and General QLD	-	2,000
CFMEU Forestry and Furnishings Products Division VIC	-	-
CFMEU Mining and Energy QLD	-	-
CFMEU Construction and General WA	-	-
	<u>3,760</u>	<u>5,005</u>

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 16 – RELATED PARTY TRANSACTIONS (CONTINUED)

Payables to other reporting units

	2017	2016
	\$	\$
CFMEU Construction and General National Office	8,278	3,142
CFMEU Construction and General VIC/TAS	-	-
CFMEU Forestry and Furnishings Products Division VIC	-	-
	<u>8,278</u>	<u>3,142</u>

Receivables from other reporting units

	2017	2016
	\$	\$
CFMEU Head Office	-	-
CFMEU Construction and General National Office	251,828	240,447
CFMEU Construction and General VIC/TAS	-	-
CFMEU Forestry and Furnishings Products Division VIC	-	-
CFMEU Mining and Energy QLD	-	-
	<u>251,828</u>	<u>240,447</u>

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period 1 January 2017 to 31 March 2017, the Construction Forestry Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2016: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTE 17 – ECONOMIC DEPENDENCY

The continuing operation of the Union is dependent upon the financial support by the Canberra Tradesmen's Union Club Limited to the Construction Forestry Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch. The support from Canberra Tradesmen's Union Club included financial support totalling \$250,000 (2016: \$510,000) for the period 1 January 2017 to 31 March 2017.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 18 - FINANCIAL RISK MANAGEMENT

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

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

	NOTE	2017 \$	2016 \$
Financial Assets			
Cash and cash equivalents	5	243,513	325,588
Available for sale financial assets			
– Shares in listed corporations	8	3,786	3,707
– Shares in Marquee Northbourne Trust		132,900	132,900
Loans and Receivables			
– Loan to Creative Safety Initiative Trust		-	-
– Loan to Canberra Tradesmen's Union Club Ltd		210,000	335,000
		<u>590,199</u>	<u>930,095</u>
Financial Liabilities			
Financial liabilities at amortised cost			
– Trade payables	10A	196,422	200,622
– Other payables	10B	304,477	87,141
– Borrowings	13	329,262	329,262
		<u>830,161</u>	<u>617,025</u>

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

	Not past due Nor Impaired 2017 \$	Past due or impaired 2017 \$	Not past due Nor Impaired 2016 \$	Past due or impaired 2016 \$
Financial asset				
Trade, term and loans receivables	-	7,316	-	7,316
Sundry debtors	-	60,030	-	52,898
Total	<u>-</u>	<u>67,346</u>	<u>-</u>	<u>60,214</u>

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 18 - FINANCIAL RISK MANAGEMENT (CONTINUED)

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

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

Ageing of financial assets that were past due but not impaired for 2016

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade receivables	240,447	8,751	-	7,316	256,514
Sundry Debtors	72,721	-	-	52,898	125,619
Total	313,168	8,751	-	60,214	382,133

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2017 TO 31 MARCH 2017**

NOTE 18 – FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Risk Management Policies

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

Specific Financial Risk Exposures and Management

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

a. Interest rate risk

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

b. Liquidity risk

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 18 – FINANCIAL RISK MANAGEMENT (CONTINUED)

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

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

Financial liability and financial asset maturity analysis 2017

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

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 18 – FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial liability and financial asset maturity analysis 2016

	Note	< 1 Year	1 - 2 Years	2 – 5 Years	>5 Years	Total
		\$	\$	\$	\$	\$
Financial liabilities due for payment						
Trade payables (excluding estimated annual leave and deferred income)	10A	200,622	-	-	-	200,622
Other payables	10B	87,141	-	-	-	87,141
Borrowings	13	329,262	-	-	-	329,262
Total expected outflows		617,025	-	-	-	617,025
Financial assets — cash flows realisable						
Cash and cash equivalents	5	325,588	-	-	-	325,588
Trade, term and loans receivables	6	335,478	-	-	-	335,478
Total expected inflows		661,066	-	-	-	661,066
Total Net Inflows/(Outflows)		(44,041)	-	-	-	(44,041)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2017 TO 31 MARCH 2017

NOTE 18 – FINANCIAL RISK MANAGEMENT (CONTINUED)

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

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

		2017		2016	
	Footnote	Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Financial assets					
Cash and cash equivalents	(i)	243,513	243,513	325,588	325,588
Trade and other receivables	(i)	378,407	378,407	335,478	335,478
Loans receivable	(i)	210,000	210,000	335,000	335,000
Investments – available-for-sale	(ii)	136,686	136,686	136,607	136,607
Total financial assets		968,606	968,606	1,132,673	1,132,673
Financial liabilities					
Trade payables	(i)	196,422	196,422	200,622	200,622
Other payables	(i)	304,477	304,477	87,141	87,141
Loans payable	(i)	329,262	329,262	329,262	329,262
Total financial liabilities		830,161	830,161	617,025	617,025

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 18 – FINANCIAL RISK MANAGEMENT (CONTINUED)

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

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

Sensitivity Analysis

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

	Financial Assets	
	Profit	Equity
	\$	\$
Period Ended 31 March 2017		
+/- 2% in interest rates	4,842	4,842
+/- 10% in investments – available for sale	13,669	13,669
Year Ended 31 December 2016		
+/- 2% in interest rates	6,484	6,484
+/- 10% in investments – available for sale	13,661	13,661

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

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

NOTE 19 – CAPITAL MANAGEMENT

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 20 – CONTINGENT LIABILITIES

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

Unquantifiable contingencies

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

NOTE 21 – COMMITMENTS

	2017	2016
	\$	\$
Hire Purchase Liability		
Payable – minimum lease payments		
Not later than 12 months	-	-
Between 12 months but not later than 5 years	-	-
Greater than 5 years		
Less future finance charges	-	-
	-	-
 Loan from Marque Northbourne Trust		
Payable – Not later than 12 months	322,042	322,042
	<u>322,042</u>	<u>322,042</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2017 TO 31 MARCH 2017

NOTE 22 – FAIR VALUE MEASUREMENTS

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

- Available for sale financial assets

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

(a) Fair value hierarchy

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

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

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

Valuation techniques

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2017 TO 31 MARCH 2017

NOTE 22 – FAIR VALUE MEASUREMENTS (CONTINUED)

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

	Note	Level 1 \$	Total \$
2017			
Recurring fair value measurements			
— Financial assets	8	<u>3,786</u>	<u>3,786</u>
Total assets recognised at fair value		<u>3,786</u>	<u>3,786</u>
	Note	Level 1 \$	Total \$
2016			
Recurring fair value measurements			
— Financial assets	8	<u>3,707</u>	<u>3,707</u>
Total assets recognised at fair value		<u>3,707</u>	<u>3,707</u>

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

Description	Fair value at 31 March 2017 \$	Valuation Techniques	Inputs used
— Financial assets	3,786	Market approach using quoted prices for identical assets published on Australian Stock Exchange	Price per square metre/yield to net income
	<u>3,786</u>		
Description	Fair value at 31 December 2016 \$	Valuation Techniques	Inputs used
— Financial assets	3,707	Market approach using quoted prices for identical assets published on Australian Stock Exchange	Price per square metre/yield to net income
	<u>3,707</u>		

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2017 TO 31 MARCH 2017**

NOTE 22 – FAIR VALUE MEASUREMENTS (CONTINUED)

(c) Disclosed fair value measurements

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

- Accounts receivable and other debtors
- Accounts payable and other payables
- Hire purchase liabilities

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2017 TO 31 MARCH 2017

NOTE 23 – MEMBERS’ ACCESS TO FINANCIAL RECORDS

Pursuant to Section 272 of the Fair Work (Registered Organisations) Act 2009, Members may access financial records as follows:

- 1) A member of the Union, or the General Manager, may apply to the Union for specified prescribed information in relation to the Union 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 Union.
- 3) A Union must comply with an application made under subsection (1).

NOTE 24 – GENERAL DISCLOSURES

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 25 – DISCLOSURE BY OFFICERS OF REMUNERATION AND NON-CASH ABENEFITS

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

Name of Officer	Relevant Remuneration	Non-Cash benefits
Dean Hall	Base Package \$64,312	Vehicle
Jason O'Mara	Base Package \$48,524	Vehicle

NOTE 26 – UNION DETAILS

The registered office of the union is:

3 Rosevear Place
Dickson ACT 2602

RSM Australia Pty Ltd

Equinox Building 4, Level 2, 70 Kent Street Deakin ACT 2600
GPO Box 200 Canberra ACT 2601

T +61(0) 2 6217 0300

F +61(0) 2 6217 0401

www.rsm.com.au

AUDITOR'S DISCLAIMER

The additional financial data presented in the following pages is in accordance with the books and records of the Construction Forestry Mining and Energy Union Construction and General Division - (ACT Branch) which have been subjected to the auditing procedures applied in our audit of the Construction Forestry Mining and Energy Union Construction and General Division - (ACT Branch) for the period 1 January 2017 to 31 March 2017. It will be appreciated that our audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person, other than to the Construction Forestry Mining and Energy Union Construction and General Division - (ACT Branch), in respect of such data, including any errors or omissions therein however caused.

A handwritten signature in black ink, appearing to read 'Rodney Miller'.

RODNEY MILLER

Director

RSM AUSTRALIA PTY LTD

Canberra, Australian Capital Territory

Dated: 23 August 2017 (Reissued)

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CONSTRUCTION FORESTRY MINING AND ENERGY UNION
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DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE PERIOD 1 JANUARY 2017 TO 31 MARCH 2017

	2017	2016
	\$	\$
Revenue		
Membership subscriptions	263,715	1,007,281
Grant Income	-	-
Donations received	250,000	755,458
Sitting fees	(4,105)	34,433
EBA Lodgement Income	-	5,218
JLT Income	-	-
Sundry income	-	-
Bad debts recovered	-	-
Interest received	1,444	42,918
Advertising	-	52,273
Profits from trusts	-	-
IQ Unit Distribution	-	-
Dividends Received	78	208
Audit and Training Fund	-	-
Adjustment to impairment of receivables	-	9,901
Revaluation of Investments	-	-
Sponsorship income	18,550	31,864
Settlement receipts	-	100,000
Counselling income	-	40
Total Revenue	529,682	2,039,594
Expenditure		
Membership fees	-	9,125
Audit and accounting fees	16,791	24,847
ACIRT	10,750	44,025
Advertising and promotion costs	14,954	53,550
Annual Leave expense	(7,618)	16,877
Bank charges	3,714	12,551
Bad Debts expense	8,904	-
Campaign Funding expense	64,757	180,870
Capitation fees – National Office	16,895	88,358
Loss on sale of motor vehicles	-	12,301
Catering	-	-
CITEA rent	-	-
Consultancy services	200	7,686
Compulsory Levies	7,615	9,173
Computer expenses	1,175	6,933
Conference & Meeting expenses	3,055	8,569
Depreciation	13,827	49,331
Donations	1,060	18,616
Fees/Allowances-Meeting & Conferences	5,900	68,009
Freight and cartage	2	487
Fines and Penalties	1,509	21,033
Fringe Benefits Tax	8,524	31,902
Interest	-	261
Insurance	6,996	24,412
Publications	19	37,471
Legal costs	327,696	1,023,126
Long Service Leave expense	9,064	23,827
Affiliation fees	5,194	23,868
Motor vehicle expenses	18,655	47,499
Newspapers	(50)	1,599
Payroll tax	23,898	98,404
Postage, printing and stationery	9,365	36,263

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	2017 \$	2016 \$
Expenditure (continued)		
Political payments	-	38,000
Salaries and wages – office holders & employees	326,353	1,480,754
Sponsorship	-	-
Subscriptions	437	1,145
Sundry expenses	141	430
Superannuation contributions	32,375	137,566
Staff amenities	565	25,880
Staff training	620	5,489
Telephone	8,730	37,204
Training	-	-
Travelling & accommodation expenses	28,030	110,745
Workers compensation	(75)	10,126
Waste Disposal	389	1,104
Repairs and maintenance	214	2,268
Office expenses	-	-
Member expenses	17,039	73,797
Protective clothing	790	-
RDO Expense	5,188	20,327
Total Expenditure	<u>993,647</u>	<u>3,925,808</u>
Operating Profit / (Loss)	<u>(463,965)</u>	<u>(1,886,214)</u>