

CFMMEU Mining & Energy Division of WA

ABN 26 591 880 340

Financial Statements
For the year ended 31 December 2019

CFMMEU Mining & Energy Division of WA
ABN 26 591 880 340

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**CFMMEU - MINING AND ENERGY DIVISION OF WA
COMMITTEE OF MANAGEMENT STATEMENT**

On 29th April 2020 the Committee of Management of CFMMEU - Mining and Energy Division of WA passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2019.

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

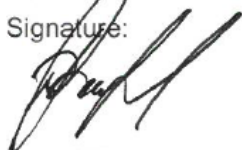
- a) the financial statements and notes comply with the Australian Accounting Standards.
- b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate.
- d) There are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable.
- e) During the financial year to which 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 *Fair Work (Registered Organisations) Act 2009*; and
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a 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 a Commissioner duly made under section 272 of the *Fair Work (Registered Organisations) Act 2009* has been furnished to the member or Commissioner; and
 - vi. there has been compliance with any order for inspection of financial records made by the Fair Work Commission under section 273 of the *Fair Work (Registered Organisations) Act 2009*.

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

For Committee of Management: Robert Sanford

Title of Office held: President

Signature:



Date: 29th April 2020

**CFMMEU - MINING AND ENERGY DIVISION OF WA
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2018
OPERATING REPORT**

The Committee of Management present their report, together with the financial statement of the reporting entity for the financial year ended 31 December 2019

1. General Information

Information on Committee of Management

information on each person who has been on the Committee of Management during the year and to the date of this report are:

Name	Position	Period of Appointment
Greg Busson	District Secretary	1 January 2019 to 31 December 2019
Robert Sanford	District President	1 January 2019 to 31 December 2019
Vic Arriagada	District Vice President	1 January 2019 to 31 December 2019
Position Vacant	District Vice President	1 January 2019 to 31 December 2019
Kim Praetz	Board of Management	1 January 2019 to 31 December 2019
Brenton Wood	Board of Management	1 January 2019 to 31 December 2019
Paul Bloxsom	Board of Management	1 January 2019 to 31 December 2019
Danielle Hage	Board of Management	1 January 2019 to 31 December 2019

Principal Activities

The principal activities of the Union during the financial year were;

- Adherence to the rules of the District in furtherance of the objects of the Union consistent with the industrial relations legislation.
- Implementation of the decisions of the District Executive and Committee of Management.
- Implementation of the Union's organising agenda, including assistance and advice on organising site projects, the training and development of officials and planning and resourcing campaigns.
- Industrial support including assistance with legal and legislative matters.
- The administration and variation of federal and state awards.
- Negotiation and registration of certified industrial instruments on behalf of members consistent with the objects of the Workplace Relations Act and the Union rules
- Media and other communication to members and the broader local communities of the District on issues affecting the rank and file.
- Monitoring and improving the health and safety of members.

No significant change occurred in these activities during the year.

The Committee of Management are pleased to report that generally they have been successful in achieving the objectives of the entity.

Operating Results

The entity made a profit of \$130,190 (2018: Loss of \$47,418) for the year ended 31 December 2019.

**CFMMEU - MINING AND ENERGY DIVISION OF WA
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2018
OPERATING REPORT**

2. Other Items

Significant Changes In Financial Affairs

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

Events after the Reporting Date

Management have assessed the likely impact of Covid 19 on its current financial position and its operations for the next 12 months. The Union's assets largely comprise cash and debtors (all debtors were subsequently received post balance date) and therefore Covid 19 will have no impact on the value of the assets held by the Union nor its current financial position. In terms of the likely impact on operations of the Union for the next 12 months management expect no material adverse impacts.

Other than Covid 19, no other matters or events have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Union, the results of those operations or the state of affairs of the Union in subsequent financial periods.

Right of Members to Resign

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

Superannuation 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.

Number of Members

There were 1,091 members of the Union as at 31 December 2019 (2018: 1,101)

Number of Employees

As at 31 December 2019 the Union had 2 employees (2018: 2)

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



**Robert Sanford
District President**

Date: 29th April 2020
Perth, WA

**CFMMEU - MINING AND ENERGY DIVISION OF WA
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2018
OPERATING REPORT**

**CFMMEU MINING AND ENERGY DIVISION WA
REPORT REQUIRED UNDER SUBSECTION 255(2A)
for the year ended 31 December 2019**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2019.

Descriptive form

Categories of expenditures	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses - employees	220,052	269,102
Advertising	3,165	1,166
Other Operating costs	469,167	582,232
Donations to political parties	-	-
Legal costs	-	-

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash assets	4	650,583	488,132
Receivables	5	139,246	146,087
Total Current Assets		789,829	634,219
Non-Current Assets			
Property, plant and equipment	6	29,257	38,613
Total Non-Current Assets		29,257	38,613
TOTAL ASSETS		819,086	672,832
LIABILITIES			
Current Liabilities			
Payables	7	65,393	71,567
Current tax liabilities	8	17,299	3,251
Provisions	9	22,169	13,979
Total Current Liabilities		104,861	88,797
TOTAL LIABILITIES		104,861	88,797
NET ASSETS		714,225	584,035
Equity			
Balance at 1 January		584,035	631,453
(Loss)/Profit for the year		130,190	(47,418)
Total Members' Funds		714,225	584,035

The accompanying notes form part of these financial statements

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
Revenue	2	822,574	805,082
Gross profit		822,574	805,082
Administration expenditure		(692,384)	(852,500)
(Loss)/Profit for the year		130,190	(47,418)
Other comprehensive income		-	-
Total comprehensive income for the year		130,190	(47,418)

During the reporting period no capitation fees were received from another reporting unit, and no revenue was received from another reporting unit.

During the reporting period there were no transfers to or withdrawing from a fund (other than the general fund), account, asset or controlled entity.

During the reporting period there were no payments to a former related party of the Union.

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
STATEMENT OF CHANGES IN EQUITY

	2019	2018
	\$	\$
Balance at 1 January	584,035	631,453
(Loss)/Profit for the year	130,190	(47,418)
Balance at 31 December	714,225	584,035

The accompanying notes form part of these financial statements

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
Income			
Members subscriptions Fees		814,906	807,278
Reimbursements		6,017	28,839
Interest received		43	46
Recovery of wages		-	-
Profit/(loss) sales merchandise		1,608	36
Profit/(loss) on sale of PP&E		-	(31,117)
Total income		822,574	805,082
Expenses			
Accountancy		4,872	6,500
Audit fees		9,000	9,000
Capitation fees - CFMMEU National	12	257,906	347,578
Affiliation fees – Other	12	9,583	14,601
Advertising and promotion		3,165	1,166
Bank fees and charges		3,924	4,590
Depreciation		9,356	9,403
Donations		11,440	9,812
Expenses executive		1,258	1,773
Expenses delegates		732	-
Fringe benefits tax		1,522	-
General expenses		70,021	54,060
Hire/rent of Plant & Equipment		6,243	7,730
Holiday pay provision		-	1,118
Insurance		13,293	15,736
Legal fees		-	-
Long service leave provision		-	-
Meeting costs		6,552	7,656
Motor vehicle expenses		11,282	14,329
Postage, printing, & stationery		3,383	3,147
Rent on land & buildings		20,800	20,280
Repairs & maintenance		-	102
Salaries & wages - office holders		142,247	187,200
Salaries & wages - non- office holders		58,336	66,948
Superannuation - office holders		13,927	13,836
Subscriptions		1,683	1,814
Superannuation - non- office holders		5,542	6,261
Telephone		6,863	7,024
Travel and Accommodation		19,454	40,836
Total expenses		692,384	852,500
(Loss)/Profit for the year		130,190	(47,418)

The accompanying notes form part of these financial statements

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Cash Flow from Operating Activities		
Receipts from Members	960,585	956,815
Payments to Suppliers and employees	(798,177)	(941,004)
Interest received	43	46
Net cash provided by (used in) operating activities (note ii)	162,451	15,857
Cash Flow from Investing Activities		
Proceeds from sale of property, plant and equipment	-	-
Purchase of property, plant & equipment	-	(39,805)
Net cash provided by (used in) operating activities (note ii)	-	(39,805)
Net Increase/(decrease) in cash held	162,451	(23,948)
Cash at the beginning of the year	488,132	512,080
Cash at the end of the year (note i)	650,583	488,132

The accompanying notes form part of these financial statements

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note i. Reconciliation Of Cash		
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.		
Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash at bank	650,583	389,431
Leave account	-	98,701
	650,583	488,132

Note ii. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Profit

Operating profit (loss) after tax	130,190	(47,418)
Non-Cash Flows in Profit from Ordinary Activities:		
Depreciation	9,356	9,403
Net loss on disposal of property, plant and equipment	-	31,117
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	6,841	8,802
Increase (decrease) in trade creditors and accruals	7,874	12,836
Increase (decrease) in employee entitlements	8,190	1,117
Net cash provided by operating activities	162,451	15,857

Note iii. Cashflow information to and from the other reporting unit

Cash Inflows:		
CFMMEU Mining & Energy National Office	7,093	176,721
Cash Outflows:		
CFMMEU Mining & Energy National Office	426,720	471,019

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 1: Summary of Significant Accounting Policies

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009. The committee has determined that the reporting unit is a not for profit reporting entity.

The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(a) Property, Plant and Equipment (PPE)

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Plant & Office equipment is depreciated at rates between 5% - 40% and Motor Vehicles are depreciated at a rate of 25%.

(b) Impairment of Assets

At the end of each reporting period, the entity 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.

(c) Employee Benefits

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

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

(e) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

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

The union receives payments from members on behalf of the national office, these payments are for the national assistance fund. As these funds are income for the national office they are not recorded as income for the reporting entity. The amount received by the reporting entity in the period relating to these payments is \$131,213.

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 1: Summary of Significant Accounting Policies (continued)

(f) 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 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 assets and liabilities statement are shown inclusive of GST.

(g) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association 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.

(h) Income Tax

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

(i) Financial Instruments

Non-derivative financial liabilities

Trade and other payables

Liabilities are recognised for amounts to be paid for goods or services received. Trade payables are settled on terms aligned with the normal commercial terms in the Union's operation. They are measured at amortised cost using the effective interest rate method.

Non-derivative financial assets

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

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

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

Impairment

For trade receivables the union applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(j) Application of New and Revised Accounting Standards

During the year ended 31 December 2019, management have reviewed all the new and revised standards and interpretations issued by the AASB that are relevant to the Union and effective for the reporting period beginning or after 1 January 2019.

New standards which have become effective for the financial period beginning 1 January 2019 are as follows;

- AASB 16 Leases

As a result of their review, management have determined that there is no material impact of the new and revised Standards and Interpretations on the presented financial statements of the Union. Accordingly, no retrospective adjustments were required as a result of adopting these new accounting standards.

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 2: Income		
Revenue:		
Membership Subscriptions	814,906	807,278
Reimbursements	6,017	28,839
Interest revenue	43	46
Profit/loss on sale of Merchandise and Property, Plant and Equipment	1,608	(31,081)
Levies - There were no compulsory or voluntary levies during the period	-	-
Capitation fees received	-	-
Grants or Donation - There were no grants or donations received during the period	-	-
	822,574	805,082

Note 3: Expenses

Profit (loss) from ordinary activities before income tax has been determined including the following expenses:

Fees incurred as consideration for employers making payroll deductions of membership subscriptions	-	-
Compulsory Levies Imposed	-	-
Fees or allowances paid to person to attend conferences or meetings as a representative of the reporting unit	-	-
Expenses incurred with holding meeting of members or any conferences or meetings of Councils, committees, panels or other bodies.	19,454	40,836
Penalties imposed under the RO Act	-	-
Grants or Donations		
(No Grants were made during the period)		
Grants less than \$1,000	-	-
Grants exceeding \$1,000	-	-
Donations less than \$1,000	1,440	812
Donations exceeding \$1,000	10,000	9,000

Legal Costs

Other legal matters	-	-
Litigation	-	-

(No legal costs were incurred for litigation during the period)

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 4: Cash assets		
Bank accounts:		
Cash at bank	650,583	389,431
Leave account	-	98,701
	650,583	488,132

Note 5: Receivables

Current

Trade debtors	139,246	146,087
Other Debtors	-	-
	139,246	146,087

There were no receivables from other reporting units, included in trade debtors.

Note 6: Property, Plant and Equipment

Plant and equipment:		
- At cost	52,574	52,574
- Less: Accumulated depreciation	(45,803)	(43,942)
Motor vehicles:		
- At cost	36,116	36,116
- Less: Accumulated depreciation	(13,630)	(6,135)
	29,257	38,613

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 6: Property, Plant and Equipment (continued)

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

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

	Plant & Equipment \$	Motor Vehicles \$	Total \$
Year ended 31 December 2019			
Balance at the beginning of year	8,632	29,981	38,613
Additions	-	-	-
Disposals - written down value	-	-	-
Depreciation expense	(1,861)	(7,495)	(9,356)
Balance at the end of the year	6,771	22,486	29,257
Year ended 31 December 2018			
Balance at the beginning of year	6,383	32,946	39,329
Additions	3,689	36,116	39,805
Disposals - written down value	-	(31,117)	(31,117)
Depreciation expense	(1,440)	(7,963)	(9,403)
Balance at the end of the year	8,632	29,981	38,613

Note 7: Payables

	2019 \$	2018 \$
Unsecured:		
- Trade creditors	65,393	70,102
- Superannuation payable	-	1,465
- Payroll Liabilities	-	-
- Payable for employers making payroll deductions of membership subscriptions	-	-
Legal fees Payable - Litigation	-	-
Legal Fees Payable - Other legal matters	-	-
	65,392	71,567
Amounts owing to other reporting unit		
CMEU Mining & Energy National Office	63,752	67,188

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 8: Tax Liabilities		
Current		
Net GST	12,346	(1,472)
FBT Instalments	761	761
Amounts withheld from salary and wages	4,182	3,962
	17,289	3,251

Note 9: Employee Benefits

Current

Total employee benefits attributable to;

Office Holder:

- Annual Leave	20,071	13,430
- Long Service Leave	-	-
- Separation and Redundancies	-	-
- Other employee provisions	-	-

Employees other than Office Holders:

- Annual Leave	2,098	549
- Long Service Leave	-	-
- Separation and Redundancies	-	-
- Other employee provisions	-	-

Aggregate employee entitlements liability

	22,169	13,979
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Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual leave for employees.

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 10: Remuneration of Auditor		
Total amounts received and receivable by the auditors of the union for:		
Audit of the Union' s financial report	9,000	9,000
Other Accounting Services	4,872	6,500
Note 11: Key Management Personnel Disclosures		
Key management personnel remuneration included within employee expenses for the year is shown below, the only office holder receiving remuneration from the Union is the District Secretary:		
Office Holder:		
Short term employee benefits		
Salary (including annual leave paid and accrued)	142,247	188,458
Long term employee benefits		
Long Service Leave	-	-
Post-employment benefits		
Superannuation	13,927	13,836
Termination benefits	-	-
Other employment expenses	-	-
Share based payments	-	-
	156,174	202,294
Employees other than Office Holders:		
Short term employee benefits		
Salaries (including annual leave paid and accrued)	58,336	66,808
Long term employee benefits		
Long Service leave	-	-
Post-employment benefits		
Superannuation	5,542	6,261
Termination benefits	-	-
Other employment expenses	-	-
Share based payments	-	-
	63,878	73,069
Note 12: Related Parties		
Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated, refer to the below for transactions made:		
CFMMEU M&E National	257,906	347,578
Unions WA Affiliation fees	2,754	2,744
ALP WA Branch	6,829	11,857

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 13: Events Subsequent to Reporting Date

Management have assessed the likely impact of Covid 19 on its current financial position and its operations for the next 12 months. The Union's assets largely comprise cash and debtors (all debtors were subsequently received post balance date) and therefore Covid 19 will have no impact on the value of the assets held by the Union nor its current financial position. In terms of the likely impact on operations of the Union for the next 12 months management expect no material adverse impacts.

Other than Covid 19, no other matters or events have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Union, the results of those operations or the state of affairs of the Union in subsequent financial periods.

Note 14: Critical Accounting Estimates and Judgements

The Committee of Management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

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

Note 15: Additional disclosures required under the *Fair Work (Registered Organisations) Act 2009* Events Subsequent to Reporting Date

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

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

Note 16: Section 272 Fair Work (Registered Organisations) Act 2009

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

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

1. A member of a reporting unit, or the Commissioner of the Registered Organisations Commission, 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, which and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
3. A reporting unit must comply with an application made under subsection (1).

Note 17: Recovery of Wages Activity

No recovery of Wages activity was carried out by the Union for the year ended 31 December 2019 (2018: Nil).

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 18: Capital Expenditure Commitments

There are no capital expenditure commitments for the 12 months ended 31 December 2019.

Note 19: Financial Risk Management

Financial risk management policies

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

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2019 \$	2018 \$
Financial Assets			
Cash and cash equivalents	4	650,583	488,132
Trade debtors	5	139,246	146,087
		789,829	634,219
Financial Liabilities			
Trade & sundry payables	7	65,393	71,567
		65,393	71,567

Financial Risk Management Policies

The Union's management is responsible for, among other issues, monitoring and managing financial risk exposures. The Union's management monitors the transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. The overall risk management strategy seeks to ensure that the Union meets its financial targets, whilst minimising potential cash flow shortfalls.

Specific Financial Risk Exposure 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

The Union is not exposed to any significant interest rate risk since cash balances are maintained at variable rates and there are currently no borrowings.

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Note 19: Financial Risk Management (continued)

Specific Financial Risk Exposure and Management (Cont)

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;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid subscriptions.

The table below reflect an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflect management's expectations as to the timing of realisation. Actual timing may therefore differ from that disclosed.

Financial liability and financial assets maturity analysis

	Within 1 year		1 to 5 years		Over 5 years		Total	
	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$
Financial liabilities								
Trade & sundry payables	65,393	71,567	-	-	-	-	65,393	71,567
Total financial liabilities	65,393	71,567	-	-	-	-	65,393	71,567
Financial assets								
Cash & cash equivalents	650,583	488,132	-	-	-	-	650,583	488,132
Trade & other receivables	139,246	146,087	-	-	-	-	139,246	146,087
Total financial assets	789,829	634,219	-	-	-	-	789,829	634,219

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability.

c. Foreign exchange risk

The Union is not exposed to fluctuations in foreign currencies

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Note 19: Financial Risk Management (continued)

Specific Financial Risk Exposure and Management (Cont)

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

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness. Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

Credit risk exposure

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

There is no collateral held by the Union securing trade or other receivables.

The Union has no significant concentration of credit risk with any single counterparty or group of counterparties.

- e. Price risk
The Union is not exposed to any material commodity price risk.

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. Areas of judgement and the assumptions used 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.

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Note 19: Financial Risk Management (continued)

Net Fair Values (Cont)

		2019		2018	
	Footnote	Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
		\$	\$	\$	\$
Financial assets					
Cash & cash equivalents	(i)	650,583	650,583	488,132	488,132
Trade & other receivables	(i)	139,246	139,246	146,087	146,087
		-----	-----	-----	-----
Total financial assets		789,829	789,829	634,219	634,219
		=====	=====	=====	=====
Financial liabilities					
Trade & sundry payables	(i)	65,393	65,393	71,567	71,567
		-----	-----	-----	-----
Total financial liabilities		65,393	65,393	71,567	71,567
		=====	=====	=====	=====

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, other current assets and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value.

**AUDITORS REPORT
TO THE MEMBERS OF CFMMEU
MINING & ENERGY DIVISION OF WA**

Audit Opinion

In our opinion:

- i. there were kept by the reporting unit in respect of the period satisfactory accounting records detailing the sources and nature of the income of the organisation (including income from members) and the nature and purpose of expenditure;
- ii. the attached accounts, notes, and statements on pages 4 to 22 have been prepared in accordance with Australian Accounting Standards, and are properly drawn up in accordance with the rules of the reporting unit, and so as to give a true and fair view of,
 - a) the financial position of the reporting unit as at 31 December 2019, and its financial performance and its cashflows for the year ended on that date
 - b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act); and
 - c) the income and expenditure and surplus of the reporting unit for the 12 months ended on that date.
- iii. Management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate.

Report on the Financial Report

We have audited the financial statements of the CFMMEU Mining & Energy Division for the 12 months ended 31 December 2019, comprising the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cashflows, the detailed Profit and Loss Statement, the notes to the financial statements, including a summary of significant accounting policies, the Committee of Management Statement and subsection 255(2A) report

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditors Responsibilities for the Audit of the Financial Report* section of our report. I am independent of the reporting unit in accordance with 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.

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

Information Other than the Financial Statements

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

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

Our responsibility is to read the other information and, in so doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We have nothing to report in this regard.

Management Committees' Responsibility for the Financial Report

The Committee of Management of the reporting unit is responsible for the preparation and presentation of the financial statements and the information contained therein. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

Auditors Responsibility

We have conducted an independent audit of these financial statements in order to express an opinion on them to the Members of the reporting unit.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free from material misstatement. Our procedures included examination on a test basis, of evidence supporting the amounts and other disclosures in the Accounts, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects the accounts are presented fairly in accordance with Australian Accounting Standards and statutory requirements so as to present a view of the Reporting Unit which is consistent with our understanding of its financial position and the results of its operations.

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/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

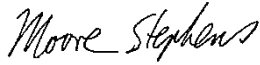
The audit opinion expressed in this report has been formed on the above basis.

I declare that I am an approved auditor required under the RO Act, a Fellow of CAANZ and hold a current public practice certificate.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act we are required to describe any deficiencies, failure or shortcomings in respect of the matters referred to in section 252 and 257(2) of the RO Act.

Our opinion on the financial report is not modified in respect of these matters.



MOORE STEPHENS
CHARTERED ACCOUNTANTS
PERTH



NEIL PACE
PARTNER
REGISTRATION NUMBER #AA2017/14
AND APPROVED AUDITOR FCA AND HOLDER
OF A CURRENT PUBLIC PRACTICE CERTIFICATE

Signed at Perth this 30th day of April 2020